

Stock Code: 2605

# Sincere Navigation Corporation

## Annual Report 2024

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<http://www.snc.com.tw>

I. Spokesperson and Deputy Spokesperson of the Company:

Spokesperson:

Vice President: Hsu, Chih-Hung

Tel.: (02)2703-7055

E-mail: [ad@snc.com.tw](mailto:ad@snc.com.tw)

Deputy Spokesperson:

Manager of Finance & Accounting: Fan, Hsiao-Ting

Tel.: (02)2703-7055

E-mail: [ad@snc.com.tw](mailto:ad@snc.com.tw)

II. Contact Information of the Company:

Address: 14F, No.368, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City 106, Taiwan

Tel.: (02)2703-7055

III. Stock Transfer Agency:

Name: CTBC Bank Transfer Agency

Address: 5F, No. 83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 100, Taiwan

Tel.: (02)6636-5566

Website: [www.ctbcbank.com.tw](http://www.ctbcbank.com.tw)

IV. Contact Information of the CPAs for the Latest Financial Statements

Names of CPAs: Lin, Yi-Fan and Liao, Fu-Ming

Name of CPA Firm: PwC Taiwan

Address: 27F, No. 333, Sec. 1, Keelung Rd., Xingyi Dist., Taipei City 110, Taiwan

Tel.: (02)2729-6666

Website: [www.pwc.tw](http://www.pwc.tw)

V. Overseas Securities Exchange Where Securities Are Listed and Method of Inquiry: None

VI. The Company's Website: [www.snc.com.tw](http://www.snc.com.tw)

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# Chapter 1. Letter to Shareholders

## I. 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.

## II. 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 4,543,802 thousand in 2024 a 6.45% increase from 2023. Net profit attributable to parent company shareholders was NTD 1,499,009 thousand with EPS of NTD 2.56.

## III. 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 1<sup>st</sup> 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.

#### IV. 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.

## V. Future Development 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.

## VI. 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

Managerial Officer Hsu, Chi-Kao

Accounting Officer Fan, Hsiao-Ting

## Chapter 2. Corporate Governance Report

### I. Information on Directors, President, Vice Presidents, and the Heads of the Company's All Departments

#### (I) Directors

##### 1. Information on directors

April 12, 2025

Title	Nationality / place of registration	Name	Gender Age	Date of election	Term (year)	First election date	Shareholding when elected		Current shareholding		Spouse and minor shareholding		Shareholding by nominees		Experience (education)	Other positions concurrently held at the Company or other companies	Executives, directors or supervisors who are spouses or within the second degree of kinship		
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Name	Relationship
Chairman and President (Note)	Republic of China	Hsu, Chi-Kao	Male 60	2022.6.10	3	2007.6.28	515,000	0.09%	515,000	0.09%	-	-	-	-	B.S., Biological and Economy, Claremont McKenna College, USA Vice Chairman and President of Sincere Navigation Corporation	Director and President of Norley Corporation Inc. Director and President of Heywood Limited Chairman of Oak Maritime (Canada) Inc. Chairman of Haihu Maritime Service (Shanghai) Co., Ltd. Director of Sincere Navigation Corporation (Singapore) Pte. Ltd.	-	-	-
Director	British Virgin Islands	Solar Shipping Agency Ltd.	-	2022.6.10	3	2019.6.28	18,363,398	3.14%	18,363,398	3.14%	-	-	-	-	-	-	-	-	-
Representative of Institutional Director	Republic of China	Tsai, Ching-Pen	Male 92	2022.6.10	3	2019.6.28	-	-	19,362	-	-	-	-	-	B.S., Navy Machinery College, United States Navy, Electronic College, and Navy Factory Management College Director of Jiaying Shipping Corporation Chairman and President of Sincere Navigation Corporation Chairman of Oak Maritime (Canada) Inc.	Director of Norley Corporation Inc. Director of Heywood Limited Director of Oak Maritime (Canada) Inc.	-	-	-
Director	Hong Kong	Orient Dynasty Ltd.	-	2022.6.10	3	2006.6.20	9,539,761	1.63%	9,539,761	1.63%	-	-	-	-	-	-	-	-	-

Title	Nationality / place of registration	Name	Gender Age	Date of election	Term (year)	First election date	Shareholding when elected		Current shareholding		Spouse and minor shareholding		Shareholding by nominees		Experience (education)	Other positions concurrently held at the Company or other companies	Executives, directors or supervisors who are spouses or within the second degree of kinship		
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Name	Relationship
Representative of Institutional Director	Republic of China	Chang, Fong-Chou	Male 76	2022.6.10	3	2022.6.10	-	-	15,900	-	-	-	-	-	Department of Systems Engineering & Naval Architecture, National Taiwan Ocean University President of CSBC Corporation, Taiwan President of Haihu Maritime Service (Shanghai) Co., Ltd. Director of Heywood Limited President and Senior Advisor of Sincere Navigation Corporation	-	-	-	-
Independent Director	Republic of China	Lee, Yen-Sung	Male 74	2022.6.10	3	2016.6.29	-	-	-	-	-	-	-	-	Master, Department of Accounting, Soochow University Deputy Territory Senior Partner of PwC Taiwan Man of the Board of Taipei CPA Association Board member of Accounting Research and Development Foundation Director of Taiwan Accounting Association Vice Chairman of the Board of CPA Associations R.O.C. (Taiwan) Convener of Supervisors at the Real Estate Agents Transaction Guaranty Foundation	Independent Director of Charoen Pokphand Enterprise (Taiwan) Independent Director of Taiwan FamilyMart Co., Ltd. Independent Director of Chicony Electronics Co., Ltd. Advisor of Real Estate Agents Transaction Guaranty Foundation	-	-	-

Title	Nationality / place of registration	Name	Gender Age	Date of election	Term (year)	First election date	Shareholding when elected		Current shareholding		Spouse and minor shareholding		Shareholding by nominees		Experience (education)	Other positions concurrently held at the Company or other companies	Executives, directors or supervisors who are spouses or within the second degree of kinship		
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Name	Relationship
Independent Director	Hong Kong	Cheng, Fu-Kwok	Male 77	2022.6.10	3	2019.6.28	-	-	-	-	-	-	-	-	Bachelor, Department of Social Sciences, University of Hong Kong Senior Advisor to the Global Shipping Head of CA CIB Honorary Chairman and Director of Credit Agricole Asia Shipfinance Limited Honorary Treasurer of Hong Kong Maritime Museum Member of Hong Kong Maritime and Port Board (MPB) and Chairman of the Promotion and External Relations Committee under MPB Independent Director of Grandland Shipping Limited Independent Director of Singamas Container Holdings Limited	Independent Director of Miricor Enterprises Holdings Limited	-	-	-
Independent Director	Republic of China	Tseng, Kuo-Cheng	Male 61	2022.6.10	3	2022.6.10	-	-	-	-	-	-	-	-	Master, Department of Systems Engineering & Naval Architecture, National Taiwan University President of CSBC Corporation, Taiwan Advisor of Ship and Ocean Industries R&D Center Advisor of Meal Industries Research and Development Centre Professor-level Part-time Technical Expert of National Cheng Kung University Adjunct Associate Professor, National Kaohsiung University of Science and Technology Chairman and President of High Tien Offshore Co., Ltd. Chairman of the Maritime Engineering Association of the Republic of China	Chairman of CSBC-DEME Wind Engineering Co. Ltd. Independent Director of IOVTEC Co., Ltd.	-	-	-

Title	Nationality / place of registration	Name	Gender Age	Date of election	Term (year)	First election date	Shareholding when elected		Current shareholding		Spouse and minor shareholding		Shareholding by nominees		Experience (education)	Other positions concurrently held at the Company or other companies	Executives, directors or supervisors who are spouses or within the second degree of kinship		
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Name	Relationship
Independent Director	Hong Kong	Koo, Tse-Hau	Male 54	2022.6.10	3	2022.6.10	-	-	-	-	-	-	-	-	Boston University, Bachelor of Business Administration Member of HKMPB Promotion and External Relations Committee Member of HKMPB Manpower Development Committee Chairman of ClassNK Hong Kong Committee Chairman of Hong Kong Shipowners Association	Executive Director of Valles Steamship Company Limited	-	-	-

Note: The terms of office for the Company's directors and independent directors will expire this year, with a full re-election scheduled for June 12, 2025. The number of independent director seats already exceeds half of the board, and over half of the directors do not concurrently hold positions as employees or managers. We are also currently in the process of identifying and recruiting a suitable candidate for the position of General Manager to join the Company's team..

2. Major shareholders of corporate shareholders:

Shareholders whose shareholding ratio is at the top ten of the Company's corporate directors are listed below:

April 12, 2025

Name of corporate director	Shareholders whose shareholding ratio is at the top ten of the corporate director	Shareholding ratio
Solar Shipping Agency Ltd.	Steve Gee King Hsu	100.00%
Orient Dynasty Co., Ltd.	Fred Tsai	100.00%

3. Information on the professional qualifications of Directors and the independence of Independent Directors

Qualifications Name	Professional qualifications and experience	Independence	Number of other public companies where the individual concurrently serves as an independent director	Number of other public companies where the individual concurrently serves as a Remuneration Committee member
Chairman, Hsu, Chi-Kao	Mr. Hsu Chi-Kao graduated with a double B.S., in Biological and Economy, Claremont McKenna College, California, USA, and is currently serving as the Chairman and President of the Company. Born in a shipping-oriented family, the son of Mr. Hsu Gee-King, Mr. Hsu Chi-Kao joined Sincere Navigation Corporation from the entry level in 1989 and gradually became familiar with the work of shipping, financial, technical, administration, operation, and other departments. From 2017 to 2019, he served as the chairman of the Hong Kong Shipowners Association and a member of the International Maritime Committee from 2020 to 2021. He continues to participate in the affairs of shipping associations and maintains close cooperation with maritime institutions at various international levels.	<ol style="list-style-type: none"> <li>1. He/she/it is not a natural-person shareholder who holds shares, together with those held by his/her/its spouse or minor children or held by him/her/it in other person's name, in an aggregate amount of 1% or more of the total number of issued shares of the Company or is ranked in the top 10 in shareholding.</li> <li>2. He/she/it is not a director, supervisor, or employee of an corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, or that ranks among the top 5 in shareholding, or that designates its representative to serve as a director or supervisor of the Company under Paragraph 1 or 2, Article 27 of the Company Act (except for an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such in, the Company and its parent company or subsidiary or a subsidiary under the same parent company).</li> <li>3. He/she/it is not a director, supervisor or employee of a company controlled by the same person who has shares over half of the Company's director seats or voting rights (except for an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such in, the Company and its parent company or subsidiary or a subsidiary under the same parent company).</li> <li>4. He/she/it is not a professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, managerial officer or spouse thereof that provides auditing service for the Company or any of its affiliates, or provides commercial, legal, financial, or accounting service with cumulative remuneration less than NT\$500,000 in the most recent two years. However, this does not apply in cases where members of the Remuneration Committee, the Review Committee for Public Tender Offer or the Special Committee for Mergers and Acquisitions perform their functions in accordance with the Securities and Exchange Act or the Business Mergers and Acquisitions Act.</li> <li>5. He/she/it is not a spouse or a relative within second-degree of kinship of any other director of the Company.</li> <li>6. He/she/it is not under any of the categories stated in Article 30 of the Company Act.</li> <li>7. He/she/it is not a governmental or legal person or a representative thereof as defined in Article 27 of the Company Act.</li> </ol>	0	0



<div>Qualifications</div> <div>Name</div>	Professional qualifications and experience	Independence	Number of other public companies where the individual concurrently serves as an independent director	Number of other public companies where the individual concurrently serves as a Remuneration Committee member
Director, Solar Shipping Agency Ltd. (Representative: Tsai, Ching-Pen)	Mr. Tsai Ching-Pen graduated with B.S., Navy Machinery College, United States Navy, Electronic College, and Navy Factory Management College. He served as the Chairman of Sincere Navigation Corporation from May 1998 until his retirement in June 2019 and passed the torch to Mr. Hsu Chi-Kao. During his position as chairman, he led the Company to be selected as "Asia's 200 Best Under A Billion" by Forbes in 2006 and was awarded excellent performance of the "Development of Green Shipping" by the Ministry of Transportation and Communication for eight consecutive years from 2012 to 2019.	<ol style="list-style-type: none"> <li>1. He/she/it is not an employee of the Company or any of its affiliates.</li> <li>2. He/she/it is not a natural-person shareholder who holds shares, together with those held by his/her/its spouse or minor children or held by him/her/it in other person's name, in an aggregate amount of 1% or more of the total number of issued shares of the Company or is ranked in the top 10 in shareholding.</li> <li>3. He/she/it is not a director, supervisor or employee of a company controlled by the same person who has shares over half of the Company's director seats or voting rights (except for an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such in, the Company and its parent company or subsidiary or a subsidiary under the same parent company).</li> <li>4. He/she/it is not a director, supervisor, or employee of another company or institution who, or whose spouse, serves as a chairman or president or serves in an equivalent position in the Company (except for an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such in, the Company and its parent company or subsidiary or a subsidiary under the same parent company).</li> <li>5. He/she/it is not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the Company (except for a specific company or institution holding more than 20% but less than 50% of the total issued shares of the Company and concurrently serving as an independent director, as appointed in accordance with the Act or the laws and regulations of the local country, in the Company and its parent company or subsidiary or a subsidiary under the same parent company).</li> <li>6. He/she/it is not a professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, managerial officer or spouse thereof that provides auditing service for the Company or any of its affiliates, or provides commercial, legal, financial, or accounting service with cumulative remuneration less than NT\$500,000 in the most recent two years. However, this does not apply in cases where members of the Remuneration Committee, the Review Committee for Public Tender Offer or the Special Committee for Mergers and Acquisitions perform their functions in accordance with the Securities and Exchange Act or the Business Mergers and Acquisitions Act.</li> <li>7. He/she/it is not under any of the categories stated in Article 30 of the Company Act.</li> </ol>	0	0

Qualifications Name	Professional qualifications and experience	Independence	Number of other public companies where the individual concurrently serves as an independent director	Number of other public companies where the individual concurrently serves as a Remuneration Committee member
Director, Orient Dynasty Ltd. (Representative: Chang, Fong-Chou)	Mr. Chang Fong-Chou graduated from the Department of Systems Engineering and Naval Architecture of National Taiwan Ocean University, engaged in vessel design and research development; with his outstanding performance he was promoted to Vice President of China Ship Building Corporation. Due to his expertise in the shipbuilding and shipping industry, he was once hired and promoted to the President of Sincere Navigation Corporation. He also served as the President and director of the Group's Haihu Maritime Service (Shanghai) Co., Ltd., and director of Heywood Limited. He served as a member of the CR Classification Society Classification Committee and Chairman of the Bureau Veritas Classification Committee, contributing professional knowledge and experience to the shipbuilding and shipping industry.	<ol style="list-style-type: none"> <li>1. He/she/it is not an employee of the Company or any of its affiliates.</li> <li>2. He/she/it is not a director or supervisor of the Company or any of its affiliates (except for independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such in, the Company and its parent company or subsidiary or a subsidiary under the same parent company).</li> <li>3. He/she/it is not a natural-person shareholder who holds shares, together with those held by his/her/its spouse or minor children or held by him/her/it in other person's name, in an aggregate amount of 1% or more of the total number of issued shares of the Company or is ranked in the top 10 in shareholding.</li> <li>4. He/she/it is not a director, supervisor, or employee of an corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, or that ranks among the top 5 in shareholding, or that designates its representative to serve as a director or supervisor of the Company under Paragraph 1 or 2, Article 27 of the Company Act (except for an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such in, the Company and its parent company or subsidiary or a subsidiary under the same parent company).</li> <li>5. He/she/it is not a director, supervisor or employee of a company controlled by the same person who has shares over half of the Company's director seats or voting rights (except for an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such in, the Company and its parent company or subsidiary or a subsidiary under the same parent company).</li> <li>6. He/she/it is not a director, supervisor, or employee of another company or institution who, or whose spouse, serves as a chairman or president or serves in an equivalent position in the Company (except for an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such in, the Company and its parent company or subsidiary or a subsidiary under the same parent company).</li> <li>7. He/she/it is not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the Company (except for a specific company or institution holding more than 20% but less than 50% of the total issued shares of the Company and concurrently serving as an independent director, as appointed in accordance with the Act or the laws and regulations of the local country, in the Company and its parent company or subsidiary or a subsidiary under the same parent company).</li> <li>8. He/she/it is not a professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, managerial officer or spouse thereof that provides auditing service for the Company or any of its affiliates, or provides commercial, legal, financial, or accounting service with cumulative remuneration less than NT\$500,000 in the most recent two years. However, this does not apply in cases where members of the Remuneration Committee, the Review Committee for Public Tender Offer or the Special Committee for Mergers and Acquisitions perform their functions in accordance with the Securities and Exchange Act or the Business Mergers and Acquisitions Act.</li> <li>9. He/she/it is not under any of the categories stated in Article 30 of the Company Act.</li> </ol>	0	0

<p>Convener of Independent Director, Lee, Yen-Sung</p>	<p>Mr. Lee Yen-Sung graduated with a master's degree in Accounting from Soochow University and is currently an independent director of Charoen Pokphand Enterprise (Taiwan) Co., Ltd., Taiwan FamilyMart Co., Ltd., and Chicony Electronics Co., Ltd. He has also been selected as the Supervisor Chairperson of Real Estate Agents Transaction Guaranty Foundation, Taiwan R.O.C. for three consecutive years. He was the Deputy Territory Senior Partner of PwC Taiwan, the 9th and 10th Executive Vice Chairman of the National Federation of CPA Associations of the R.O.C., and the 16th and 17th Chairman of the Taipei CPA Association. He also served as Adjunct Lecturer at the Accounting Department of National Taiwan University and Soochow University, with professional qualifications as a CPA and years of relevant practice experience.</p>	<ol style="list-style-type: none"> <li>1. He/she/it is not an employee of the Company or any of its affiliates.</li> <li>2. He/she/it is not a director or supervisor of the Company or any of its affiliates (except for independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such in, the Company and its parent company or subsidiary or a subsidiary under the same parent company).</li> <li>3. He/she/it is not a natural-person shareholder who holds shares, together with those held by his/her/its spouse or minor children or held by him/her/it in other person's name, in an aggregate amount of 1% or more of the total number of issued shares of the Company or is ranked in the top 10 in shareholding.</li> <li>4. He/she/it is not a spouse, relative within second-degree of kinship, or lineal relative within third-degree of kinship, of any of the managerial officer specified in (1), or of any person specified in (2) and (3).</li> <li>5. He/she/it is not a director, supervisor, or employee of an corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, or that ranks among the top 5 in shareholding, or that designates its representative to serve as a director or supervisor of the Company under Paragraph 1 or 2, Article 27 of the Company Act (except for an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such in, the Company and its parent company or subsidiary or a subsidiary under the same parent company).</li> <li>6. 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Independent Director, Cheng, Fu-Kwok	<p>Mr. Cheng, Fu-Kwok graduated from the University of Hong Kong and currently assumes the position of the Independent Director of Miricor Enterprises Holdings Limited. He was a director and honorary chairman of Credit Agricole Asia Shipfinance Limited. He served as the Senior Advisor of the Global Shipping Department to Credit Agricole CIB, the Honorary Treasurer of the Hong Kong Shipowners Association from 2001 to 2008, and a member of the Working Group on Transportation under the Hong Kong Economic Development Commission from January 2015 to March 2018. Mr. Cheng had been appointed by the Government of the Hong Kong Special Administrative Region as a Member of the Maritime and Port Board (“MPB”) and Chairman of the Promotion and External Relations Committee under the MPB with effective from 1 April 2016 to 31 March 2018. He is also the Honorary Treasurer of the Hong Kong Maritime Museum. In June 2015, Mr. Cheng was conferred the Distinction of “Chevalier de l’ordre National du Mérite” by the French Government. He has extensive experience in banking, corporate finance and shipfinance.</p>	<ol style="list-style-type: none"> <li>1. He/she/it is not an employee of the Company or any of its affiliates.</li> <li>2. He/she/it is not a director or supervisor of the Company or any of its affiliates (except for independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such in, the Company and its parent company or subsidiary or a subsidiary under the same parent company).</li> <li>3. He/she/it is not a natural-person shareholder who holds shares, together with those held by his/her/its spouse or minor children or held by him/her/it in other person’s name, in an aggregate amount of 1% or more of the total number of issued shares of the Company or is ranked in the top 10 in shareholding.</li> <li>4. He/she/it is not a spouse, relative within second-degree of kinship, or lineal relative within third-degree of kinship, of any of the managerial officer specified in (1), or of any person specified in (2) and (3).</li> <li>5. He/she/it is not a director, supervisor, or employee of an corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, or that ranks among the top 5 in shareholding, or that designates its representative to serve as a director or supervisor of the Company under Paragraph 1 or 2, Article 27 of the Company Act (except for an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such in, the Company and its parent company or subsidiary or a subsidiary under the same parent company).</li> <li>6. 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Independent Director, Tseng, Kuo-Cheng	<p>Mr. Tseng Kuo-Cheng, graduated with a master's degree in Naval Architecture from National Taiwan University, served as the President of CSBC Corporation, Taiwan, Advisor to the Ship and Ocean Industries R&amp;D Center and Metal Industries Research and Development Centre, and a professor and an expert at National Cheng Kung University. Chairman and President of High Tien Offshore Co. Ltd, as well as the chairman of the Maritime Engineering Association of the Republic of China He is currently serving as the Chairman of CSBC-DEME Wind Engineering Co.Ltd. Independent director of IOVTEC Co., Ltd. He has extensive industry experience.</p> <p>Since university, he has devoted himself to learning shipbuilding and actively participating in various domestic academic activities related to shipbuilding. Through sharing his personal shipbuilding career and promoting various industry-academia cooperation projects, he has enhanced domestic shipbuilding technology, promoted shipbuilding education, and so far, he has nurtured many shipbuilding talents who have become the main force in building national vessels.</p>	<ol style="list-style-type: none"> <li>1. He/she/it is not an employee of the Company or any of its affiliates.</li> <li>2. He/she/it is not a director or supervisor of the Company or any of its affiliates (except for independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such in, the Company and its parent company or subsidiary or a subsidiary under the same parent company).</li> <li>3. 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Independent Director, Koo, Tse-Hau	<p>Mr. Koo graduated from Boston University in the United States with a bachelor's degree in Business Administration, majoring in marketing and operation management. After graduation, he joined HSBC Asset Management (Hong Kong) Limited as an operation administrative trainee. Then he joined the Hong Kong Trade Development Council and dedicated himself to the promotion of Hong Kong trade. The Hong Kong Trade Development Council is a statutory body to promote Hong Kong trade. Subsequently, he joined the family-owned Valles Steamship Co., Ltd. (Hong Kong) as an Executive Director. He is currently a member of the Hong Kong Committee of the Nippon Kaiji Kyokai, Chairman of the Hong Kong Shipowners Association, and a council member of INTERTANKO, the International Association of Independent Tanker Owners. He was the maritime officer of the Hong Kong Maritime Bureau, former Chairman of the Education and Training Subcommittee (MPET), a member of the Hong Kong Maritime Port Bureau, former Chairman of the Class NK Hong Kong Committee, the honorary president of the Maritime Institute, and a member of the Chartered Institute of Shipbrokers. Chairman of Hong Kong Shipowners Association</p>	<ol style="list-style-type: none"> <li>1. He/she/it is not an employee of the Company or any of its affiliates.</li> <li>2. He/she/it is not a director or supervisor of the Company or any of its affiliates (except for independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such in, the Company and its parent company or subsidiary or a subsidiary under the same parent company).</li> <li>3. 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4. Diversity and independence of the Board of Directors:

(1) Diversity of the Board of Directors:

(1) Diversity Policy

According to the Company's Corporate Governance Best Practice Principles, the composition of the Company's Board of Directors shall take diversity into consideration and generally hold the necessary knowledge, skills, and attainment to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall have the capabilities of operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market perspective, leadership, and decision-making.

(2) Specific Management Goals and Implementation Status

There are 7 directors, including 4 Independent Directors, in the Company's 19th Board of Directors, and the Board of Directors, as a whole, has the capabilities of operating judgment, leadership and decision-making, business management, international market perspective and crisis management. The Board of Directors is fully familiar to shipping industry and has experience in the professional industries of international economy, financial/accounting, environmental protection, and technical/shipbuilding, etc. Among which, the Independent Director Lee, Yen-Sung has CPA license and has experience in practice, management, and teaching, etc.

(a) Each board director shall have at least three professional expertise (including business management, leadership and decision-making, finance, construction and engineering, insurance and real estate) with at least two board directors possessing each of the five necessary expertise.

(b) At least one of the board directors is under the age of 60.

(c) The seats of independent directors shall account for more than 50%.

The relevant implementation situation is detailed in the following table:

Name of director	Cores of diversity	Basic composition							Experience in the industry					Professional abilities					
		Nationality	Gender	Employee status	Age				Seniority of Independent Director			Business management	Leadership and decision-making	Finance	Construction and engineering	Insurance and real estate	Environmental protection	Accounting	Risk management
					Over 80	71-80	61-70	51-60	6-9 years	3-6 years	Less than 3 years								
Hsu, Chi-Kao	R.O.C.	Male	V	V						V	V	V						V	
Solar Shipping Agency Ltd.(Representative: Tsai, Ching-Pen)	R.O.C.	Male					V				V	V	V					V	

Name of director	Cores of diversity	Basic composition							Experience in the industry				Professional abilities					
		Nationality	Gender	Employee status	Age			Seniority of Independent Director			Business management	Leadership and decision-making	Finance	Construction and engineering	Insurance and real estate	Environmental protection	Accounting	Risk management
					51-60	61-70	71-80	Over 80	Less than 3 years	3-6 years								
Orient Dynasty Ltd. (Representative: Chang, Fong-Chou)		R.O.C.	Male				V					V	V					V
Lee, Yen-Sung, Independent Director		R.O.C.	Male				V			V		V	V		V		V	V
Cheng, Fu-Kwok, Independent Director		Hong Kong	Male				V			V		V	V					V
Tseng, Kuo-Cheng, Independent Director		R.O.C.	Male		V				V			V	V		V		V	V
Koo, Tse-Hau, Independent Director		Hong Kong	Male		V				V			V	V					V

- Amendments and supplements will be made to the diversity policy in the future depending on the operating status, business type, and development needs of the Board of Directors, including but not limited to the two major standards, i.e., its basic conditions and value, professional knowledge and skills, so as to ensure that the Board of Director's members shall generally have the knowledge, skills, and attainment required for the fulfillment of duties.

(2) Independence of the Board of Directors: Subject to the requirements specified in the listing rules, the Company has obtained written statements from four Independent Directors confirming the independence of itself and its immediate families to the Company, and there is no material violation committed thereby. For the relevant evaluation on independence, please refer to "3. Information on the professional qualifications of Directors and Supervisors and the independence of Independent Directors". And they have not obtained any remuneration due to provision of commercial, legal, financial, or accounting service to the Company or any of its affiliates in the most recent two fiscal years.



## (II) Information on President, Vice Presidents, and the Heads of the Company's All Departments

April 12, 2025

Title	Nationality	Name	Gender Age	Date taking office	Shareholding		Spouse and minor shareholding		Shareholding by nominees		Experience (education)	Other positions concurrently held at the Company or other companies	Managers who are spouses or within the second degree of kinship		
					Number of shares	Share- holding ratio	Number of shares	Share- holding ratio	Number of shares	Share- holding ratio			Title	Name	Relation- ship
President	R.O.C.	Hsu, Chi-Kao	Male 60	2016.06.29	515,000	0.09%	--	--	--	--	B.S., Biological and Economy, Claremont McKenna College, USA	Director and President of Norley Corporation Inc. and Heywood Limited Chairman of Haihu Maritime Service (Shanghai) Co., Ltd. Director of Sincere Navigation Corporation (Singapore) Pte. Ltd.	--	--	--
Vice President and Manager of Security Department	R.O.C.	Luan, Wen-Pin	Male 58	2018.09.03	18,720	0.00%	41,253	0.01%	--	--	Master, Department of Merchant Marine, National Taiwan Ocean University	None	--	--	--
Vice President and Spokesperson of the Company	R.O.C.	Hsu, Chih-Hung	Male 50	2021.11.09	--	--	--	--	--	--	Master, Business Administration, Columbia University in the City of New York CPA, California, USA	None	--	--	--
Vice President	R.O.C.	Hu, Jui-Chin	Male 60	2018.03.28	2,061	0.00%	10,300	0.00%	--	--	Master, The Institute of Naval Architecture, National Taiwan University	None	--	--	--
Senior Manager of Finance & Accounting Department, Corporate Governance Officer, and Financial Supervisor	R.O.C.	Chen, Lan-Fang	Female 61	1999.01.01	369	0.00%	--	--	--	--	Bachelor, Department of Accounting, National Chengchi University Assistant Manager of PwC Taiwan	None	--	--	--
Manager of Operating Department	R.O.C.	Kuo, Sung-Hui	Female 50	2021.01.26	13,141	0.00%	--	--	--	--	Bachelor, Department of Shipping and Transportation Management, National Taiwan Ocean University	None	--	--	--
Manager of Crew Department	R.O.C.	Leu, Jing-Cheng	Male 61	2018.09.03	--	--	--	--	--	--	China Maritime College	None	--	--	--
Assistant Manager of Internal Audit Internal Auditing Officer	R.O.C.	Hu, Chia-Hua	Female 43	2021.07.01	--	--	--	--	--	--	Bachelor, Department of Shipping and Transportation Management, National Taiwan Ocean University	None	--	--	--

Title	Nationality	Name	Gender Age	Date taking office	Shareholding		Spouse and minor shareholding		Shareholding by nominees		Experience (education)	Other positions concurrently held at the Company or other companies	Managers who are spouses or within the second degree of kinship		
					Number of shares	Share- holding ratio	Number of shares	Share- holding ratio	Number of shares	Share- holding ratio			Title	Name	Relation- ship
Manager of Finance &Accounting Department, Accounting Officer and Deputy Spokesperson of the Company	R.O.C.	Fan, Hsiao- Ting	Female 39	2017.02.08	--	--	--	--	--	--	Bachelor, Department of Accounting, Fu Jen Catholic University Assistant Manager, PWC	None	--	--	--

## II. Remuneration Paid During the Most Recent Fiscal Year to Directors, President, and Vice Presidents

### (I) Remuneration Paid to Directors

Title	Name	Remuneration								Ratio of total remuneration (A+B+C+D) to net income (%)		Relevant remuneration received by directors who are also employees								Ratio of total compensation (A+B+C+D+E+F+G) to net income (%)		Compensation paid to directors from an invested company other than the Company's subsidiaries
		Base compensation (A)		Severance pay and pension (B)		Directors' compensation (C)		Business execution expenses (D)				Salary, bonuses, and allowances (E)		Severance Pay and Pension (F) (Note1)		Employee compensation (G)						
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	Cash	Stock	Cash	Stock	The Company	All companies in the consolidated financial statements	
Chairman	Hsu, Chi-Kao	--	--	--	--	6,235	6,235	250	250	6,485 0.43%	6,485 0.43%	6,000	6,000	108 (Note 1)	108 (Note 1)	3,025	--	3,025	--	15,618 1.04%	15,618 1.04%	None
Director	Solar Shipping Agency Ltd.	--	--	--	--	3,118	3,118	--	--	3,118 0.21%	3,118 0.21%	--	--	--	--	--	--	--	--	3,118 0.21%	3,118 0.21%	
	(Representative: Tsai, Ching-Pen)	--	--	--	--	--	--	180	180	180 0.01%	180 0.01%	--	1,407	--	--	--	--	--	--	180 0.01%	1,587 0.11%	
Director	Orient Dynasty Ltd.	--	--	--	--	3,118	3,118	--	--	3,118 0.21%	3,118 0.21%	--	--	--	--	--	--	--	--	3,118 0.21%	3,118 0.21%	
	(Representative: Chang, Fong-Chou)	--	--	--	--	--	--	180	180	180 0.01%	180 0.01%	--	--	--	--	--	--	--	--	180 0.01%	180 0.01%	
Independent Director	Lee, Yen-Sung	--	--	--	--	5,456	5,456	360	360	5,816 0.39%	5,816 0.39%	--	--	--	--	--	--	--	--	5,816 0.39%	5,816 0.39%	None
Independent Director	Cheng, Fu-Kwok	--	--	--	--	4,677	4,677	360	360	5,037 0.34%	5,037 0.34%	--	--	--	--	--	--	--	--	5,037 0.34%	5,037 0.34%	
Independent Director	Tseng, Kuo-Cheng	--	--	--	--	4,677	4,677	360	360	5,037 0.34%	5,037 0.34%	--	--	--	--	--	--	--	--	5,037 0.34%	5,037 0.34%	
Independent Director	Koo, Tse-Hau	--	--	--	--	4,677	4,677	360	360	5,037 0.34%	5,037 0.34%	--	--	--	--	--	--	--	--	5,037 0.34%	5,037 0.34%	

- Please specify the payment policy, system, standards and structure of remuneration to Independent Directors, and describe the relevance between the amount of remuneration and the factors such as their duties, risks, time invested, etc.:  
The Company's Articles of Incorporation specifies the principles for payment of remuneration to directors, authorizing the Board of Directors to determine the remuneration by referring to the extent of the member's participation in the Company's operating and the value of their contribution, as well as the compensation level in the industry.
- In addition to that disclosed in the above table, remuneration received by the Company's director for providing services (such as serving as a non-employee consultant for parent company or all companies in Financial Statements or investee, etc.) in the most recent year:\$0

Note 1: It refers to the labor pension withdrew in accordance with the Labor Pension Act.

(II) Remuneration Paid to President and Vice Presidents

Title	Name	Salary (A)		Severance pay and pension (B) (Note)		Bonuses and allowances (C)		Employee compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Compensation paid to directors from an invested company other than the Company's subsidiaries
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company		All companies in the consolidated financial statements		The Company	All companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
President	Hsu, Chi-Kao	5,964	5,964	108	108	36	36	3,025	-	3,025	-	9,133 0.61%	9,133 0.61%	None
Vice President	Hsu, Chih-Hung	4,096	4,096	108	108	36	36	3,758	-	3,758	-	7,998 0.53%	7,998 0.53%	
	Luan, Wen-Pin	3,098	3,098	108	108	280	280	2,844	-	2,844	-	6,330 0.42%	6,330 0.42%	
	Hu, Jui-Chin	2,617	2,617	-	-	235	235	2,407	-	2,407	-	5,259 0.35%	5,259 0.35%	

Note: It refers to the labor pension withdrew in accordance with the Labor Pension Act.

(III) Remuneration table of the top five executives with the highest remuneration

Title	Name	Salary (A)		Severance pay and pension (B) (Note)		Bonuses and allowances (C)		Employee compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Compensation paid to directors from an invested company other than the Company's subsidiaries
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company		All companies in the consolidated financial statements		The Company	All companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
President	Hsu, Chi-Kao	5,964	5,964	108	108	36	36	3,025	-	3,025	-	9,133 0.61%	9,133 0.61%	None
Vice President	Hsu, Chih-Hung	4,096	4,096	108	108	36	36	3,758	-	3,758	-	7,998 0.53%	7,998 0.53%	
	Luan, Wen-Pin	3,098	3,098	108	108	280	280	2,844	-	2,844	-	6,330 0.42%	6,330 0.42%	
	Hu, Jui-Chin	2,617	2,617	-	-	235	235	2,407	-	2,407	-	5,259 0.35%	5,259 0.35%	
Senior Manager	Chen, Lan-Fang	3,282	3,282	108	108	211	211	2,450	-	2,450	-	6,051 0.40%	6,051 0.40%	

(IV) Employee Compensation Paid to Managerial Officers

Unit: NT\$ thousand

	Title	Name	Stock amount	Cash amount	Total	Ratio of total amount to net income (%)
Managerial officers	President	Hsu, Chi-Kao	-	18,465	18,465	1.23%
	Vice President	Luan, Wen-Pin				
		Hsu, Chih-Hung				
		Hu, Jui-Chin				
	Senior Manager of Finance & Accounting Department, Corporate Governance Officer, and Financial Supervisor	Chen, Lan-Fang				
	Manager of Operating Department	Kuo, Sung-Hui				
	Manager of Crew Department	Leu, Jing-Cheng				
	Manager of Finance & Accounting Department, Accounting Officer, and Deputy Spokesperson of the Company	Fan, Hsiao-Ting				

(V) Separate Comparison and Description of The Total Remuneration Paid by the Company and All Other Companies Included in the Consolidated Financial Statements to the Company's Directors, President and Vice Presidents in the Most Recent Two Fiscal Years, Analysis on the Ratio of Such Total Remuneration to After-tax Net Income, and Explanation of Remuneration Payment Policies, Standards, and Combination, Procedures for Determining Remuneration, and Its Relevant with Operating Performance:

- (1) Analysis on the ratio of the total remuneration paid by the Company and all companies in the Consolidated Financial Statements to the Company's directors, President and Vice Presidents in the most recent two fiscal years to After-tax Net Income is as follows:

Unit: NT\$ thousand

Year	Total remuneration paid to Directors, President and Vice Presidents	Ratio of total remuneration to net income
2023	\$32,593	7.34%
2024	\$64,135	4.28%

- (2) Explanation of remuneration payment policies, standards and combination

- (1) Remuneration Committee formulates and regularly reviews the policies, systems, standards and structure of performance evaluation and remuneration for directors and managerial officers, and submits its opinions to the Board of Directors for discussion. The remuneration combination are established based on the prevailing market conditions and the Company's operating status and organizational structure, and are adjusted at an appropriate time according to the salary trends in market, changes in overall economy and industry environment, and relevant laws and regulations.

- (2) No variable remuneration was paid to directors, except for annual fixed travel allowances and remuneration distributed in accordance with the Company's Articles of Incorporation. Remuneration to directors is resolved by the Board of Directors after it was reviewed by Remuneration Committee depending on operating performance and profitability after the Company's business goals, financial position, and directors' duties have been fully considered.
  - (3) The remuneration combination for managerial officers is determined on the basis of their educational background, professional knowledge and skills, years of service, and individual performances. The individual performance-based remuneration are also adjusted depending on the Company's overall operating status on an annual basis.
  - (4) The Company distributes year-end bonuses based on its operating performance and sets side employee compensation based on its profits before tax, and their amount is related to operating performance and profitability, which shall be approved by the Remuneration Committee before being reported to the Board of Directors for resolution.
- (3) Procedures for determining remuneration
- The Company's remuneration payment policy for directors is specified in Articles 22 and 30 of the Company's Articles of Incorporation. No less than 1% and no more than 5% of the Company's pre-tax income of the current year (i.e., income before deducting the employee compensation and director's compensation to be distributed) shall be withdrawn as employee compensation and director's compensation respectively by the resolution submitted to and approved by more than half of the directors present at the Board of Directors' meeting attended by over two-thirds of directors after approved by the Remuneration Committee, which shall be reported to the Shareholders' Meeting. However, if the Company has accumulated losses, a certain amount shall be reserved for recovery of the losses first.
- (4) Relevance with the Company's operating performance and future risks
- Remuneration payment standards are formulated depending on the degree of their participation in the Company's operation, the value of their contribution, and the Company's business performance. The future operating risks and the development trends in the industry are also taken into consideration in the approval of the remuneration for each position. Salary reasonableness is reviewed by the Remuneration Committee and the Board of Directors. The remuneration system is reviewed whenever necessary to reflect actual business performance and regulations in order to maintain the balance between sustainable development and risk management.

### III. Implementation of Corporate Governance

#### (I) Information on Operation of the Board of the Directors

A total of 5 (A) Board of Directors' meetings were held in 2024, with the attendance by directors and supervisors as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance rate (%) [B/A]	Note
Chairman	Hsu, Chi-Kao	5	0	100.00	
Director	Solar Shipping Agency Ltd. (Representative: Tsai, Ching-Pen)	1	1	20.00	
Director	Orient Dynasty Ltd. (Representative: Chang, Fong-Chou)	5	0	100.00	
Independent Director	Lee, Yen-Sung	5	0	100.00	
Independent Director	Cheng, Fu-Kwok	5	0	100.00	
Independent Director	Tseng, Kuo-Cheng	3	2	60.00	
Independent Director	Koo, Tse-Hau	5	0	100.00	

Other matters required to be recorded:

1. With regard to the operation of the Board of Directors, if any of the following circumstances occurs, the Board of Directors' meeting date and session, contents of proposals, all Independent Directors' opinions and the Company's response to Independent Directors' opinions shall be specified:

(1) Matters specified in Article 14-3 of the Securities and Exchange Act:

Date of the Board of Directors' meeting	Period	Contents of proposal	Independent Directors' opinions or the Company's response to Independent Directors' opinions
2024/03/12	10	(1) Resolved to approve the Company's role as the joint and several guarantor for a USD 7 million short-term credit line agreement between our subsidiary, Norley Corporation Inc., and First Commercial Bank.	None.
2024/05/10	11	(1) Resolved to approve the amendment to the Company's "Audit Committee Charter." (2) Resolved to approve the amendment to the Company's "Rules of Procedure for Board Meetings."	None.
2024/08/09	13	(1) Resolved to approve the Company acting as the joint and several guarantor for the renewal of a USD 10 million short-term credit line agreement between its subsidiary, Norley Corporation Inc., and Taishin International Bank. (2) Resolved to approve the Company acting as the joint and several guarantor for the renewal of a USD 6 million short-term credit line agreement between its subsidiary, Norley Corporation Inc., and Bank of Taiwan.	None.
2024/11/08	14	(1) Resolved to approve the appointment of the financial and tax auditing CPA(s) for the fiscal year 2025. (2) Resolved to approve the amendment to the Company's "Internal Control System." (3) Resolved to approve the Company acting as the joint and several guarantor for the renewal of a USD 7 million short-term credit line agreement between its subsidiary, Norley Corporation Inc., and First Commercial Bank. (4) Resolved to approve the amendments to the Company's "Rules of Procedure for Board Meetings" and the " Audit Committee Charter."	None.

(2) Any other recorded or written Board of Directors' resolutions on which Independent Directors have dissenting or qualified opinions: None.

2. With regard to the recusal of directors from voting due to conflict of interests, name of director, contents of proposal, reasons for recusal due to conflict of interests and voting result shall be specified: None.



3. Evaluation on the Board of Directors and functional committees:

Please refer to the Company's website for detailed evaluation criteria and implementation status.

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation contents	Evaluation result
Annual	2024/1/1 ~ 12/31	<ol style="list-style-type: none"> <li>1. The Board of Directors</li> <li>2. The members' of Board of Directors</li> <li>3. Functional Committee</li> </ol>	<ol style="list-style-type: none"> <li>1. Self-evaluation of the Board of Directors</li> <li>2. Self-evaluation of the members of the Board of Directors</li> </ol>	<p>The measurement items for the Board of Directors' performance evaluation include the following five aspects:</p> <ol style="list-style-type: none"> <li>1. Degree of participation in the Company's operating</li> <li>2. Improvement of the Board of Directors' decision-making quality</li> <li>3. Composition and structure of the Board of Directors</li> <li>4. Election and continuing education of the Board of Directors' members</li> <li>5. Internal control</li> </ol> <p>The measurement items for individual director's performance evaluation include the following six aspects:</p> <ol style="list-style-type: none"> <li>1. Keep up to date about the Company's goals and missions</li> <li>2. Director's and functional committee member's awareness of their duties</li> <li>3. Participation of the Company's operation</li> <li>4. Internal relationship management and communication</li> <li>5. Expertise and continuing education of the directors</li> <li>6. Internal control</li> </ol> <p>The measurement items for the functional committee's performance evaluation include the following five aspects:</p> <ol style="list-style-type: none"> <li>1. Participation of the Company's operation</li> <li>2. Awareness of the duties of the functional committees</li> <li>3. Improvement in the functional committees' decision-making</li> <li>4. Composition and member selection of the functional committees</li> <li>5. Internal control</li> </ol>	Excellent

4. Goals for strengthening the functions of the Board of Directors (such as establishment of Audit Committee and improvement of information transparency) in the current year and the most recent year and evaluation on their implementation:
  - (1) In order to improve information transparency, the Company takes the initiative to announce important resolutions of the Shareholders' Meetings and the briefing files of the investor conferences on its website for investors to check.
  - (2) The Company elected the first batch of Independent Directors on June 29, 2016 for exerting their independent supervision function and implementing the spirit of corporate governance.
  - (3) Since 2014, the Company has effected "Liability Insurance for Directors, Supervisors and Managerial Officers" for all directors and supervisors to establish a sound corporate governance mechanism.
  - (4) The Company strengthens the operating efficiency of the Board of Directors through self-evaluation by individual directors and evaluation by the unit in charge of organizing Board of Directors' meetings in accordance with the Procedures for Evaluation on Board of Directors' Performance.
  - (5) The Company has established an Audit Committee and elected the first Audit Committee members after the 2019 Shareholders' Meeting to assist the Board of Directors in performing its supervisory duties and to implement various regulations and the spirit of corporate governance.
  - (6) The Company has established a Nomination Committee on June 4, 2021 to improve the Board of Directors' functions and strengthen its management mechanism. Four Independent Directors are elected and appointed by the Board of Directors to serve as Nomination Committee's members.
5. Communication between Independent Directors, chief internal auditor and CPAs (including significant matters, methods and results of communication on the Company's finance and business): Chief internal auditor regularly sends Audit Reports to Independent Directors for review. CPAs regularly report the audit results of the Company to Independent Directors, and issue the Communication with Governance Units for bidirectional communication to facilitate Independent Directors to keep abreast of the Company's financial and business performance.

The major communication issues in 2024 are summarized as follows:

Summary on the communication between Independent Directors and chief internal auditor:

Time	Main points of communication items	Communication results
2024/03/12	Report on the performance of the Internal Audit Plan from October to December 2023. Submission of 2023 Statement on Internal Control System.	After discussion and communication, Independent Directors raised no objection against the audit work and resolved to approve the accounting personnel's capacity for the preparation of Financial Statements and 2023 Statement on Internal Control System and submitted the same to the Board of Directors.
2024/05/10	Report on the performance of audit work from January to March 2024.	After discussion and communication, Independent Directors raised no objection against the audit work.

Time	Main points of communication items	Communication results
2024/08/09	Report on the performance of audit work from April to June 2024.	After discussion and communication, Independent Directors raised no objection against the audit work.
2024/11/08	Report on the performance of audit work from July to September 2024. Submission of 2025 Internal Audit Plan.	After discussion and communication, Independent Directors raised no objection against the audit work and resolved to approve the 2025 Internal Audit Plan and submitted the same to the Board of Directors.

Summary on the communication between Independent Directors and CPAs:

Time	Main points of communication items	Communication results
2024/03/12	2023 Financial Statements (including Consolidated Financial Statements and Individual Financial Statements).	2023 Financial Statements were approved by Audit Committed and the Board of Directors, and published and reported to competent authority as scheduled.
2024/05/10	2024 Q1 Consolidated Financial Statements.	2024 Q1 Financial Statements were approved by Audit Committed and the Board of Directors, and published and reported to competent authority as scheduled.
2024/08/09	2024 Q2 Consolidated Financial Statements.	2024 Q2 Financial Statements were approved by Audit Committed and the Board of Directors, and published and reported to competent authority as scheduled.
2024/11/08	2024Q3 Consolidated Financial Statements.	2024 Q3 Financial Statements were approved by Audit Committed and the Board of Directors, and published and reported to competent authority as scheduled.

(II) Participation of Audit Committee in the Operation of Board of Directors

A total of 4 (A) Audit Committee's meetings were held in the most recent year (2024), with the attendance as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance rate (%) [B/A]	Note
Convener	Lee, Yen-Sung	4	0	100.00	
Committee Member	Cheng, Fu-Kwok	4	0	100.00	
Committee Member	Tseng, Kuo-Cheng	3	1	75.00	
Committee Member	Koo, Tse-Hau	4	0	100.00	

Matters discussed and reviewed at Audit Committee's meeting include:

- Formulate or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
- Assessment of the effectiveness of the internal control system.
- Formulate or amend the procedures for obtaining or disposing of assets, engaging in derivatives trading, loaning to others, provision of endorsements and guarantees to others, or providing guarantees for significant financial transactions based on Article 36-1 of the Securities and Exchange Act.
- Matters involving the director's own interests.
- Significant assets or derivatives trading.
- Significant loaning to others and provision of endorsements or guarantees.
- Raising, issuing, or privately placing equity securities.
- Appointment, dismissal, or compensation of CPAs
- Appointment or dismissal of finance manager, accounting manager, or internal auditing officer.
- Annual financial report and semi annual financial report.
- Other Significant matters specified by the Company or Competent Authority.

The resolution on the preceding matter shall be approved by more than half of the members of the Remuneration Committee and submitted to the Board of Directors for resolution approval.

Other matters required to be recorded:

1. With regard to the operation of the Audit Committee, if any of the following circumstances occurs, the Audit Committee's meeting date and session, contents of proposals, contents of Independent Directors' dissenting or qualified opinions or significant suggestions, Audit Committee's resolutions, and the Company's response to Audit Committee's opinions shall be specified.

(1) Matters specified in Article 14-5 of the Securities and Exchange Act

Date of the Audit Committee's meeting	Period	Contents of proposal	Independent Directors' opinions or the Company's response to Independent Directors' opinions
2024/03/12	7	(1) The resolution that the Company's Annual Business Report and Financial Statement of 2023 is adopted. (2) Resolution passed to approve the Company's Statement on Internal Control System for 2023.	None.
2024/05/10	8	(1) The resolution of the Company's Q1 2024 consolidated financial statements is adopted.	None.
2024/08/09	9	(1) The resolution of the Company's Q2 2024 consolidated financial statements is adopted.	None.
2024/11/08	10	(1) The resolution of the Company's Q3 2024 consolidated financial statements is adopted. (2) The appointment of the 2025 financial and tax CPAs is resolved. (3) Resolved to approve the amendment to the Company's "Internal Control System." (4) Resolution passed for the 2025 Internal Audit Plan. (5) Resolved to approve the Company acting as the joint and several guarantor for the renewal of a USD 7 million short-term credit line agreement between its subsidiary, Norley Corporation Inc., and First Commercial Bank.	None.

(2) In addition to the above-mentioned matters, any other matters not approved by Audit Committee but approved by over two-thirds of all directors: None.

2. With regard to the recusal of Independent Director from voting due to conflict of interests, name of Independent Director, contents of proposal, reasons for recusal due to conflict of interests and voting result shall be specified: None.
3. Communications between Independent Directors, the Company's chief internal auditor and CPAs (including significant matters, methods and results of communication on the Company's finance and business): Please refer to 5. Other matters required to be recorded under (I) Information on Operation of the Board of the Directors.

(III) Implementation Status of Corporate Governance and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
1. Does the Company establish and disclose its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has established its Corporate Governance Best Practice Principles and disclosed them on the Company's website and MOPS.	No deviation.
2. Company's shareholding structure & shareholders' rights				
(1) Does the company establish and implement internal operating procedures to deal with shareholders' suggestions, doubts, disputes, and litigations?	V		A special person has been designated to handle this affair. If legal issues are involved, legal counsel will be asked to assist in handling this affair. Please refer to "Investor Relation" section on the Company's website for related stock affairs.	Same as the description on the left.
(2) Does the company possess a list of its major shareholders with actual controlling power over the company as well as the ultimate owners of those major shareholders?	V		The situation is under control at any time through stock agency.	No deviation.
(3) Does the company establish and execute a risk control and firewall system within its affiliates?	V		It has been stipulated in the Company's internal control system and the monitoring operations towards subsidiaries, and is implemented.	No deviation.
(4) Does the company establish internal rules to prohibit insiders from trading securities by taking advantage of undisclosed information?	V		In accordance with the Company's "Management Procedures for Preventing Insider Trading", this year the directors were reminded by email on July 21 and October 18 that they are not allowed to trade the Company's shares during the blackout period, namely thirty days before the annual financial statement announcement and fifteen days before each quarterly financial report announcement, to avoid any violations of such regulations by the directors. The Company shall disclose on its website the internal regulations prohibiting directors, employees, or other insiders from trading securities using non-public market information, including (but not limited to) directors being prohibited from trading shares during the closed period of thirty days prior to the annual financial report announcement and fifteen days prior to the quarterly financial report announcement. It shall also explain the implementation status, inform relevant regulations to company insiders, and announce them on the company website.	Same as the description on the left.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
3. Composition and responsibilities of the Board of Directors				
(1) Are diversity policy and specific management targets established and implemented for the Board of Directors?	V		According to the Company's Corporate Governance Best Principles, the composition of the Board of Directors should consider diversity. They shall generally possess the knowledge, skills, and qualities necessary to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors should possess abilities in operational decisions, accounting and financial analysis, operations management, crisis management, industry knowledge, international market outlook, leadership, and decision-making. These abilities are highly beneficial to the operation of the Company. Please refer to page 19-20 for details.	No deviation.
(2) Does the company voluntarily establish other functional committees in addition to the legally-required Remuneration Committee and Audit Committee?	V		The Company has established Remuneration Committee, Audit Committee and Nomination Committee. Various other functional committees will be planned and established based on actual needs in the future and in accordance with laws and regulations.	No deviation.
(3) Does the company establish rules and methods for evaluation on the performance of the Board of Directors, conduct the evaluation annually and regularly, report the results of evaluation to the Board of Directors, and use them as a reference for individual directors' remuneration and nomination and renewal?	V		The Procedures for Evaluation on Board of Directors' Performance have been formulated, and evaluation will be conducted after the end of the year through self-evaluation by directors and evaluation by the unit in charge of organizing Board of Directors' meetings.	No deviation.
(4) Does the company regularly evaluate the independence of CPAs?	V		The Audit Committee of the Company annually evaluates the independence and competence of appointed certified public accountants. In addition to requiring the certified public accountants to provide an "Independent Declaration", assessment of the Audit Quality Indicators (AQI) for independence and competence of the certified public accountants have also been carried out. After confirming that the accountants have no other financial interests or business relationships with the Company except for certification and tax case fees, and that their family members do not violate the independence requirements, the evaluation results for the most recent year have been discussed and approved by the Audit Committee on November 8, 2023, and the evaluation of the independence of the accountants was reported and approved by the Board of Directors on November 8, 2023.	No deviation.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof																				
	Yes	No	Description																					
4. Does the company appoint appropriate number of competent corporate governance persons and designate a Corporate Governance Officer to be in charge of corporate governance related affairs (including but not limited to providing the data required for directors and supervisors to perform businesses, assisting directors and supervisors in compliance with laws and regulations, legally dealing with the affairs related to the Board of Directors’ meetings and Shareholders' Meetings and making Board of Directors’ meeting and Shareholders' M e e t i n g m i n u t e s ) ?	V		<p>The Company has established the first Corporate Governance Officer on March 23, 2021 through the resolution of the Board of Directors, whose major duties are as follows:</p> <ol style="list-style-type: none"><li>1. Legally dealing with the matters related to the Board of Directors’ meetings and Shareholders’ Meetings.</li><li>2. Making the Board of Directors’ meeting and Shareholders’ Meeting minutes.</li><li>3. Assisting directors in taking office and continuing education.</li><li>4. Providing the information required for directors to perform business.</li><li>5. Assisting directors in compliance with laws and regulations.</li><li>6. Promoting achievement of corporate governance indexes, and reviewing the important points for getting scores based on corporate governance evaluation indicators.</li><li>7. Arranging for communication between Independent Directors, CPAs and chief internal auditor.</li><li>8. Handling liability insurance for directors.</li></ol> <p>The Corporate Governance Officer received 12 hours of continuing education in 2024. Please refer to “Corporate Governance” section on the Company's website for detailed contents of the continuing education courses.</p> <table><tr><th>Course Date</th><th>Organization</th><th>Course</th><th>Hours</th></tr><tr><td>2024/10/25</td><td>Securities and Futures Institute</td><td>2024 Insider Shareholding Transaction Compliance Seminar</td><td>3</td></tr><tr><td>2024/12/04</td><td>Securities and Futures Institute</td><td>Sustainability Committee &amp; Chief Sustainability Officer Roundtable</td><td>3</td></tr><tr><td>2024/12/06</td><td>Taiwan Investor Relations Institute</td><td>Corporate Public Relations and Crisis Communication</td><td>3</td></tr><tr><td>2024/12/12</td><td>Taiwan Investor Relations Institute</td><td>2024 Updates on Corporate Governance and Board Performance Evaluation</td><td>3</td></tr></table>	Course Date	Organization	Course	Hours	2024/10/25	Securities and Futures Institute	2024 Insider Shareholding Transaction Compliance Seminar	3	2024/12/04	Securities and Futures Institute	Sustainability Committee & Chief Sustainability Officer Roundtable	3	2024/12/06	Taiwan Investor Relations Institute	Corporate Public Relations and Crisis Communication	3	2024/12/12	Taiwan Investor Relations Institute	2024 Updates on Corporate Governance and Board Performance Evaluation	3	No deviation.
Course Date	Organization	Course	Hours																					
2024/10/25	Securities and Futures Institute	2024 Insider Shareholding Transaction Compliance Seminar	3																					
2024/12/04	Securities and Futures Institute	Sustainability Committee & Chief Sustainability Officer Roundtable	3																					
2024/12/06	Taiwan Investor Relations Institute	Corporate Public Relations and Crisis Communication	3																					
2024/12/12	Taiwan Investor Relations Institute	2024 Updates on Corporate Governance and Board Performance Evaluation	3																					



Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
5. Does the company establish channels for communication with stakeholders, and establish a dedicated section on the company's website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers) to respond to the significant sustainability issues that stakeholders concern about?	V		A spokesperson has been designated as the communication channel, and a special section for stakeholders has been set up on the Company's website.	No deviation.
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company has entrusted CTBC Bank Transfer Agency as the stock agency to deal with the affairs of the Shareholders' Meeting.	No deviation.
7. Information disclosure (1) Does the company have a website to disclose its financial, business and corporate governance information?	V		A website has been established to disclose relevant information.	No deviation.
(2) Does the company have other information disclosure channels (e.g., establishing an English website, appointing designated persons to be responsible for collection and disclosure of the Company's information, creating a spokesman system, and making the process of investor conferences available on the company's website)?	V		An English website has been established, and a special person has been designated to be responsible for collection and disclosure of the Company's information. The spokesperson system has been implemented for immediate explanation to the public.	No deviation.
(3) Does the company publish and file its annual financial reports within two months after the end of a fiscal year and publish and file its Q1, Q2 and Q3 financial reports and its operating status of each month ahead of the stipulated deadline?	V		At present, the Company cooperates with directors in their schedules to arrange meetings and file relevant financial reports. In the future, the Company will cooperate with the Board of Directors in planning depending on its bookkeeping process to improve the transparency of financial information and make disclosure in a timely manner.	Same as the description on the left.
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (including but not limited to	V		(1) Employee rights and care The Company's management rules specify the hiring of all employees, service codes, attendance, leave, rewards and punishments, benefits, pensions and appointment,	No deviation.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
employee rights, employee care, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education status, implementation of risk management policies and risk evaluation standards, implementation of customer relation policies, and purchase of liability insurance for directors and supervisors)?			<p>and its meeting rules and other related matters are all in compliance with the Labor Standards Act and related laws and regulations. Employees' salaries and benefits are in compliance with the Company's human resources system and management rules to protect employees' rights and interests. The Company also conducts employee health examination and provides health promotion manuals in accordance with regulations; Accident/casualty insurance are effected for employees. The crew member's employment contracts and their living and working environment on the vessel are provided in accordance with the Maritime Labor Convention (MLC). The communication channel between the Company and employees is smooth, and employees are notified of the Company's all significant events through official documents and e-mails. If necessary, an internal labor-management meeting is held to make face-to-face discussion.</p> <p>The professional development of employees is facilitated through irregular employee trainings, and complete training courses are provided through multiple learning channels.</p> <p>(2) Investor relations There is a "Investor Relation" section on the Company's website for real-time publishing of complete financial information. The Company also maintains a smooth communication channel and a good spokesperson system to respond to all investors.</p> <p>(3) Supplier relations The Company has an excellent reputation, cooperates with various third-party parties, and has established good cooperative relations with ship repairing and shipbuilding factories for many years. It is the solid foundation of the Company for fleet maintenance, expansion and replacement. In order to respond to global environmental protection policies, shipyards in compliance with the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships which prohibit or restrict use of hazardous materials will be taken into consideration with priority when the Company searches for shipyards to construct new vessels, and the Company will introduce the latest environmentally friendly vessels to join our fleet in the future.</p> <p>(4) Rights of stakeholders The Company has established a Stakeholder section on the Company's website to respond to three major aspects of issues, namely, employee relationship, social relationship, and supplier relationship. For a complete and detailed assessment</p>	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof						
	Yes	No	Description							
			report, please refer to the Company's ESG Report prepared in accordance with GRI 4.0. (5)Purchase of liability insurance for directors and supervisors Since 2014, the Company has effected "Liability Insurance for Directors and Managerial Officers" for all directors to establish a sound corporate governance mechanism. Relevant information can be found on the Company's website and MOPS.							
9. Please explain the improvements made in accordance with the Corporate Governance Evaluation results released by the Taiwan Stock Exchange’s Corporate Governance Center, and provide the priorities and measures for improvement of the matter yet to be improved.	V		<div>The Company's corporate governance evaluation in 2024 falls in the range of 81%-100%. The items that have been improved and prioritized for improvement based on the evaluation results are listed as follows: (1) Matter already improved<table><tr><th>Indicator</th><th>Improvement description</th></tr><tr><td>Have all independent directors completed the required training hours in accordance with the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies”?</td><td>A report on legal training and course planning for directors in 2024 was presented to the Nomination Committee. However, the subsequent reporting procedures were not completed. In the future, the Company will continue to assess directors’ training needs and ensure that relevant training programs are arranged and reported on schedule.</td></tr><tr><td>Does the board of directors include at least one director of a different gender?</td><td>The list of director nominees for the 2025 re-election includes one female candidate.</td></tr></table></div>	Indicator	Improvement description	Have all independent directors completed the required training hours in accordance with the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies”?	A report on legal training and course planning for directors in 2024 was presented to the Nomination Committee. However, the subsequent reporting procedures were not completed. In the future, the Company will continue to assess directors’ training needs and ensure that relevant training programs are arranged and reported on schedule.	Does the board of directors include at least one director of a different gender?	The list of director nominees for the 2025 re-election includes one female candidate.	Same as the description on the left.
Indicator	Improvement description									
Have all independent directors completed the required training hours in accordance with the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies”?	A report on legal training and course planning for directors in 2024 was presented to the Nomination Committee. However, the subsequent reporting procedures were not completed. In the future, the Company will continue to assess directors’ training needs and ensure that relevant training programs are arranged and reported on schedule.									
Does the board of directors include at least one director of a different gender?	The list of director nominees for the 2025 re-election includes one female candidate.									

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			(2) Priority improvements and measures that have been proposed for items not yet improved:	

● Standards for Evaluation on the Independence of CPAs

Item	Evaluation results		Independence of CPAs
	Normal	Abnormal	
1. No CPA has not been changed for seven (7) years as of the most recent audit.	✓		✓
2. CPAs have no significant financial interests with their clients.	✓		✓
3. CPAs avoid to have any inappropriate relationship with their clients.	✓		✓
4. CPAs shall ensure that their assistants are honest, fair and independent.	✓		✓
5. CPAs shall not perform audit on the financial statements of the companies that they served within two (2) years before practicing.	✓		✓
6. CPAs shall not permit others to practice under their names.	✓		✓
7. CPAs do not own any shares in the Company and its affiliates.	✓		✓
8. There is no monetary loans between CPAs and the Company and its affiliates, except for normal transactions between CPAs and the financial industry.	✓		✓
9. CPAs are not engaged in joint investment or benefit sharing with the Company or its affiliates.	✓		✓
10. CPAs do not concurrently serve as a regular employee of the Company or its affiliates and do not receive a fixed salary from them.	✓		✓
11. CPAs are not involved in the decision-making process of the Company and its affiliates.	✓		✓
12. CPAs do not concurrently engage in any other businesses that may lead to loss of independence.	✓		✓
13. CPAs shall not engage in audit for the Company if their spouses, immediate family members, immediate in-laws, or relatives within the second-degree of kinship serve in the Company's management.	✓		✓
14. CPAs have not collected any commission related to their service.	✓		✓
15. As of now, CPAs have not engaged in any matter that may result in disciplinary actions against them or damage to the principle of independence.	✓		✓

● Audit Quality Indicator (AQI) Independence and Suitability Assessment Form

AQI Indicators		Key Measurement Factors		Assessment Method	Assessment Status	Audit Quality Indicators Met	
						Yes	No
Scope 1 Professionalism	(1-1) Audit Experience	Do senior auditors have sufficient audit experience to perform audit work?	1 Firm Level  2 Case Level	Based on the audit quality indicator reports provided by the auditors, assess whether the auditors and supervisory staff have sufficient audit experience to perform the audit work.	Based on the audit quality indicator reports provided by the auditors, assess whether the certified public accountants (including lead and concurring auditors), EQCR accountants, and audit team members have sufficient audit experience to perform the audit work.	✓	
	(1-2) Training Hours	Whether accountants and senior auditors receive sufficient education and training annually to continuously acquire professional knowledge and skills.	1 Firm Level	According to the audit quality indicator report provided by the accountant, the Company assesses whether the accountant and audit personnel at the manager level or above receive sufficient education and training each year to continuously acquire professional knowledge and skills.	Based on the audit quality indicator report provided by the accountant, evaluate whether the certified accountants and auditors at the manager level and above receive sufficient education and training each year to continuously acquire professional knowledge and skills.	✓	
	(1-3) Turnover rate	Does the accounting firm maintain sufficient senior human resources?	1 Firm Level	Evaluate whether accounting firms maintain sufficient senior human resources based on the audit quality indicators report provided by the accountants.	Based on the audit quality indicator report provided by the accountants, the turnover rate of audit personnel at the manager level or above was evaluated. Compared with the same industry in previous years, there was no significantly high or upward trend. The firm maintains sufficient senior human resources.	✓	
	(1-4) Professional Support	Does the accounting firm have sufficient professional staff (e.g., evaluators) to support the audit team?	1 Firm Level	Based on the audit quality indicators report provided by the accountant, assess whether the firm has sufficient professional personnel (e.g., evaluators) to support the audit team.	According to the audit quality indicator report provided by the accountants, the accounting firm has sufficient professional personnel (including computer auditors, financial evaluators, and tax personnel from the firm and its affiliated businesses) to support the audit team.	✓	

AQI Indicators		Key Measurement Factors		Assessment Method	Assessment Status	Audit Quality Indicators Met	
						Yes	No
Scope 2 Quality Control	(2-1) Accountant Workload	Is the workload of the CPAs too heavy?	1 Firm Level	Based on the audit quality indicator reports provided by the CPAs, evaluate whether the workload of the CPAs is too heavy, including the number of publicly listed companies for which they serve as the lead signing accountants and the percentage of available working hours invested by the accountants.	Based on the audit quality indicator reports provided by the accountants, evaluate the number of publicly listed companies for which the signing accountants serve as lead signing accountants and the percentage of available working hours invested by the accountants, assessing that the workload of the accountants is not excessively high.	✓	
			2 Case Level				
	(2-2) Audit Involvement	Evaluate whether the audit team members' involvement is appropriate at each audit stage	1 Firm Level	According to the audit quality indicator report provided by the accountant, evaluate whether the accountant and the audit team members have involved appropriately at each audit stage.	According to the audit quality indicators report provided by the accountant, the auditor, senior auditor, and other relevant professionals in the audit team are evaluated for their reasonable and appropriate proportion of input at each stage of the audit.	✓	
			2 Case Level				
	(2-3) Engagement Quality Control Review (EQCR)	Does the EQCR accountant invest sufficient time in performing the audit case review?	1 Firm Level	Based on the audit quality indicators report provided by the accountant, assess whether the EQCR (Engagement Quality Control Review) accountant has invested sufficient hours in reviewing the audit cases.	Based on the audit quality indicators report provided by the accountant, evaluate whether the EQCR accountant meets the qualifications for independence and objectivity, has appropriate experience and professional knowledge, and invests sufficient time in performing the audit case review.	✓	
			2 Case Level				
	(2-4) Quality Control Support Capability	Does the accounting firm have sufficient quality control personnel to support the audit team?	1 Firm Level	According to the audit quality indicators report provided by accountants, evaluate whether the firm has sufficient quality control personnel to support the audit team.	According to the audit quality indicators report provided by the accountants, the firm has sufficient quality control personnel (including risk management, audit quality control, accounting and auditing professional consultants, or staff training personnel) to support the audit team.	✓	

AQI Indicators		Key Measurement Factors		Assessment Method	Assessment Status	Audit Quality Indicators Met	
						Yes	No
Scope 3 Independence	(3-1) Non-audit service fees	The impact of non-audit service fees on independence	1 Case Level	According to the audit quality indicator reports provided by the CPAs, evaluate the ratio of non-audit service fees received by the accounting firm and its affiliated businesses from the Company, and the impact on independence.	According to the audit quality indicator report provided by the accountants, the ratio of non-audit service fees collected by the accounting firm and its affiliated businesses from the Company is 27% to 56%. The accounting firm provided the Company with tax services such as profit-seeking enterprise income tax, business tax, and tax consultation, which did not directly affect important items and independence of the audit cases.	✓	
	(3-2) Customer Familiarity	The impact of the cumulative years of auditor firm certification on annual financial reports on independence	1 Case Level	According to the audit quality indicators report provided by the accountant, evaluate the impact on independence of the cumulative number of years the accounting firm has certified the annual financial statements.	To maintain the independence of accountants and implement the internal rotation mechanism of accounting firms, the Company's certified accountants are regularly rotated and reported to the Board of Directors for approval. Therefore, the same accountant has not performed certification services for more than seven years.	✓	



AQI Indicators		Key Measurement Factors		Assessment Method	Assessment Status	Audit Quality Indicators Met	
						Yes	No
Scope 4  Monitoring	(4-1) External Inspection Results & Enforcement	Monitoring of quality control for accountant practices and whether audit cases are conducted in accordance with relevant laws and regulations	1 Firm Level	According to the audit quality indicator report provided by the CPAs, evaluate whether the quality control and audit cases of the accounting firm are performed in accordance with relevant laws and regulations.	Based on the audit quality indicator reports provided by the accountants, the evaluation of the quality control and audit cases of the accounting firms in accordance with relevant laws and regulations, and the deficiencies in the supervision of the firms and accountants by the regulatory authorities in the last three times, reflect the overall audit quality of the firms and have considerable reference value.	✓	
			2 Case Level				
	(4-2) Number of official Improvement Letters Issued by Authority	Whether quality control and audit cases of accounting firms are conducted in accordance with relevant laws and regulations	1 Firm Level	According to the audit quality indicator report provided by the CPAs, evaluate whether the quality control and audit cases of the accounting firm are performed in accordance with relevant laws and regulations.	According to the audit quality indicator report provided by the CPAs, the quality control and auditing cases of the accounting firm are assessed in accordance with relevant laws and regulations. The recent three-year trend and comparison with the industry of the "proportion of deficiency improvement letters from the competent authority" reflect the overall audit quality of the firm, which has considerable reference value.	✓	
			2 Case Level				
Scope 5  Innovation Capability	(5-1) Innovative Planning or Initiatives	The commitment of accounting firms to enhance audit quality includes the innovation capabilities and planning of accounting firms.	1 Firm Level	According to the audit quality indicator report provided by the CPAs, evaluate the commitment of accounting firms to improve audit quality, including the innovative ability and planning of accounting firms.	According to the audit quality indicator reports provided by CPAs to assess the commitment of accounting firms to improve audit quality, the firm's introduction of audit innovation tools, expansion of audit support centers, and adoption of cloud audit platforms in the past three years, as well as plans and measures to improve audit quality, have helped to enhance the firm's audit quality.	✓	

(IV) Composition, Duties and Operation of Remuneration Committee:

1. At least two Remuneration Committee's meetings are held each year, and Remuneration Committee's responsibility is to establish and regularly review the policies, systems, standards and structure of performance evaluation and remuneration for directors and managerial officers. The Remuneration Committee regularly evaluates and determines the remuneration to directors and managerial officers, and submits suggestions to the Board of Directors for discussion.
2. Information on Remuneration Committee's members: The members of the Company's Remuneration Committee are the same as Independent Directors. Please refer to the "Information on directors" on page 8 to 11 for its member's information.
3. Operation of Remuneration Committee:
  - (1) The Company's Remuneration Committee is composed of four members.
  - (2) The term of the 4th Remuneration Committee: June 10, 2022 - June 9, 2026. The Remuneration Committee held 2 meetings (A) in 2024. The qualifications of and attendance by the members are as follows:

Title	Name	Attendance in person B	Attendance by proxy	Attendance rate (%) [B/A]	Remark
Convener	Lee, Yen-Sung	2	0	100.00	
Committee Member	Cheng, Fu-Kwok	2	0	100.00	
Committee Member	Tseng, Kuo-Cheng	0	2	0.00	
Committee Member	Koo, Tse-Hau	2	0	100.00	

Summary on Remuneration Committee's Meetings

Remuneration Committee's meeting date	Period	Contents of proposal	Members' opinions and response to such opinions
2024/03/12	4	(1) The 2023 remuneration for directors and employees (including managerial officers). (2) The adjustment of general manager salary.	Approved by all members present at the meeting.
2024/11/08	5	(3) The adjustment of 2024 salary for managerial officers.	Approved by all members present at the meeting.

Other matters required to be recorded:

- I. If the Board of Directors rejects or amends the suggestions of the Remuneration Committee, the Board of Directors' meeting date and session, contents of proposals, and the Board of Directors' resolutions as well as the Company's response to the Remuneration Committee's opinions shall be specified (if the remuneration approved by the Board of Directors is better than that suggested by the Remuneration Committee, the difference and cause for the difference shall be specified): None.
- II. If there is any other recorded or written Remuneration Committee' resolutions on which any member has dissenting or qualified opinions, the Remuneration Committee's meeting date and session, contents of proposals, all member's opinions, and the response to members' opinions shall be specified: None.

(V) Composition, Duties and Operation of Nomination Committee:

1. Nomination Committee was established on June 4, 2021. It is composed of at least three directors elected by the Board of Directors, over half of which shall be Independent Directors. Matters discussed and reviewed by the Nomination Committee include:
  - 1.1 Formulation of the standards for the professional knowledge, skills, experience, gender diversity and independence required for Board of Directors' members and senior management, and identification, review and nomination of and on director and senior management candidates according thereto.
  - 1.2 Establishment and development of the organizational structure of the Board of Directors and various committees, evaluation on the performance of the Board of Directors, various committees, directors and senior management, and evaluation on the independence of Independent Directors.
  - 1.3 Establishment of and regular review on directors continuing education plans and succession plans for directors and senior management.
  - 1.4 Formulation of the Corporate Governance Best Practice Principles for the Company.
2. Information on Nomination Committee's members: The members of the Company's Nomination Committee are the same as Independent Directors. Please refer to the "Information on directors" on page 8 to 11 for its member's information.
3. Operation of the Nomination Committee:
  - (1) This committee consists of a convener and three members, with a total of four members.
  - (2) The term of the 2nd Nomination Committee: July 6, 2022 - June 9, 2025. The Remuneration Committee held 2 meetings (A) in the most recent year (2024), with the attendance as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance rate (%) [B/A]	Note
Convener	Lee, Yen-Sung	2	0	100.00	
Committee Member	Cheng, Fu-Kwok	2	0	100.00	
Committee Member	Tseng, Kuo-Cheng	0	2	0.00	
Committee Member	Koo, Tse-Hau	2	0	100.00	

Matters discussed and reviewed by the Nomination Committee include:

Other matters required to be recorded:

The Nomination Committee's meeting date and session, contents of proposals, contents of the suggestions and objections of Nomination Committee's members, Nomination Committee's resolutions, and the Company's response to Nomination Committee's opinions shall be specified.

Nomination Committee's meeting date	Session	Contents of proposal	The Company's response to Nomination Committee's opinions
2024/03/12	4	(1) Board and Functional Committees 2023 Performance Evaluation Report. (2) Report on the Planning of Director Training Programs.	None.
2024/11/08	5	Report on the Planning of Director Training Programs.	None.

(VI) Promotion and Implementation Status of Sustainability and Deviations from the Sustainability Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof

Evaluation item	Implementation status			Deviations from the Sustainability Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
1. Does the company establish a governance structure and an exclusively (or concurrently) dedicated unit for promoting sustainable development, and have management authorized by the Board of Directors to be in charge of, and have the Board of Directors to supervise, sustainability?	V		<p>In order to perform corporate social responsibility and promote the sustainable development of the Company, the Company has established a Sustainability Promotion Group since 2016, and changed its name into Sustainable Development Committee from 2022, with the chairman serving as its convener, Vice President serving as its vice convener, and the Administration Office serving as the major dedicated department in charge of it, and there is a Environment Group established under it for coordinating for environmental issues. In terms of various aspects of sustainable development, the Promotion Group is responsible for planning for sustainability direction and sustainable development strategies, and various departments appoint experienced employees to form task forces to make cross-department discussions and summaries on the subjects in various professional fields before reporting to the Promotion Group. Related matters shall be reported by the President and Environment Group's members to chairman first on daily time, and will be regularly discussed by the Board of Directors (on a quarterly basis), i.e. by chairman and directors. Finally, a dedicated administration department in charge of it will prepare ESG Report based on the results of materiality analysis, and report the implementation results to the Board of Directors.</p> <p>The Board of Directors regularly (quarterly) supervises and controls GHG investigation plan and progress concerning GHG emission under climate-related issues, and takes emission reduction as a goal, and instructs the President and various units to formulate short-, medium- and long-term plans for gradual implementation.</p> <p>For relevant sustainable development strategies and implementation status, please refer to the Company's ESG Report.</p>	No deviation.

Evaluation item	Implementation status			Deviations from the Sustainability Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
2. Does the company evaluate the environmental, social and corporate governance risks related to its operating based on the principle of materiality, and establish related risk management policies or strategies?	V		<p>The Group operates global shipping businesses, covering bulk goods and crude oil transportation. In response to the environmental, social, corporate governance and other risks that may occur during various operating courses, we strictly abide by international, regional, national, and local maritime regulations. The essence of shipping business is to be able to cooperate with all of our partners to create profits and take care of the interests of all parties, and the philosophy of operating the shipping business lies in long-term sustainable growth, not short-term profit. Therefore, the Company identifies relatively major issues based on the results of the questionnaire survey on stakeholders, and formulates relevant sustainable development strategies in three aspects, i.e. environment, society and corporate governance. The scope of its risk evaluation is the same as that of the disclosure made in the Consolidated Financial Statements, covering the Company and its subsidiaries.</p> <p>Please refer to ESG Report for the risk evaluation standards, processes, results and risk management policies of this major issue.</p>	No deviation.

Evaluation item	Implementation status			Deviations from the Sustainability Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
3. Environmental issues (1) Does the company establish an environmental management system based on the characteristics of its industry?  (2) Does the Company endeavor to utilize all resources more efficiently and use renewable materials that have low impact on the environment?	V		<p>The Group treats each partner with the highest level of integrity, respect and prudence, covering the society, fleet, marine and land crew, and the entire natural environment. The Company has formulated the International Safety Management Code and the Vessel Safety Management System, specifying that vessels shall comply with international environmental protection related regulations and procedures, and has obtained Ballast Water Management Certificate and International Anti-Pollution Certificate, through establishment of Safety Management Office which is responsible for the work related to vessel safety management and marine environmental protection and for response to global energy saving and carbon reduction strategies</p>	No deviation.

Evaluation item	Implementation status			Deviations from the Sustainability Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
(3) Does the company evaluate the potential risks and opportunities of climate change for its current and future operations and take related response measures?	V		<p>In order to protect the environment and reduce personal injuries, the Group has taken various carbon reduction actions, for example, shipyards in compliance with the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships are taken into consideration with priority when the Company searches for shipyards to construct new vessels, and hazardous materials are prohibited or restricted from being used. The Company complies with and implements the relevant regulations of International Maritime Organization (IMO), the International Convention for the Prevention of Pollution from Ships (MARPOL), the International Convention on the Control of Harmful Anti-fouling Systems on Ships, and other international shipping management standards, and has obtained the certification from the experts of external ship surveying association. The Group's fleets fully cooperate with charterers to sail at an economical speed to effectively reduce fuel consumption and GHG emission according to the Ship Energy Efficiency Management Plan (SEEMP) issued by International Maritime Organization (IMO). The Company traces fleet's performance regarding energy consumption based on the IMO's Energy Efficiency Operating Indicators (EEOI) and Energy Efficiency Design Indicators (EEDI).</p> <p>For relevant information on environment issues and climate change, please refer to the disclosure in Chapter 3 and 4 of ESG Report.</p>	No deviation.
(4) Does the company calculate the amount of greenhouse gas emissions, water consumption, and waste production in the past two years and formulate GHG emission and waste consumption reduction or other waste management policies?	V			No deviation.
4. Social issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		The Group complies with relevant labor laws and regulations, and appoints and dismisses, and offers remuneration to, employees according to its Human Resources Management Procedures to protect the basic rights and interests of employees.	No deviation.

Evaluation item	Implementation status			Deviations from the Sustainability Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
(2) Does the company establish and implement employee benefits measures (including salary, leave and other benefits), and appropriately reflect its business performance or achievements in employee's remuneration?	V		<p>The Company treats employees well, offers top-tier salary and meals, pays attention to their work-life balance and health care, and takes good care of the families of crew members. In addition, employee tours and holiday gatherings are held to enhance the harmonious relationship between the labor and the management. 44% of senior executives are women, demonstrating the recognition of workplace diversity and gender equality.</p> <p>No less than 1% of the Company's pre-tax income of the current year shall be withdrawn as employee compensation by the special resolution of the Board of Directors in accordance with the Company's Articles of Incorporation, and appropriate feedback shall be given regarding employees compensation based on the performance of individual employees.</p>	No deviation.
(3) Does the company provide employees with a healthy and safe work environment and conduct health and safety training for its employees on a regular basis?	V		<p>The Group regularly provides employees with health examination and health guidebooks.</p> <p>The Group effects accident or casualty insurance for employees according to its rules.</p> <p>The employment of the Group's crew members and their living and working environment on the vessel subject to the Maritime Labor Convention (MLC). The company conducts semi-annual senior crew training conferences covering subjects such as technical education, maritime safety protocols, applicable maritime laws and regulations, as well as sharing of practical operational experiences. In the reporting period, three minor crew injury incidents occurred, representing one percent of the total workforce, resulting from negligent actions by. In higher-risk operational zones, prominent warning signage has been installed, coupled with repeated advisories reinforcing worker safety guidelines and mandated standard operating procedures.</p>	No deviation.
(4) Does the company establish effective career development and training plans for its employees?	V		The Group trains employees with detailed plans and encourages employees to participate in external relevant trainings to enhance the development of employees' career capabilities.	No deviation.



Evaluation item	Implementation status			Deviations from the Sustainability Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
(5) Does the company comply with relevant regulations and international standards regarding customer health and safety, privacy right, marketing and labeling of its products and services, and establish relevant consumer protection or customer's interests policies and complaint procedures?	V		The shipping services provided by the Group are in compliance with the provisions of international conventions, and a dedicated Stakeholder section has been established on the Company's website to respond to related issues. Internal education and training programs are arranged based on the job positions. Professional knowledge and growth opportunities are prioritized for new hires, while leadership and team communication skills are highlighted for managers at all levels in addition to professional development.	No deviation.
(6) Does the company formulate and implement supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights?	V		In addition to implementation of the operating procedures and key control requirements specified in the Supplier Management Operations, supplier management also requires suppliers to fill out the Supplier's Commitment for Social Responsibility, and strictly requires suppliers to jointly implement their commitment for sustainability and comply with relevant laws on occupational safety and health, labor rights, and environmental protection.	No deviation.

Evaluation item	Implementation status			Deviations from the Sustainability Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
5. Does the company prepare reports such as sustainability reports to disclose the Company's non-financial information by referring to internationally-used standards or guidelines? Are the reports certified or audited by a third-party accreditation body?	V		The Company prepares its ESG Report in accordance with GRI Standards, and its financial contents are audited by PwC Taiwan.	No deviation.
6. If the company has established its Sustainable Development Best Practice Principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please specify any discrepancy between the Principles and their implementation: The Group has not established its Sustainable Development Best Practice Principles.				
7. Other important information to facilitate a better understanding of the Company's implementation of sustainable development: (1) Environmentally friendly anti-fouling paint is adopted for the shell plating of the Group's vessels, and the International Anti-Fouling System Certificate is obtained. (2) The Group's vessels comply with the MARPOL 73/78, and all voyages are in compliance with oil, air and ballast water pollution prevention, garbage disposal, domestic sewage discharge and other regulations. (3) The Group attaches great importance to energy efficiency, and uses the energy efficiency operating index calculation formula issued by the International Maritime Organization (IMO) to calculate the carbon emissions during the operation of vessels in response to the mandatory carbon dioxide emission reduction measures to be taken in the future. (4) Subject to the Corporate Governance Best Practice Principles and the Sustainability Best Practice Principles for TWSE/TPEX Listed Companies, the Company is committed to establishing corporate governance system and fulfilling sustainability, and it prepares ESG Report every year to disclose its sustainability strategies and their implementation status. Please refer to "Stakeholders Section" on the Company's official website.				

(VII) Climate Related Information for Listed/OTC Companies - Implementation of Climate-Related Information

Item	Implementation Status
<p>1. Describe the supervision and governance of the board of directors and management over climate-related risks and opportunities.</p>	<p>Climate change has become a major issue impacting corporate sustainability. To address this issue seriously, a governance structure with three levels has been established, each with different responsibilities. The direction and effectiveness are led from the top down, while implementation, progress reporting, and obstacle reporting are carried out from the bottom up, achieving a continuous improvement management cycle.</p> <p>(1) Board of Directors The Board of Directors is the highest governance unit. It regularly receives reports on climate change action strategies and risk management measures, verifies content reports, execution obstacles, and performance results to effectively supervise progress and resource allocation. For example, regarding greenhouse gas emissions, the Board receives quarterly progress reports and performance results, demonstrating effective supervision and control.</p> <p>(2) Sustainability Committee "Environmental Subcommittee" and Various Company Departments The "Environmental Subcommittee" under the Sustainability Committee is led by the vice president level. Its members are assigned from departments such as Engineering, Finance and Accounting, Operations, and Administration. They collaborate to gather information on climate and environmental trends from the government, customers, industry peers, and international sources. Through the company's risk management and performance evaluation mechanisms, they review, formulate, and promote climate change action strategies and risk management measures. They confirm short, medium, and long-term plans, identify climate change risks and opportunities, manage the implementation progress and obstacles of response measures, and performance results, and regularly report to the President.</p>
<p>2. Describe how the identified climate risks and opportunities affect the Company's business, strategy, and finances (short-term, medium-term, long-term).</p>	<p>The assessment of the financial or operational materiality of climate change risks and opportunities is based on professional experience, industry characteristics, and consultants' analysis of climate change issues. The Company has identified "requirements and regulations for existing products and services," "sustained high temperatures," and the opportunity of "energy alternatives/diversification" as relevant issues, and the following describes their impact on the company's business, strategy, and finances.</p> <p>(1) Requirements and Regulations for Existing Products and Services"</p> <p><b>A. Short and medium-term business, strategy, and financial impacts:</b></p> <p>(1) <b>Shipyard:</b> Retrofitting low-carbon transportation equipment to meet ship energy efficiency ratings, impacting upgrade costs.</p> <p>(2) <b>Charter:</b> Existing aging ships cannot match the energy-saving and carbon-reduction performance of newly built ships in the current market.</p> <p><b>B. Medium and long-term business, strategy, and financial impacts:</b></p> <p>(1) <b>Bunker suppliers:</b> Seeking a diversified green alternative energy supply chain due to environmental taxes and fees, impacting operating costs.</p> <p>(2) <b>Shipyard:</b> To meet the net-zero emission trend, stricter energy-saving and carbon-reduction regulations will continue to impact the ship fleet's energy efficiency ratings and greenhouse gas emissions.</p>

Item	Implementation Status
	<p>(3) <b>Charter:</b> Ships unable to use low-carbon equipment or green alternative energy will face the risk of being phased out by regulations and the market.</p> <p>(2) "Sustained High Temperatures"</p> <p>A. <b>Short and medium-term business, strategy, and financial impacts:</b> Climate models show greater temperature and rainfall fluctuations, suggesting a correlation between carbon peaking and ecosystems. There may be the following potential impacts along the value chain, leading to increased operating costs and damage compensation, but still within a controllable range.</p> <p>(1) Increased likelihood of power outages and rationing, impacting cargo loading and unloading at ports; simultaneously, ports may shorten working hours due to rising temperatures, prolonging waiting times.</p> <p>(2) Prolonged waiting times (e.g., ships having to frequently leave or increase their distance from ports) will impact fuel consumption and indirectly affect carbon taxes and environmental fees related to the use of non-renewable energy and customer carbon footprint calculations, which the company will have to bear, potentially incurring significant tax costs.</p> <p>(3) Ship operations may be affected by labor safety issues, such as heat stroke, lack of attention, or fatigue due to sustained high temperatures, leading to an increased frequency or severity of occupational injuries.</p> <p>(4) Delays in estimated cargo delivery times.</p> <p>B. <b>Long-term business, strategy, and financial impacts:</b> With greenhouse gas emissions stabilized and controlled, temperature and rainfall simulations in the long-term phase will resemble a stable state similar to normal years. The likelihood and impact of flooding will be predictable, and the value chain will be controllable, resulting in stable operating costs and benefits.</p> <p>(3) "Energy Alternatives/Diversification"</p> <p>A. <b>Short and medium-term business, strategy, and financial impacts:</b></p> <p>(1) Shipyard: Gradually optimizing the ship fleet with carbon-reduction equipment to reduce greenhouse gas emissions.</p> <p>B. <b>Medium and long-term business, strategy, and financial impacts:</b></p> <p>(1) <b>Bunker suppliers:</b> Actively cooperating in a diversified green alternative energy supply chain.</p> <p>(2) <b>Shipyard:</b> Actively cooperating to gradually optimize and add green alternative energy equipment to ships, or purchase new vessels to reduce greenhouse gas emissions.</p> <p>(3) <b>Charter:</b> By optimizing the ship fleet with carbon-reduction equipment, developing green alternative energy equipment, or purchasing new vessels, the company can build its brand image, expand its market, and increase profits.</p>
3. Describe the financial impacts of extreme climate events and transition actions.	<p>(1) Extreme Climate Events</p> <p>Although extreme climate events have occurred in recent years, the identified risk of "sustained high temperatures" is a gradual economic loss if no corresponding measures are taken, based on a reasonable prediction that the Company's business may face obstacles or difficulties in whole or in part.</p> <p>(2) Transformation Actions</p> <p>Due to regulatory or government requirements and stakeholder expectations (e.g., customers), if the Company actively promotes the "energy alternatives/diversification" transformation action plan and deploys it in advance, it may significantly enhance opportunities for its business in whole or in part (sustained profitability) or lead in</p>

Item	Implementation Status
	profitability for more than three years through such initiatives.
4. Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.	<p>(1) The issue of climate change risk is addressed through an independent identification, assessment, and management process, which is controlled through the Company's existing risk management mechanism. The "Environmental Team" and various units identify the significance of climate change risks, management measures, obstacles, and performance results. The discussions, strategies formulated, and risk management measures are then reported to the Sustainability Committee for review, formulation, and promotion of climate change action strategies and risk management measures. Short, medium, and long-term plans, as well as performance evaluation results, are confirmed. Ultimately, the Board of Directors, as the highest governing body, supervises the implementation and performance results of climate change action strategies and risk management measures through risk management reports, audit reports, and quarterly performance evaluations to ensure effective control over significant climate change risk issues.</p> <p>(2) Regarding the major climate risk issues of "existing product and service requirements and regulations" and "continuous high temperatures" identified this year, through the aforementioned process, the company's professional expertise, resources, manpower, practical experience, and market changes, as well as external expert trend analysis results, will be used to continuously confirm the impact on the company's business and operations. The risk management measures for significant climate change risk issues will be adjusted to address the risks, and subsequent assessments will be conducted to determine whether risk treatment, transfer, or acceptance is required.</p>
5. If scenario analysis is used to assess resilience against climate change risks, explain the scenarios, parameters, assumptions, analysis factors, and key financial impacts used.	<p>Based on the fact that the headquarters is located in Taiwan, and given that the Taiwanese government is actively promoting climate change response, greenhouse gas reduction, carbon fee collection, and the development of green and low-carbon technologies, using the TaiESM1 climate calculation model and adopting the RCP 4.5 scenario of stabilized greenhouse gas emissions, the temperature and rainfall trends are estimated as follows: 2030 average of 24.9°C and 6.3 mm/day; 2050 average of 25.1°C and 5.2 mm/day (Taiwan Climate Change Projection Information and Adaptation Knowledge Platform).</p> <p>The Company has comprehensively estimated that this will either partially or entirely reduce, impede, or even cause substantial losses to the financial company's business.</p>

Item	Implementation Status												
6. If there are transition plans to manage climate-related risks, explain the plan details and the indicators and targets used to identify and manage entity risks and transition risks.	<div>(1) Overall Strategy for Responding to Physical Risks</div> <div>A. Allocate costs and risks through contract terms in advance; discuss insurance coverage and underwriting conditions with insurance companies, or even discuss new insurance products to address risks.</div> <div>B. The Company will cooperate and share risk early warning, intelligence monitoring, and communication with strategic alliances or academic institutions, such as weather companies, to collaborate and share risk early warning, intelligence monitoring, and communication; in the long run, it will attempt to incorporate climate science and long-term forecasts to enhance the ability to adapt to climate events.</div> <div>C. Regularly train employees in emergency response mechanisms.</div> <div>(2) Transition Risks</div> <div>Overall Short-Term Response Strategy</div> <div>A. The Company actively collects information on low-carbon technologies, especially green alternative energy sources.</div> <div>B. Continue to commission independent third-party organizations to verify greenhouse gas emissions, comprehensively consolidating the overall greenhouse gas emissions of the organization.</div> <div>C. Take measures such as reducing speed, optimizing routes, and using fuel additives; at the same time, gradually optimize the fleet's carbon reduction equipment to reduce greenhouse gas emissions.</div> <div>Overall Medium and Long-Term Response Strategy</div> <div>A. Continue to commission independent third-party organizations to verify greenhouse gas emissions, comprehensively consolidating the overall greenhouse gas emissions of the organization.</div> <div>B. Continue to purchase cost-effective renewable energy and continuously increase its share. For greenhouse gas emissions that cannot be reduced, respond by purchasing carbon credits, with the expectation of achieving net-zero carbon emissions in the future.</div> <div>C. For ships at the edge of eligibility in the fleet, gradually optimize and add green alternative energy equipment, or purchase new ships, to reduce greenhouse gas emissions.</div> <div>(3) Identify and manage indicators and targets for physical risks and transition risks</div> <table><tr><th>Climate Risk</th><th>Climate Opportunity</th><th>Target</th></tr><tr><td>Sustained high temperature</td><td>Energy substitution / diversification</td><td>Headquarters gas management (baseline year 2021)</td></tr><tr><td><div><div>●</div>Demands and regulations for existing products and services</div><div><div>●</div>Sustained high temperature</div></td><td>Energy substitution / diversification</td><td>Fleet gas management (baseline year 2008)</td></tr><tr><td>Sustained high temperature</td><td>Energy substitution / diversification</td><td>Use of renewable energy at headquarters</td></tr></table>	Climate Risk	Climate Opportunity	Target	Sustained high temperature	Energy substitution / diversification	Headquarters gas management (baseline year 2021)	<div><div>●</div>Demands and regulations for existing products and services</div> <div><div>●</div>Sustained high temperature</div>	Energy substitution / diversification	Fleet gas management (baseline year 2008)	Sustained high temperature	Energy substitution / diversification	Use of renewable energy at headquarters
Climate Risk	Climate Opportunity	Target											
Sustained high temperature	Energy substitution / diversification	Headquarters gas management (baseline year 2021)											
<div><div>●</div>Demands and regulations for existing products and services</div> <div><div>●</div>Sustained high temperature</div>	Energy substitution / diversification	Fleet gas management (baseline year 2008)											
Sustained high temperature	Energy substitution / diversification	Use of renewable energy at headquarters											

Item	Implementation Status																
7. If an internal carbon price is used as a planning tool, explain the basis for pricing.	The Company has not yet used internal carbon pricing as a planning tool.																
8. If climate-related targets have been set, provide information on the covered activities, greenhouse gas emission scopes, planning periods, annual progress, etc. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these targets, state the source and quantity of offsets or RECs.	<div>The Company's relevant climate short-, medium- and long-term goals are as follows:</div> <table><tr><th>Goals</th><th>2023-2025 Short-Term</th><th>2026-2030 Mid-Term</th><th>2031-2050 Long-Term</th></tr><tr><td>Headquarters Gas Management (Base year 2021)</td><td>10% reduction in carbon emissions (Scope 1+2)</td><td>30% reduction in carbon emissions (Scope 1+2)</td><td>Net-zero carbon emissions</td></tr><tr><td>Fleet Gas Management (Base year 2008)</td><td>Reducing GHG emissions year by year</td><td>IMO Group GHG emissions reduced by 20%~30%</td><td>IMO Group GHG emissions reduced by 100%</td></tr><tr><td>Headquarters Use of Renewable Energy</td><td>10% green electricity usage</td><td>30% green electricity usage</td><td>100% green electricity usage</td></tr></table>	Goals	2023-2025 Short-Term	2026-2030 Mid-Term	2031-2050 Long-Term	Headquarters Gas Management (Base year 2021)	10% reduction in carbon emissions (Scope 1+2)	30% reduction in carbon emissions (Scope 1+2)	Net-zero carbon emissions	Fleet Gas Management (Base year 2008)	Reducing GHG emissions year by year	IMO Group GHG emissions reduced by 20%~30%	IMO Group GHG emissions reduced by 100%	Headquarters Use of Renewable Energy	10% green electricity usage	30% green electricity usage	100% green electricity usage
Goals	2023-2025 Short-Term	2026-2030 Mid-Term	2031-2050 Long-Term														
Headquarters Gas Management (Base year 2021)	10% reduction in carbon emissions (Scope 1+2)	30% reduction in carbon emissions (Scope 1+2)	Net-zero carbon emissions														
Fleet Gas Management (Base year 2008)	Reducing GHG emissions year by year	IMO Group GHG emissions reduced by 20%~30%	IMO Group GHG emissions reduced by 100%														
Headquarters Use of Renewable Energy	10% green electricity usage	30% green electricity usage	100% green electricity usage														
9. Greenhouse gas inventory and assurance, reduction targets, strategies, and concrete action plans. (Indicated in tables 9-1 and 9-2)	Indicated in tables 9-1 and 9-2.																

(9-1) Greenhouse Gas Inventory and Assurance Status of the Last Two Years

(9-1-1) Greenhouse Gas Inventory Information

Describe the greenhouse gas emissions (in metric tons of CO<sub>2</sub>e), intensity (metric tons of CO<sub>2</sub>e/million NTD), and scope of data coverage for the most recent two years.

The parent company and its subsidiary fleets have started greenhouse gas inventory since 2016. The greenhouse gas inventory mechanism is established based on the Greenhouse Gas Protocol (GHG Protocol) issued by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI), and the ISO 14064-1 Greenhouse Gas Inventory Standard issued by the International Organization for Standardization (ISO). Since 2016, the company has conducted annual greenhouse gas inventory for the parent company and its subsidiary fleets, fully grasping the use and emission status of greenhouse gases, and verifying the effectiveness of emission reduction actions.

Furthermore, the greenhouse gas inventory data for the most recent two years is summarized based on the operational control approach, including the greenhouse gas emissions from the parent company and some of its subsidiaries' fleets covered in the consolidated financial statements, as described below:

		2023 (Note*)		2024 (Note*)	
		Emissions ( metric tons CO <sub>2</sub> e )	Intensity ( metric tons CO <sub>2</sub> e/ million NTD revenue )	Emissions ( metric tons CO <sub>2</sub> e )	Intensity ( metric tons CO <sub>2</sub> e/ million NTD revenue )
Parent Company	Scope 1 Direct greenhouse gas emissions	287,919	2.521	307,373	2.605
	Scope 2 Indirect energy greenhouse gas emissions	21.3	0.3	20.0	0.3

(Note) The figures are preliminary estimates and have not been verified.

Note 1: The calculation formula for the intensity of direct emissions (Scope 1, i.e., direct emissions from sources owned or controlled by the company) is (bunker consumption (metric tons) x CO<sub>2</sub> emission conversion factor) / (total nautical miles x total deadweight tonnage).

Note 2: The calculation formula for the intensity of indirect energy emissions (Scope 2, i.e., indirect greenhouse gas emissions from the input of purchased electricity, heat, or steam) is (office electricity consumption x CO<sub>2</sub> emission conversion factor) / revenue (million NTD).

Note 3: Other indirect emissions (Scope 3, i.e., emissions resulting from the company's activities but not directly owned or controlled by the company, excluding indirect energy emissions).



(9-1-2) Greenhouse Gas Assurance Information

Describe the assurance situation for the most recent two years as of the date of the annual report publication, including the assurance scope, assurance institution, assurance criteria, and assurance opinion.

According to the "Roadmap for Sustainable Development of Listed/OTC Companies" issued by the Financial Supervisory Commission, and as resolved by the Board of Directors on May 10, 2022, the company's schedule for disclosing greenhouse gas inventory information is as follows:

1. The parent company should start conducting the inventory from 2025 and obtain assurance in 2027.
2. Subsidiaries included in the consolidated financial statements should start conducting the inventory from 2026 and obtain assurance in 2028.

(9-2) Greenhouse Gas Reduction Goals, Strategies, and Specific Action Plans

Describe the baseline year and data for greenhouse gas reduction, reduction targets, strategies, specific action plans, and the achievement of reduction targets.

The Company complies with the relevant greenhouse gas reduction regulations of the International Maritime Organization (IMO). In response to the call for environmental protection, reducing carbon dioxide and greenhouse gas emissions, all vessels meet the requirements of the Energy Efficiency Existing Ship Index (EEXI) and the Carbon Intensity Indicator (CII). We closely monitor the IMO's 2023 strategic regulations on international shipping greenhouse gas reduction and adopt measures that the shipping industry follows to gradually achieve the reduction strategy goals:

- The strengthened goal is to achieve "near" net-zero greenhouse gas emissions for international shipping by 2050.
- The indicative checkpoints are to reduce emissions by at least 20% (aiming for 30%) by 2030 compared to 2008 levels, and at least 70% (aiming for 80%) by 2040.
- The use of zero-emission or near-zero-emission technologies, fuels, and/or energy sources should account for at least 5% (aiming for 10%) of the energy used in international shipping.
- Intermediate measures include technical and economic measures (still to be evaluated and determined before adoption in 2025).

**(VIII) Implementation Status of Ethical Corporate Management and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof**

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
1. Establishment of ethical corporate management policies and programs				
(1) Does the company establish the ethical corporate management policies approved by the Board of Directors and declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its Board to implement the policies?	V		The Group's Board of Directors and management uphold the Company's business philosophy of "Credibility, Decisiveness, Diligence, Discretion, Improvement". The Company has formulated the Ethical Corporate Management Best Practice Principles, the Code of Ethical Conduct, and the Measures for Whistle-blowing and Disciplinary against Violation of Ethical Corporate Management Best Practice Principles and Code of Ethical Conduct to expressly implement the commitment for ethical management policy. Please refer to the Corporate Governance section on the Company's website.	No deviation.
(2) Does the company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include those specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	V		Same as above.	No deviation.
(3) Does the company specify in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implement them and review the prevention programs on a regular basis?	V		Same as above.	No deviation.
2. Implementation of ethical corporate management				
(1) Does the company evaluate business partners' ethical records and include ethics-related clauses in the business contracts signed with the counter-parties?	V		The Group, when handling business activities, carefully selects transaction counter-parties and sign business contracts in good faith.	No deviation.
(2) Does the company establish an exclusively dedicated unit supervised by the Board of Directors to be in	V		Currently, the Auditing Department is designated to serve as the reporting and inspection unit for corporate ethical management. It formulates relevant audit	No deviation.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
charge of ethical corporate management and report to the Board of Directors the implementation of ethical corporate management policies and prevention programs on a regular basis (at least once a year)?			plans for business activities with a high risk of unethical and dishonest behaviors, submits monthly audit reports to Independent Directors, and regularly reports its audit results to the Board of Directors. In the future, a dedicated unit will be established based on the Group's operating conditions and scale.	
(3) Does the company establish policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?	V		The Board of Directors and management of the Group adhere to the policy of recusal due to conflicts of interest, and the Company and the Group has established an e-mailbox as a channel for such statements.	No deviation.
(4) Does the company establish effective accounting systems and internal control systems to implement ethical corporate management, with the internal audit unit being responsible for devising relevant audit plans based on the results of assessment of any unethical conduct risk, examining accordingly the compliance with the prevention programs, or engaging a certified public accountant to carry out the audit?	V		The Group duly implements accounting system and internal control system, which is audited by internal auditors to effectively prevent unethical and dishonest behaviors.	No deviation.
(5) Does the company regularly hold internal and external training on ethical corporate management?	V		The Group regularly organizes for employee education and trainings, and convenes a company-wide meeting every quarter to promote the Company's integrity management philosophy and convey future operational goals and guidelines..	No deviation.
3. Operation of whistle-blowing system				
(1) Does the company establish both a reward/whistle-blowing system and convenient whistle-blowing channels? Are appropriate personnel assigned to the accused party?	V		According to the Company's Measures for Whistle-blowing and Disciplinary against Violation of Ethical Corporate Management Best Practice Principles and Code of Ethical Conduct, the Company's whistle-blowing channels are as follows:	No deviation.
(2) Does the company establish the standard operating procedures for investigating reported misconduct, follow-up measures to be taken after the investigation, and related confidentiality mechanisms?	V		1. Whistle-blowing e-mail: sd@snc.com.tw 2. Whistle-blowing hot-line: Auditing Department (02)2703-7055 3. Whistle-blowing postal address: Auditing Department, 14F, No. 368, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City	No deviation.
(3) Does the company provide protection for whistle-blowers against receiving improper treatment?	V		Please refer to the Corporate Governance section on the Company's website for relevant operating procedures and whistleblowing protection measures.	No deviation.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
4. Enhanced disclosure of information Does the company disclose the ethical corporate management policies and the results of its implementation on the company website and MOPS?	V		The Company has establish a Corporate Governance section on its Chinese and English websites as well as on MOPS to disclose the Ethical Corporate Management Best Practice Principles and related vital corporate governance regulations for reference.	Same as the description on the left.
5. If the company has established its Ethical Corporate Management Best Practice Principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please specify their implementation status and any deviations from the Principles: The Group has approved formulation of the Ethical Corporate Management Best Practice Principles and the Code of Ethical Conduct at the Board of Directors' meeting, so as to expressly implement the commitment for ethical corporate management policies. There is no significant violation and deviation in current year.				
6. Any other important information to facilitate a better understanding of the Company's ethical corporate management (such as review on and amendment to the Company's Ethical Corporate Management Best Practice Principles): (1) The system of recusal by directors due to conflicts of interest is specified in the Company's Rules of Procedures of Board of Directors, stipulating that if any director or its legal representative is an interested party with respect to any agenda item, it shall state the important contents of the interests and relationship at the current meeting and, if the relationship is likely to damage the interests of the Company, it shall not participate in the discussion or voting, and shall recuse from discussion and voting, and shall not act as another director's proxy to exercise voting rights, on that matter. (2) The Company has established the Procedures for Disposing Significant Internal Information, specifying that the directors, supervisors, managerial officers and employees who know the Company's significant internal information shall not disclose any of such information to any other person, nor disclose to any other person the Company's undisclosed significant internal information known by them not due to performance of business. (3) The Company has established the Ethical Corporate Management Best Practice Principles and the Code of Ethical Conduct, and no material violation has been found so far.				

(IX) Any Other Important Information to Facilitate a Better Understanding of the Corporate Governance: Please check on MOPS for continuing education records of the Company's directors and Corporate Governance Officer in 2024.

(X) Implementation Status of Internal Control System

1. Statement on Internal Control

Sincere Navigation Corporation

Statement on Internal Control

Date: March 12, 2025

The Company makes the following statement based on the results of self-evaluation on 2024 internal control system:

- I. The Company acknowledges that it is the responsibility of the Board of Directors and managerial officers to establish, implement, and maintain the established internal control system. Its purpose is to reasonably ensure that operational effectiveness and efficiency (including income, performance, and asset safety) and reporting are reliable, timely, and transparent, as well as to ensure compliance with relevant regulations and laws.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its 3 stated objectives above. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond control. Nevertheless, the internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
- III. The Company evaluates the design and operating effectiveness of the internal control system based on the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (herein below, the "Regulations"). The criteria adopted by the Regulations identify 5 components of internal control based on the process of management control: 1. control environment; 2. risk assessment; 3. control activities; 4. information and communication; and 5. monitoring operations. Each key component includes several items. Please refer to the Regulations for the aforementioned items.
- IV. The Company has evaluated the design and operating effectiveness of the internal control system according to the Regulations.
- V. In accordance with the aforementioned evaluation, the Company has found that the design and implementation of the internal control system (including the assessment and management of subsidiaries), as of December 31, 2024, including the efficacy of understanding operations, the efficiency of achievement of objectives, reliability in reporting, timeliness, and compliance with the relevant guidelines and laws, are effective and can reasonably provide assurance of the aforesaid goals.
- VI. This statement is an integral part of the Company's annual report and prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement has been approved on March 12, 2025, by the Board of Directors, and out of the 5 Board of Directors' members in attendance, none has objected to this statement and all consented to the content expressed herein.

Sincere Navigation Corporation

Chairman: Hsu, Chi-Kao

President: Hsu, Chi-Kao

2. If a CPA has been hired to carry out a special audit on the internal control system, the CPA audit report shall be disclosed: None.

(XI) Important Resolutions of Shareholders' Meeting and Board of Directors in the Most Recent Year and in the Current Year (2024) as of the Publication Date of the Annual Report:

1. Important resolutions at 2024 annual Shareholders' Meeting and their implementation status:  
The Company held 2024 annual Shareholders' Meeting at 9 a.m., June 12, 2024, at the Banquet Hall, B2 Floor, The Howard Plaza Hotel located at No. 160, Sec. 3, Ren'ai Rd., Da'an Dist., Taipei City. The attended shareholders have resolved and approved the following proposals, and their status of implementation:
  - (1) Approve the Company's 2023 Business Report and Financial Statements.  
Status of implementation: The resolution is accepted as per the case.
  - (2) Approve the Company's 2023 earnings distribution plan.  
Status of implementation: Cash dividends of NT\$0.75 per share were distributed in 2023. The Company has set July 6, 2024 as the ex-dividend date and has distributed cash dividends on August 2, 2024 according to the Board of Directors' resolution.
2. The Company's material resolutions of the Board of Directors from 2024 to the date of publication of the annual report:
  - (1) Board of Directors meeting held on March 12, 2024:
    - (a) To report the performance evaluation of the Board of Directors and functional committees for the year 2023.
    - (b) To report on the Company's greenhouse gas inventory and verification for the fourth quarter of 2023.
    - (c) To report on the implementation status of the integrity management program.
    - (d) To resolve on the convening of the 2024 Annual General Shareholders' Meeting.
    - (e) To resolve on the approval of the 2023 Business Report and Financial Statements as proposed by the Audit Committee.
    - (f) To resolve on the approval of the 2023 earnings distribution proposal as proposed the Audit Committee.
    - (g) To resolve on the approval of the cash dividend distribution from 2023 earnings.
    - (h) To resolve on the approval of the 2023 director compensation and employee (including managerial personnel) remuneration proposal as recommended by the Remuneration Committee.
    - (i) To resolve on the approval of the 2023 Internal Control System Statement as proposed by the Audit Committee.
  - (2) Board of Directors' meeting held on May 10, 2024:
    - (a) To report on the Company's greenhouse gas inventory and verification for the first quarter of 2024.
    - (b) To resolve on the approval of the Company's consolidated financial statements for the first quarter of 2024 as proposed by the Audit Committee.
    - (c) To resolve on the amendment of the Company's "Audit Committee Charter."
    - (d) To resolve on the amendment of the Company's "Rules of Procedure for Board Meetings."
  - (3) Board of Directors' meeting held on June 12, 2024:

Resolution passed on the record date for distribution of cash dividends from the retained earnings of 2023, and the payment date for cash dividends.

- (4) Board of Directors' meeting held on August 09, 2024:
  - (a) Reported the Company's greenhouse gas inventory and verification for Q2 of 2024.
  - (b) The resolution of the Company's Q2 2024 consolidated financial statements proposed by the Audit Committee is adopted.
  - (c) To resolve on the approval of the Company's 2023 ESG Sustainability Report.
- (5) Board of Directors' meeting held on November 08, 2024:
  - (a) To report on the renewal of the Company's Directors and Officers Liability Insurance and the details of the insurance coverage.
  - (b) To report on the Company's greenhouse gas inventory and verification for the third quarter of 2024.
  - (c) To resolve on the approval of the Company's consolidated financial statements for the first three quarters of 2024 as proposed by the Audit Committee.
  - (d) To resolve on the appointment of the financial and tax attestation CPA for the year 2025 as proposed by the Audit Committee.
  - (e) To resolve on the amendments to the Company's internal control system as proposed by the Audit Committee.
  - (f) To resolve on the approval of the 2025 internal audit plan as proposed by the Audit Committee.
  - (g) To resolve on the adjustment of managerial compensation for the year 2025 as proposed by the Remuneration Committee.
  - (h) To resolve on the amendments to the Company's "Rules of Procedure for Board Meetings" and the "Audit Committee Charter".
- (6) Board of Directors' meeting held on March 12, 2025:
  - (a) To report the performance evaluation of the Board of Directors and functional committees for the year 2024.
  - (b) To report on the Company's greenhouse gas inventory and verification for the fourth quarter of 2024.
  - (c) To report on the implementation status of the integrity management program.
  - (d) To resolve on the convening of the 2025 Annual General Shareholders' Meeting.
  - (e) To resolve on the approval of the 2024 Business Report and Financial Statements as proposed by the Audit Committee.
  - (f) To resolve on the approval of the 2024 earnings distribution proposal as proposed by the Audit Committee.
  - (g) To resolve on the approval of the cash dividend distribution from 2024 earnings.
  - (h) To resolve on the approval of the 2024 Internal Control System Statement as proposed by the Audit Committee.
  - (i) To resolve on the nomination period, number of seats to be elected, and place for accepting nominations for director (including independent director) candidates.
  - (j) To resolve on the list of director (including independent director) candidates as proposed by the Nomination Committee.
  - (k) To resolve on the restriction on competitive activities for newly elected directors as proposed by the Audit Committee.

- (l) To resolve on the distribution of 2024 director remuneration and employee (including managerial personnel) compensation as proposed by the Remuneration Committee.
  - (m) To resolve on the amendment to the Company's Articles of Incorporation as proposed by the Remuneration Committee..
- (XII) Major Contents of Any Recorded or Written Dissenting Opinion Expressed by a Director on the Major Resolutions Approved by the Board of Directors in the Most Recent Year and in the Current Year as of the Publication Date of the Annual Report: None.



#### IV. Information on CPA Professional Fees

##### Range of CPA Professional Fees

Unit: NT\$ thousand

Name of CPA Firm	Name of CPA	Audit period	Audit fees	Non-audit fees	Total	Note
PwC Taiwan	Lin, Yi-Fan	2024/1/1 ~ 2024/12/31	2,255	600	2,855	
	Liao, Fu-Ming	2024/1/1 ~ 2024/12/31				

Note: NT\$600 thousand for the transfer pricing report.

- (I) Non-audit Fees Paid to the CPAs, to the CPA Firm, and/or to Any Affiliate of the CPA Firm are One Quarter or More of the Audit Fees Paid Thereto:

The increase in non-audit fees for the accountants this year was mainly due to the group's organizational structure and tax planning requirements.

- (II) The CPA Firm is Changed and the Audit Fees Paid for the Year of Such Change are Lower than Those Paid for the Previous Year: None

- (III) Audit Fees Paid for the Year are at Least 10% Less than Those Paid for the Previous Year: None.

#### V. Information on Replacement of CPAs: None.

#### VI. Chairperson, President, or Any Managerial Officer in Charge of Finance or Accounting Matters in the Most Recent Fiscal Year Holding a Position at the Company's CPA Accounting Firm or at an Affiliated Enterprise of Such Accounting Firm: None.

VII. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests (During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report) by a Director, Managerial Officer, or Shareholder with a Stake of More than 10 %:

(I) Any Change in the Equity of Directors, Managerial Officers, or Shareholders with a Shareholding of More than 10%:

Title	Name	2024		Current year as of April 12th	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Chairman and President	Hsu, Chi-Kao	-	-	-	-
Director	Special account of Orient Dynasty under the custody of China CITIC Bank	-	-	-	-
Director	Special account of Solar Shipping under the custody of China CITIC Bank	-	-	-	-
Independent Director	Lee, Yen-Sung	-	-	-	-
Independent Director	Cheng, Fu-Kwok	-	-	-	-
Independent Director (Note 1)	Tseng, Kuo-Cheng	-	-	-	-
Independent Director (Note 1)	Koo, Tse-Hau	-	-	-	-
Vice President	Luan, Wen-Pin	-	-	-	-
Vice President and Spokesperson of the Company	Hsu, Chih-Hung	-	-	-	-
Vice President	Hu, Jui-Chin	-	-	-	-
Senior Manager of Finance & Accounting Department, Corporate Governance Officer, and Financial Supervisor	Chen, Lan-Fang	-	-	-	-
Manager of Operating Department	Kuo, Sung-Hui	-	-	-	-
Manager of Crew Department	Leu, Jing-Cheng	-	-	-	-
Assistant Manager of Internal Audit Internal Auditing Officer	Hu, Chia-Hua				
Manager of Finance & Accounting Department, Accounting Officer, and Deputy Spokesperson of the Company	Fan, Hsiao-Ting	-	-	-	-

(II) Information on Transfer of Equity: None.

(III) Information on Pledge of Equity: None.

# VIII. Relationship among the Company's Top Ten Shareholders Who Are Identified as Related Parties, Spouse or Relative within Second-degree of Kinship

April 12, 2025

Name	Current shareholding		Spouse and minor shareholding		Shareholding by nominees		Among the ten largest shareholders, name and relationship with any one who is a related party or a relative within the second degree of kinship		Remark
	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Name	Relationship	
CTBC Bank Co., Ltd. in custody for Hemao Investment Co., Ltd.	58,060,800	9.92%	--	--	--	--			
CTBC Bank Co., Ltd. in custody for Solar Shipping Agency Ltd.	18,363,398	3.14%	--	--	--	--			
CTBC Bank Co., Ltd. in custody for Asia Shipping Limited	15,764,788	2.69%	--	--	--	--			
CTBC Bank Co., Ltd. in custody for Newsmy Limited	14,698,328	2.51%	--	--	--	--			
CTBC Bank Co., Ltd. in custody for Uppercrest Enterprises Limited	11,724,694	2.00%	--	--	--	--			
CTBC Bank Co., Ltd., acting as custodian for Rising Sun Shipping Co., Ltd.	11,350,000	1.94%	--	--	--	--			
CTBC Bank Co., Ltd. in custody for Orient Dynasty Ltd.	9,539,761	1.63%	--	--	--	--			
CTBC Bank Co., Ltd. in custody for MKTEL Inc.	7,624,575	1.30%	--	--	--	--			
JPMorgan Chase Bank, N.A., Taipei Branch, the custodian bank, was entrusted to custody the Vanguard Emerging Markets Stock Index Fund managed investment account of Vanguard Group, Inc.J.P.Morgan Chase Bank in custody for Norges Bank	4,207,240	0.72%	--	--	--	--			
JPMorgan Custody for Xianjin Xingguang Global Equity Index Fund	4,024,309	0.69%	--	--	--	--			

IX. Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, Its Directors, Managers, and Any Companies Controlled Either Directly or Indirectly by the Company:

Investee	Investment by the Company		Investment by directors/managers and by companies directly or indirectly controlled by the Company		Total investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Norley Corporation Inc.	500	100	--	--	500	100
Heywood Limited	500	100	--	--	500	100
Sincere Navigation Corporation ( Singapore) Pte. Ltd.	100,000	100	-	-	100,000	100

## Chapter 3. Capital Overview

### I. Capital and Shares

#### (I) Capital and Shares

##### 1. Sources of capital and types of shares

May 6, 2025

Year/ Month	Par Value (NTD)	Authorized capital		Paid-in capital		Remark		
		Number of shares	Amount (NTD)	Number of shares	Amount (NTD)	Source of capital (NTD)	Capital increase by assets other than cash	Date of approval and official letter number
1989.05	10	110,000,000	1,100,000,000	110,000,000	1,100,000,000	Common stock public offering	--	Note 1
1991.11	10	200,000,000	2,000,000,000	147,000,000	1,470,000,000	Capital increase by cash 95,000,000 Capital increase by capital surplus 165,000,000 Capital increase by retained earnings 110,000,000	--	Note 2
1992.12	10	220,000,000	2,200,000,000	180,000,000	1,800,000,000	Capital increase by cash 183,000,000 Capital increase by capital surplus 147,000,000	--	Note 3
1993.08	10	258,000,000	2,580,000,000	207,000,000	2,070,000,000	Capital increase by capital surplus 90,000,000 Capital increase by retained earnings 180,000,000	--	Note 4
1994.01	10	280,000,000	2,800,000,000	233,500,000	2,335,000,000	Capital increase by cash 265,000,000	--	Note 5
1995.08	10	320,000,000	3,200,000,000	268,525,000	2,685,250,000	Capital increase by capital surplus 233,500,000 Capital increase by retained earnings 116,750,000	--	Note 6
1996.07	10	320,000,000	3,200,000,000	287,321,750	2,873,217,500	Capital increase by capital surplus 187,967,500	--	Note 7
1997.07	10	420,000,000	4,200,000,000	301,687,838	3,016,878,380	Capital increase by capital surplus 143,660,880	--	Note 8
1998.07	10	450,000,000	4,500,000,000	331,856,622	3,318,566,220	Capital increase by capital surplus 150,843,920 Capital increase by retained earnings 150,843,920	--	Note 9
1999.08	10	450,000,000	4,500,000,000	348,449,454	3,484,494,540	Capital increase by capital surplus 58,074,910 Capital increase by retained earnings 107,853,410	--	Note 10
2000.08	10	500,000,000	5,000,000,000	365,871,927	3,658,719,270	Capital increase by capital surplus 104,534,840 Capital increase by retained earnings 69,689,890	--	Note 11
2001.03	10	500,000,000	5,000,000,000	331,027,927	3,310,279,270	Treasury stocks repurchased and retired Capital decrease 348,440,000	--	Note 12
2002.03	10	500,000,000	5,000,000,000	314,477,927	3,144,779,270	Treasury stocks repurchased and retired Capital decrease 165,500,000	--	Note 13
2002.08	10	500,000,000	5,000,000,000	330,201,824	3,302,018,240	Capital increase by capital surplus 157,238,970	--	Note 14
2003.08	10	500,000,000	5,000,000,000	358,268,980	3,582,689,800	Capital increase by capital surplus 280,671,560	--	Note 15
2004.07	10	500,000,000	5,000,000,000	403,052,603	4,030,526,030	Capital increase by retained earnings 447,836,230	--	Note 16
2006.08	10	700,000,000	7,000,000,000	483,663,124	4,836,631,240	Capital increase by retained earnings 806,105,210	--	Note 17
2008.08	10	700,000,000	7,000,000,000	568,304,171	5,683,041,710	Capital increase by retained earnings 846,410,470	--	Note 18
2019.10	10	700,000,000	7,000,000,000	585,353,297	5,853,532,970	Capital increase by retained earnings 170,491,260	--	Note 19

Note 1: 1989.05.30 Order No. (78) Taiwan-Finance-Securities-(I) 01150  
Note 2: 1991.09.10 Order No. (80) Taiwan-Finance-Securities-(I) 02574  
Note 3: 1992.11.03 Order No. (81) Taiwan-Finance-Securities-(I) 02851  
Note 4: 1993.07.21 Order No. (82) Taiwan-Finance-Securities-(I) 30667  
Note 5: 1993.10.28 Order No. (82) Taiwan-Finance-Securities-(I) 40153  
Note 6: 1995.06.23 Order No. (84) Taiwan-Finance-Securities-(I) 37195  
Note 7: 1996.06.26 Order No. (85) Taiwan-Finance-Securities-(I) 39833  
Note 8: 1997.06.27 Order No. (86) Taiwan-Finance-Securities-(I) 51678  
Note 9: 1998.06.25 Order No. (87) Taiwan-Finance-Securities-(I) 55244  
Note 10: 1999.07.06 Order No. (88) Taiwan-Finance-Securities-(I) 61517

Note 11: 2000.07.12 Order No. (89) Taiwan-Finance-Securities-(I) 59331  
Note 12: 2000.11.21 Order No. (89) Taiwan-Finance-Securities-(III) 95365  
2001.03.02 Order No. (90) Taiwan-Finance-Securities-(III) 110549  
Note 13: 2002.02.04 Order No. (91) Taiwan-Finance-Securities-(III) 106717  
Note 14: 2002.07.04 Taiwan-Finance-Securities-(I) 0910136690  
Note 15: 2003.07.08 Taiwan-Finance-Securities-(I) 0920130021  
Note 16: 2004.06.23 Taiwan-Finance-Securities-(I) 0930127384  
Note 17: 2006.07.14 Financial-Supervisory-Securities-I- 095013054  
Note 18: 2008.07.10 Financial-Supervisory-Securities-I- 0970034522  
Note 19: 2019.10.18 Economic-Affairs-Commerce-10801143060

May 6, 2025

Type of stock	Authorized capital (unit: shares)			Remarks
	Outstanding shares	Unissued shares	Total	
Common stock	585,353,297 (listed stocks)	114,646,703	700,000,000	

2. Information on shelf registration: Not applicable.

## (II) List of Major Shareholders

April 12, 2025

Name of major shareholders	Shares	Number of shares held	Shareholding ratio
CTBC Bank Co., Ltd. in custody for Hema Investment Co., Ltd.		58,060,800	9.92%
CTBC Bank Co., Ltd. in custody for Solar Shipping Agency Ltd.		18,363,398	3.14%
CTBC Bank Co., Ltd. in custody for Asia Shipping Limited		15,764,788	2.69%
CTBC Bank Co., Ltd. in custody for Newsmy Limited		14,698,328	2.51%
CTBC Bank Co., Ltd. in custody for Uppercrest Enterprises Limited		11,724,694	2.00%
CTBC Bank Co., Ltd., acting as custodian for Rising Sun Shipping Co., Ltd.		11,350,000	1.94%
CTBC Bank Co., Ltd. in custody for Orient Dynasty Ltd.		9,539,761	1.63%
CTBC Bank Co., Ltd. in custody for MKTEL Inc.		7,624,575	1.30%
JPMorgan Chase Bank, N.A., Taipei Branch, the custodian bank, was entrusted to custody the Vanguard Emerging Markets Stock Index Fund managed investment account of Vanguard Group, Inc. J.P. Morgan Chase Bank in custody for Norges Bank		4,207,240	0.72%
JPMorgan Custody for Xianjin Xingguang Global Equity Index Fund		4,024,309	0.69%

### (III) The Company's Dividend Policy and Its Implementation Status:

1. Dividend policy specified in the Company's Articles of Incorporation: If the Company has surplus in its final accounts, 10% of the balance of the surplus shall be appropriated as legal reserve, in addition to payment of taxes and recovery of the losses of previous year, unless that the legal reserve reaches the Company's total capital. After special surplus reserve is withdrawn or reversed pursuant to related laws and regulations, its balance and the accumulated undistributed earnings of previous year will be deemed as distributable earnings, for which the Board of Directors shall draft distribution plan and submit it to the Shareholders' Meeting for resolution and distribution. Where dividends and bonus, capital reserve, and legal reserve are distributed fully or partially in cash, the said provision that it shall be resolved by Shareholders' Meeting shall not apply.  
The Company's industry is well developed and capital intensive with regular significant capital expenditure. In terms of dividend policy, dividends are distributed in a stable principle depending on the Company's earnings by considering future capital demands in accordance with the Company's Articles of Incorporation. Distributable earnings shall be reserved or distributed in the form of stock dividends, cash dividends, or stock and cash dividends. If earnings are distributed in the form of stock and cash dividends, cash dividends shall be no less than 30% to facilitate the Company's sustainable operation and development. The conditions, time, amount, and type of the aforesaid dividends are subjected to adjustment at an appropriate, as necessary in response to any changes in economic and industry conditions, by considering future development demands and profitability of the Company.
2. Distribution of dividends proposed at this Shareholders' Meeting: NT\$1.30 cash dividend per share is distributed.
3. Expected significant change in dividend policy: None.

(IV) Impact of Stock Dividend Distribution Proposed at this Shareholders' Meeting on the Company's Operating Performance and Earnings per Share:

Item		Year	2025 (Estimate)
Opening paid-in capital			NT\$5,853,533 thousand
Share dividend of current year	Cash dividend per share		NT\$1.30
	Dividend per share from capital increase from retained earnings		-
	Dividend per share from capital increase from capital reserve		-
Changes in operating performance	Operating income		Note
	Increase (decrease) ratio of operating profit as compared with the same period of last year		Note
	Net income after tax		Note
	Increase (decrease) ratio of net income after tax as compared with the same period of last year		Note
	Earnings per share (before adjustment)		Note
	Increase (decrease) ratio of earnings per share as compared with the same period of last year		Note
	Annual average investment return ratio (reciprocal of the annual average P/E ratio)		Note
Proposed earnings per share and P/E ratio	If capital increase from retained earnings is entirely replaced by cash dividend distribution	Proposed earnings per share	Note
		Proposed average annual investment return ratio	Note
	If capital reserve is not used for capital increase	Proposed earnings per share	Note
		Proposed average annual investment return ratio	Note
	If capital surplus is not processed and capital increase from retained earnings are redistributed as cash dividend	Proposed earnings per share	Note
		Proposed average annual investment return ratio	Note

Note: It is not applicable since the Company does not publicize financial forecasting.

(V) Remuneration to Employees and Directors

1. Percentage or range of remuneration paid to employees and directors as set forth in the Company's Articles of Incorporation:

No less than 1% and no more than 5% of the Company's pre-tax income of the current year (i.e., income before deducting the employee compensation and director's compensation to be distributed) shall be withdrawn as employee compensation and director's compensation respectively by the resolution submitted to and approved by more than half of the directors present at the Board of Directors' meeting attended by over two-thirds of directors after approved by the Remuneration Committee, which shall be reported to the Shareholders' Meeting. However, if the Company has accumulated losses, a certain amount shall be reserved for recovery of the losses first.



2. The basis for estimating the amount of employee and director remunerations, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

The basis for estimating the amount of remuneration to employees and directors for current period subject to the Company's Article of Incorporation and the amount estimated based on the experience in the past. Any difference between the actually distributed amount as resolved and the estimated amount will be recorded into the profit or loss of the following year. If employees' remuneration is paid by shares, the basis for calculation of the number of shares is the closing price on the previous day of the resolution of the Board of Directors.

3. Information on any approval by the Board of Directors on distribution of remuneration:
  - (1) The Company's Board of Directors has approved distribution of 2024 cash remuneration of NT\$31,958,745 to employees and NT\$31,958,745 to directors, which is not different from the estimated amount.
  - (2) The ratio of employee remuneration distributed in the form of stocks to the sum of the net income after tax and the total employee remuneration specified in the Individual Financial Statements: Not applicable since no employee remuneration is distributed by stocks.
4. Actual distribution of bonus to employees and remuneration to directors in previous year (including number of shares distributed, their amount and share price) and, if there is any discrepancy between the aforesaid and the recognized employee's bonus and director's remuneration, the discrepancy, cause, and how it is handled:

Item	Actual distributed amount as resolved by annual Shareholders' Meeting		Proposed distributed amount originally approved by the Board of Directors		Amount of discrepancy	Reasons for discrepancy
	Number of shares	Amount (NT\$)	Number of shares	Amount (NT\$)		
Cash bonuses for employees	0	9,856,000	0	9,856,000	--	--
Remuneration for directors and supervisors	0	9,856,000	0	9,856,000	--	--

(VI) The Company's Share Bought Back by the Company: None.

II. Corporate Bonds (Including Overseas Corporate Bonds): None.

III. Preferred Shares: None.

IV. Global Depository Receipts (GDRs): None.

V. Employee Stock Options: None.

VI. Restricted Stock Awards: None.

VII. Issuance of New Shares Due to Merger or Acquisition (Including Mergers, Acquisition and Separation) or Acquisition of Shares in Other Companies: None.

VIII. Implementation of Capital Allocation Plan:

(I) Contents of Plan: The Company Has not Issued or Privately Placed Securities in the Most Recent Three Fiscal Years.

(II) Implementation Status: Not applicable.

## Chapter 4. Operational Highlights

### I. Business Activities

#### (I) Scope of Business

##### 1. Business Operation of the Group

- (1) Bulk shipping.
- (2) Tug and barge service.
- (3) Shipping agency.
- (4) The other businesses not prohibited or restricted by laws besides permitted businesses.

##### 2. Operating income of the Group (including discontinued departments) in the most recent two years:

Unit: NT\$ thousand

Type	Year Operating revenue	2024		2023	
		Amount	%	Amount	%
Bulk carrier		\$ 3,171,496	69.80	\$ 2,919,914	68.40
Oil tanker		1,352,086	29.76	1,329,117	31.14
Revenue from vessel management		20,220	0.44	19,625	0.46
Total		\$ 4,543,802	100.00	\$ 4,268,656	100.00

##### 3. New services planned to be developed

To increase the overall fleet capacity and maintain the young age of the fleet, the Company continues to implement vessel repair and maintenance, fleet expansion, and vessel replacement plans at an appropriate time, and improves its business performance by utilization of assets in line with strategic operation plans and by enhancing costs control and management regarding reduction of risks. Besides expanding the number of the original vessels in the fleet and diversifying vessel types, the shipyards in compliance with the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships which prohibit or restrict use of hazardous materials will be taken into consideration with priority when the Company searches for shipyards to construct new vessels. Hopefully, the latest environmentally friendly vessels will be introduced to our fleet.

### (II) Overview of the Industry

#### 1. Current shipping status and development

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. Relevance between upstream to downstream shipping

Shipping market is closely related to global overall economy. Shipping is greatly demanded when the global economy booms, but is low in demand during the economic downturn when transports are stalemated. When the shipping market is still in recovery, slumped new ship orders on shipyards will result in a drop for steel and steel plates demands. Steel industry relevant to bulk carriers perform mediocre at best and may curb production.

Shipping market cycle can be roughly categorized into depression, recovery, boom and prosperity. Each cycle is around 7 to 10 years. In between or due to factors such as oil production policies from OPEC, new regulations from international conventions, geopolitics, and China's global economic strategy, or fluctuations in exchange and interest rates, or climate change all closely pertain to the shipping market.

The depressive bulk shipping market impacts the operation of ship-owners, while the increase in fuel cost made it worse. If the Russo-Ukrainian war continues plus the oil producing nations under OPEC reach an agreement in reducing production, it will boost oil prices; however, OPEC's concern about the competitive disadvantage due to resumption of shale oil production resulting from the increase in oil prices have staved off a continuously climb, which relieves pressure on shipping costs.

The shipping industry has currently come across multiple challenges, including a difficult business market and responsibilities for reducing pollution to environment. If the shipping market fails to recover and old ships fail to comply with the latest environmental regulations, shipowners may find it difficult to afford the huge costs of energy efficiency upgrades and modifications. If operating costs are insufficient, scrapping ships early will be the only option.

This will lead to the dismantling of younger ships and ease the imbalance between supply and demand of ships.

Shipping is a labor exporting industry, where business profits will be eroded by surges in NTD appreciation. Shipping operators with higher loan ratios often face greater financial burden with climbing interest rates.

### 3. Shipping development trends

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%.

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.

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.

### 4. Shipping competition

Bulk carrier operation is a worldwide free competition industry, which differs from the container ship business that operates by consortium and slot chartering; but in case of bulk shipping downturn and sluggish market, ship owners with similar fleet types and deadweight and scale will form an operation alliance entity (Pool) for joint management to reduce competition with each other and promote the stabilization of shipping market.

## (III) Overview of Technologies and R&D Efforts

The Group focuses on shipping operation and does not allocate expenditure for research and development.

#### (IV) Long-term and Short-term Business Development Plans

1. Short-term
  - (1) Plan flexible strategies of spot operation for vessels or short-, mid- or long-term charter depending on the market status to ensure profitability.
2. Long-term
  - (1) Rigorously control quality and costs of vessel maintenance and crew services, with prudent execution of short-term, long-term and spot contracts.
  - (2) Closely monitor and analyze the dynamic trends of international shipping market, and carefully select reputed charterers to ensure shipowners' rights and interests.
  - (3) Keep up-to-date information on secondhand vessel market for timely disposal of the Company's and the Group's older vessels, plan to add vessels and expand fleet at a optimum time, and continue with vessel replacement plan.
  - (4) Strictly control costs, maintain the operational performance of the fleet to increase profitability, with emphasis on both of business expansion and cost reduction.



## II. Analysis of Market and Production and Marketing Situation

### (I) Market Analysis:

#### 1. Operating vessels:

The Group primarily operates crude oil and bulk carrier shipping. The list of the current fleet is as below:

#### (1) Parent company: Sincere Navigation Corporation fleet

Vessel name	Quantity	DWT	Type	Built in
Palona	1	81,611	Kamsarmax	2014

#### (2) Subsidiaries: Norley Corporation Inc. and Heywood Limited fleet

Vessel name	Quantity	DWT	Type	Built in
Oceana	1	81,528	Kamsarmax	2014
Rebekah	1	82,113	Kamsarmax	2012
Sarah	1	81,082	Kamsarmax	2018
Chin Shan	1	175,538	Capesize Bulker	2004
Chou Shan	1	175,538	Capesize Bulker	2005
Bao Shan	1	174,977	Capesize Bulker	2006
Yue Shan	1	177,798	Capesize Bulker	2009
Mineral Oak	1	177,874	Capesize Bulker	2010
Tai Shan	1	176,277	Capesize Bulker	2011
Wah Shan	1	179,546	Capesize Bulker*	2015
Tien Shan	1	250,132	VLOC	2018
Maxim	1	296,655	VLCC	2011
Kondor	1	296,428	VLCC	2012
Elbhoff	1	300,168	VLCC	2017
SNC Group Fleet Total	15	2,707,265		

\*The Company purchased a secondhand Capesize bulker in May 2024.

## 2. Shipping routes

The Group's fleet focuses on the transport of bulk cargo such as iron ore, coal and crude oil. Shipping routes without fixed schedules are arranged with appropriate shipping tonnage so that all vessels are utilized at full loading capacity to maximize operating income.

## 3. Major clients

<u>Name of clients</u>	<u>Shipping conten</u>
Rio Tinto Singapore Holdings Pte Ltd	Iron ore
BHP Singapore	Iron ore

## 4. Market status and important factors for development visions

Favorable factors:

### (1)Fleet size and reputation

The Group is one of the largest bulk carrier company in the country. As of now, the fleet is sufficiently scaled at a total DWT of over 2.7 million metric tons, and this is a scale that is able to gain confidence from the top-tier clients in the world. Securing long-term and short-term contracts as well as the firm and stable operation give the Group excellent reputation not only in the domestic market, but especially in the international market.

### (2)Stable clients

Our major clients include notable domestic and global iron ore suppliers, steel companies, and shipping industry operators. Thus, there has been no breach of contract even during a recession. The Group flexibly adopts spot operation and short-, mid- or long-term leases as a basis for the business to move towards positive development.

### (3)Experienced in shipping operation

The Group has over 50 years of history and has endured numerous volatile moments of the shipping industry by consistently making breakthroughs. The experienced and pioneering attributes of the management team contributed to the Company's continuous growth and prosperity.

### (4)Fleet expansion, revenue growth, and profit increase

Fleet expansion and vessel replacement are consistent policies of the Group. The Company retains good relationship with shipyards to remain at the forefront of shipbuilding developments and pricing of new vessels, with a view to add new vessels and expand the fleet transport capacity at the best opportunities.

### (5)Status of supply and demand of the vessels

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 scraping 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. 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.

#### Unfavorable factors

##### (1) Risk from exchange rate fluctuation

A significant portion of the Group's income are accounted in US dollars. However, some of operating cost of the Group are also paid in US dollars, which considerably offsets the risk of exchange rate fluctuation.

##### (2) Risk from interest rate fluctuation

Shipping enterprises with higher loan ratios are often faced with greater financial burden with climbing interest rates. However, the condition of loans for the Group's fleet are extremely favorable, providing modification and balance to future risk from interest rate fluctuation.

##### (3) Fluctuation in crude oil price/Green energy environmental protection trend

Due to the impact of international geopolitics and wars, international oil prices fluctuated greatly, resulting in a relatively increased burden of fuel costs. For the ships carrying cargo operated by the Company, the Company conducts shipping at the lowest economic speed to reduce fuel consumption and save costs. If the war continues and the Organization of the Petroleum Exporting Countries (OPEC) refuses to increase oil production, the burden to be caused by oil costs will continue to expand, which will further increase the pressure from shipping costs.

The shipping industry currently faces many challenges. In addition to volatile shipping markets, there is also growing obligation to reduce environmental pollution. Current focus is on new energy efficiency regulations, including the IMO's Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) rules; effective January 1, 2023, and the European Union's "Fit for 55" green deal, which brings shipping into the EU Emissions Trading System (EU ETS) from 2024 onwards. The introductions of new environmental

regulations will have a critical impact on the shipping market in the upcoming years.

Summary:

The Company upholds solid operation policy with managing vessel assets with prudence to deliver a stable and profuse profits over the past few years. A continuous profit streak is expected in this year (2023) with the risk of market uncertainties evaded. Meanwhile, in response to volatile market changes, business operations for time charter contracts is adapted with spot market. With responsible and professional leadership from the Company's management team, it is believed that the Company can maintain a competitive advantage in a fluctuating shipping market, and can strive for a long-term maximization of profits for the Company and its shareholders alike.

(II) Use and Manufacturing Processes of the Company's Major Products: Please refer to (I) Market Analysis for details.

(III) Supply Status of Major Raw Materials:

Not applicable as the Group operates mainly in shipping transport.

(IV) List of Clients Accounting for 10% or More of the Company's Total Procurement (Sales) Amount in the Most Recent Two Fiscal Years:

1. List of clients accounting for 10% or more of the Company's total procurement amount in the most recent two fiscal years: Not applicable.
2. List of clients accounting for 10% or more of the Company's total sales amount (including discontinued departments) in the most recent two fiscal years:

Item	2023				2024				2025 Q1			
	Name	Amount (NT\$ thousand)	Proportion to net annual sales of goods (%)	Relationship with the issuer	Name	Amount (NT\$ thousand)	Proportion to net annual sales of goods (%)	Relationship with the issuer	Name	Amount (NT\$ thousand)	Proportion to the net sales of goods of current year as of previous quarter (%)	Relationship with the issuer
1	Tanker International	\$1,329,117	31.14	None	Tanker International	\$1,352,086	29.76	None	Tanker International	\$ 297,260	31.41	None
2	BHP Singapore	871,489	20.42	None	BHP Singapore	1,111,028	24.45	None	BHP Singapore	196,009	20.71	None
3	Rio Tinto Singapore Holdings Pte Ltd.	704,819	16.51	None	Rio Tinto Singapore Holdings Pte Ltd	519,093	11.42	None	Rio Tinto Singapore Holdings Pte Ltd.	136,502	14.42	None
	Net sales of goods	\$2,905,425	68.07		Net sales of goods	\$2,982,207	65.63		Net sales of goods	\$ 629,771	66.54	

Reason for change:

Over the past three years, tanker freight rates have remained relatively stable. For the dry bulk segment, cargoes continue to be primarily sourced from long-term partnerships with internationally renowned mining companies. There have been no significant changes in the ranking of major customers.

### III. Employee Information

Information on Employees during the Most Recent Two Fiscal Years and during the Current Fiscal Year as of the Publication Date of the Annual Report

		2023	2024	Current year (as of May 6, 2025)
Number of employees	Staff member	29	30	33
	Crew member	270	270	272
	Total	299	300	305
Average age		41.82	40.61	40.4
Average service year		17.17	12.5	11.97
Distribution of education level	PhD	0.00	0.00	0.00
	Master	3.34	3.33	3.61
	Bachelor and associate degrees	50.50	52.33	53.44
	Senior high school	11.71	30.67	30.82
	Below senior high school	34.45	13.67	12.13

### IV. Disbursements for Environmental Protection

(I) Total Losses due to Environmental Pollution during the Most Recent Fiscal Year and during the Current Fiscal Year as of the Publication Date of the Annual Report: None.

(II) Responsive Measures:

- (1) Environmentally friendly anti-fouling paint is adopted for the shell plating of the Group's vessels, and the new generation of low surface energy silicone coatings are being gradually adopted, and the International Anti-Fouling System Certificate is obtained.
- (2) The Group's vessels comply with the MARPOL 73/78, and all voyages are in compliance with oil, air and ballast water pollution prevention, garbage disposal, domestic sewage discharge and other regulations. The Group's vessels are equipped with sewage treatment machine, oil water separators, and oil waste incinerators for sewage and oil waste treatment, so as to prevent the sewage and oil from polluting oceans and harbor areas.
- (3) The Group's vessels are equipped with energy-saving and eco-friendly equipment such as ballast water treatment systems and scrubbers. Additionally, continuously install spiral propeller hub fairings and energy-saving fairings.
- (4) The Company attaches great importance to energy efficiency, and uses the energy efficiency operating index calculation formula issued by the International Maritime Organization (IMO) to calculate the carbon emissions during the operation of vessels in response to the mandatory carbon dioxide emission reduction measures to be taken in the future. Starting from 2023, the International Maritime Organization requires the adoption of new existing ship energy efficiency index (EEXI) and carbon intensity index (CII) regulations. The EU Emissions Trading System (EU ETS) has been effective from January 1, 2024, and the EU's FuelEU Maritime regulation, which aims to reduce greenhouse gas emissions from ships, will also come into effect on January 1, 2025. In response to the above environmental protection regulations, the company continuously monitors the energy efficiency indicators of each ship in its fleet through the technical support of major classification associations, and formulates and implements ship energy efficiency management plans.

- (III) The Group operates in shipping industry, thus there is no impact on the Group's finance or business from the implementation of EU Restriction of Hazardous Substances (RoHS) Directive.

## V. Labor Relations

### (I) Employee Benefits, Continuing Education, Training, Retirement Systems, and the Status of Their Implementation, and Labor-management Agreements and Measures for Safeguarding Employees' Rights and Interests:

#### 1. Employee benefits:

The Group treats the crew well, offering top-tier salary and meals, paying attention to their work-life balance and health care, and taking good care of the family of crew members so that they can focus on their jobs. In addition, employee tours and holiday gatherings are held to enhance the harmonious relationship between the labor and the management. Health examinations are provided for staff members on a regular basis to care for their physical health.

#### 2. Employee retirement system:

From January 1, 1987, the Employee Retirement Regulation is formulated for formal employee (excluding contracted crew members). Employee retirement pensions are disbursed based on the calculation method specified in the Labor Standards Act. Labor pension reserve fund is appropriated annually in consideration of operational status and deposited in financial institution accounts specifically for the purpose of disbursement of retirement pension. From July 1, 2005, employees opting to be governed by the Labor Pension Act are appropriated with monthly labor pensions of no less than 6% of their salaries and wages which are deposited into the employees' personal accounts in the Bureau of Labor Insurance.

Haihu Maritime Service (Shanghai) Co., Ltd., the Company's third-tier subsidiary in mainland China, appropriates monthly pension based on a certain ratio of local employee's salaries and wages according to the endowment insurance system stipulated by the government of the People's Republic of China. All employee's pensions are managed and arranged by the government. The Company has no further obligations, except for monthly appropriation.

#### 3. Implementation status:

The Group implements benefit policies normally. Retirees are entitled to pension pursuant to the Company's Employee Retirement Regulations. Labor-management have maintained a favorable relationship with no major disputes.

#### 4. Work environment and employee safety protection measures:

In addition to providing employees with a safe and healthy work environment, the Company:

- (1) regularly provides employees with health examination and health guidebooks.
- (2) effects 24-hour travel accident insurance for employees according to its rules.
- (3) contracted with international medical service providers to offer immediate medical consultation for crew members.
- (4) provides crew members with fair employment contracts and full compensation for their work.
- (5) provides crew members with duly training for enabling them to be qualified for their on-board duties.
- (6) provides crew members with sufficient day-offs for onshore repose for the sake of their

health, benefits, and good performance of their job duties.

(7) provides crew members with standard work and rest hours on board.

(8) equips vessels with appropriate living quarters and leisure facilities for crew members.

(9) protects the health of crew members and ensures their prompt access to on-board and onshore medical treatment.

5. To implement corporate governance, develop a sustainable environment, and safeguard public welfare, the Company:

(1) has duly established relevant responsible units for promoting sustainability , and prepares ESG Report in accordance with GRI standards.

(2) considers the shipyards in compliance with the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships with priority for construction of new vessels, and prohibits or restricts use of hazardous materials, in order to protect the environment and reduce personal injuries.

(3) has formulated the International Safety Management Code based on the characteristics of the industry, specifying that vessels shall comply with the relevant regulations and procedures related to international environmental protection.

(4) complies with relevant labor laws and regulations, and appoints and dismisses, and offers remuneration to, employees according to its Human Resources Management Procedures to protect the basic rights and interests of employees.

(5) trains employees with detailed plans and encourages employees to participate in external relevant trainings to enhance the development of employees' career capabilities.

(II) Any Loss Suffered as A Result of Labor Disputes in the Most Recent Fiscal Year and in the Current Fiscal Year as of the Publication Date of the Annual Report Shall be Specified, and Estimated Amount of Possible Losses at Present or in the Future and Their Measures Shall be Disclosed: None.

## VI. Information Security Management

- (I) Outline the information security risk management framework, information security policies, specific management plans, and resources invested in information security management.

To strengthen information security management and ensure the security of important data, information systems, and networks, Network Information Security Policy has been established to enable all colleagues to comply with and follow. It assists users in the smooth operation of various business operations and ensures the security of all information media, in order to achieve the goal of information security.

The Company's information security management objectives are as follows:

1. Maintain continuous operation of information systems.
2. Ensure the confidentiality, integrity, and availability of information.
3. Prevent improper intentions and illegal use.
4. Avoid accidental human negligence.
5. Prevent hacker, virus, and other intrusions and damage.
6. Maintain physical environment security.

To ensure the security of all information media and achieve the goal of information security, strengthen the network security management of the company and ships, and reduce the risks of hacker, virus, and other intrusion attacks and destruction, all activities of the Company and ship networks are covered by the firewall system. All computers are simultaneously protected by real-time antivirus software. In addition to the protection mechanisms of firewalls and antivirus software, the Company's ship network security management plan clearly requires all colleagues to be aware of network security vulnerabilities and avoid network intrusions caused by human errors, including:

1. Carelessly using external media from unverified sources.
2. Lack of vigilance for routine repetitive tasks.
3. Exposing confidential documents and passwords on desks.
4. Inadvertent transmission of sensitive data.
5. Uploading personal/company data to disguised websites with malicious viruses.

To achieve the information security management objectives, the following procedures are strictly controlled:

1. Account management - personnel account, authority management, and system operation behavior management.
2. Access control - differentiation of internal and external systems and data transmission channels.
3. Blocking external threats - through the IPS defense system, combined with endpoint protection software, enhancing protection and real-time alert capabilities.
4. System high availability - enabling high availability measures for key equipment to reduce the possibility of service interruption.
5. Communication system security - blocking unnecessary connections to reduce risks.

### 2024 Information Security Protection Effectiveness and Review

1. Successfully implemented 4 ship network security internal audits:
  - 1.1 MV Palona: 2024-01-15



- 1.2 MV Sarah: 2024-03-15
- 1.3 MV Bao Shan: 2024-03-19
- 1.4 MV Rebekah: 2024-03-20
- 1.5 MV Chin Shan : 2024-10-27

- 2. Planned to arrange for information security personnel to participate in training and obtain ship information security training certificates.
- 3. Participated in training courses on the Information Security Governance Guidelines for TWSE/TPEX Listed Companies, including cyber incident overview and preventive measures, cybersecurity awareness, essential knowledge, and responsibilities.

(2) List the losses, potential impacts, and countermeasures suffered due to major information security incidents in the most recent year and up to the date of printing of the annual report. If it is not possible to make a reasonable estimate, the fact that it is not possible to make a reasonable estimate should be stated:

As of the date of printing of the annual report, the Company has not suffered any losses due to major information security incidents.

## VII. Important Contracts

- (I) The Group's Long-term Shipping Operation Contracts Surviving and Effective at Present:

Contract Party	Term	Content
NORDEN A/S	2024.3.22- 2026.3.22	Medium- to Long-Term Charter Contracts on International Routes for MV. Sarah
H-LINE SHIPPING CO.,LIMITED.	2024.5.29- 2026.5.29	Medium- to Long-Term Charter Contracts on International Routes for MV. Wah Shan
Rio Tinto Shipping (Asia) Pte. Ltd.	2024.6.17- 2026.6.17	Medium- to Long-Term Charter Contracts on International Routes for MV. Bao Shan

- (II) Long-term Loan Contracts:

Lending Bank(s)	Contract Period	Collateral	Covenants
Mega Bank and syndicate banks	2018/03/05 – 2027/03/05	M/V Tien Shan	None

## Chapter 5. Review and Analysis of the Company's Financial Position and Financial Performance, and Risks

### I. Financial Position

Comparison and Analysis of Financial Position - International Financial Reporting Standards (IFRSs) is adopted

Item \ Year	December 31, 2024	December 31, 2023	Unit: NT\$ thousand	
			Difference	
			Amount	%
Current assets (Explanation 1)	7,181,830	5,389,158	1,792,672	33.26
Non-current financial assets at amortized costs (Explanation 2)	-	1,438,585	( 1,438,585)	( 1.00)
Property, plant and equipment	15,149,327	14,247,980	901,347	6.33
Other assets	33,415	39,952	( 6,537)	( 16.36)
Total assets	22,364,572	21,115,675	1,248,897	5.91
Current liabilities	3,862,686	3,912,897	( 50,211)	( 1.28)
Long-term liabilities (Explanation 3)	206,577	1,286,365	( 1,079,788)	( 83.94)
Other liabilities (Explanation 4)	38,363	30,555	7,808	25.55
Total liabilities	4,107,626	5,229,817	( 1,122,191)	( 21.46)
Share capital	5,853,533	5,853,533	-	-
Capital surplus	165,576	165,592	( 16)	( 0.01)
Retained earnings				
Legal reserve	3,320,041	3,276,282	43,759	1.34
Special reserve	904,748	898,413	6,335	0.71
Unappropriated retained earnings	7,609,188	6,596,786	1,012,402	15.35
Other equity (Explanation 5)	403,860	( 904,748)	1,308,608	144.64
Total shareholders' equity	18,256,946	15,885,858	2,371,088	14.93

Note: Analysis and notes are made and given only for those with an increase or decrease ratio of more than 20%.  
Explanation and analysis:

1. Primarily due to an increase in profit for the period, resulting in a corresponding increase in cash.
2. Mainly attributable to the Group's previous purchase of the vessel Landbridge Glory and concurrent bareboat charter to the same counterparty; during the period, the seller of Landbridge Glory exercised the contractual right to repurchase the vessel earlier than scheduled.
3. Mainly due to the early repayment of bank loans as a result of the seller of Landbridge Glory exercising the contractual right to repurchase the vessel during the period.
4. Primarily due to an increase in accrued pension liabilities resulting from changes to the retirement policy of an overseas subsidiary.
5. Primarily due to the reclassification of cumulative translation adjustments arising from exchange rate fluctuations between the New Taiwan Dollar and the U.S. Dollar.

## II. Financial Performance

Review and Analysis on Financial Performance - International Financial Reporting Standards (IFRSs) is adopted

Unit: NT\$ thousand

Item \ Year	2024	2023	Amount of increase (decrease)	Percentage of change (%)	Analysis of deviation
Operating revenue	\$ 4,412,174	\$ 4,028,659	\$ 383,515	9.52	
Operating costs	( 3,082,587)	( 3,334,823)	252,236	( 7.56)	
Gross profit (loss)	1,329,587	693,836	635,751	91.63	Please refer to Explanation 1
Operating expenses	( 348,048)	( 272,505)	( 75,543)	27.72	Please refer to Explanation 2
Other gain and losses – net	-	-			
Operating profit	981,539	421,331	560,208	132.96	
Non-operating income and expenses					
Interest income	240,390	222,922	17,468	7.84	
Other income	10,132	476	9,656	2028.57	
Other gains and losses	( 11,996)	( 47,564)	35,568	( 74.78)	Please refer to Explanation 3
Finance costs	( 92,815)	( 96,061)	3,246	( 3.38)	
Total non-operating income and expenses	145,711	79,773	65,938	82.66	
Pre-tax net profit from continuing operations	1,127,250	501,104	626,146	124.95	
Income tax expenses	( 28,949)	( 50,312)	21,363	( 42.46)	Please refer to Explanation 4
Net profit from continuing operations	1,098,301	450,792	647,509	143.64	
Net gain and loss from discontinued operations	400,708	72,440	328,268	453.16	Please refer to Explanation 5
Net profit	1,499,009	523,232	975,777	186.49	
Net other comprehensive income	1,311,110	27,376	1,283,734	4689.27	Please refer to Explanation 6
Total comprehensive income	2,810,119	550,608	2,259,511	410.37	
Net income attributable to:					
Owners of the parent company	\$ 1,499,009	\$ 444,298	\$ 1,054,711	237.39	
Non-controlling interests	-	78,934	( 78,934)	( 100.00)	Please refer to Explanation 7
	\$ 1,499,009	\$ 523,232			
Total comprehensive income attributable to:					
Owners of the parent company	\$ 2,810,119	\$ 431,257	\$ 2,378,862	551.61	
Non-controlling interests	-	119,351	( 119,351)	( 100.00)	Please refer to Explanation 7
	\$ 2,810,119	\$ 550,608			

Note: Analysis and notes are made and given only for those with an increase or decrease ratio of more than 20% and change amount reaching NT\$10,000 thousand.

Explanations:

1. Primarily driven by an increase in freight rates in the dry bulk market, leading to revenue growth and positive performance across related indicators.
2. Attributable to higher profit for the period, resulting in increased employee bonuses, director compensation, and performance-based incentives.
3. Mainly due to the recognition of impairment losses on Yue Shan in the prior period, with no such loss recognized this period.
4. Primarily due to the reversal of special reserve and the recognition of additional income tax expenses for prior years in the previous period; no such adjustment occurred in the current period.
5. Attributable to the sale of Heng Shan and the exercise of the contractual repurchase right by the seller of Landbridge Glory during the period.
6. Due to the impact of fluctuations in the exchange rate between the New Taiwan Dollar and the U.S. Dollar, resulting in translation adjustments on the financial statements of foreign operations.
7. Resulting from the acquisition of non-controlling interests in the prior year, leading to a wholly owned (100%) investment structure across the Group.

### III. Cash Flows

#### (I) Cash Flow Analysis for the Most Recent Two Years

Item \ Year	Year		Increase (Decrease) ratio
	December 31, 2024	December 31, 2023	
Cash flow ratio	76.35%	59.06%	17.29%
Cash flow sufficiency ratio	156.03%	203.65%	( 47.62%)
Cash reinvestment ratio	7.45%	6.79%	0.66%
<p>Analysis of the changes in increase/decrease ratio:  Benefiting from improved profitability in the dry bulk segment, net cash inflow from operating activities increased compared to the same period last year, resulting in a higher cash flow ratio. However, capital expenditures were relatively high during the period, mainly due to the acquisition of new vessels, installation of environmental protection equipment to comply with regulatory requirements, and an increase in routine drydocking expenses, leading to a decline in the cash flow adequacy ratio.</p>			

#### (II) Cash Liquidity Analysis for the Following One Year:

Opening cash balance (1)	Estimated net cash flow from operating activities throughout the year (2)	Estimated cash outflow throughout the year (Note 1) (3)	Estimated cash surplus (deficit) (1)+(2)-(3)	Remedial measures for estimated cash deficit	
				Investment Plan	Financial Plan
\$3,098,099	\$2,366,351	\$1,026,723	\$4,437,727	-	-

Note 1: The estimated annual cash outflow is the sum of cash flows from investing activities and financing activities.

The projected total annual cash outflow represents the sum of cash flows from investing and financing activities. Major expenditures include capital expenditures of NT\$282 million for drydocking and equipment installation on existing vessels, and the distribution of NT\$761 million in cash dividends.

#### IV. Review and Analysis on Significant Capital Expenditure in the Most Recent Fiscal Year and Its Fund Sources

None.

#### V. Reinvestment Policy in the Most Recent Fiscal Year, Major Reasons for Profits/Losses, Plan for Improving Re-investment Profitability, and Investment Plans for the Following Year:

Explanation Item	Reinvestment amount	Policy	Major reason for profit	Improvement plan	Other investment plans in the future
Norley Corporation Inc.	\$32,230	Long-term investment	Good operating performance	None	-
Heywood Limited	\$32,935	Long-term investment	Good operating performance	None	-
Sincere Navigation Corporation (Singapore) Pte.Ltd.	\$ 2,998	Long-term investment	Good operating performance	None	-

#### VI. Risk Analysis and Assessment

Risk Analysis and Assessment for the Most Recent Year and the Current Year as of the Publication Date of the Annual Report:

##### (I) Impacts of Changes in Interest Rate and Foreign Exchange Rate and Inflation on Corporate Finance, and Future Response Measures:

Item	2024 (NT\$ thousand)
Interest expenses	\$ 130,632
Exchange gain	\$ 2,802

The Company periodically assesses the interest rate of bank loan and strives to get the most favorable lending rate from bank. In terms of fluctuation in exchange rates, definite foreign exchange operating strategies and strict control procedures have been formulated to monitor changes in foreign exchange.

##### (II) Policies, Major Reason for Gain or Loss, and Future Responsive Measures with Respect to High-risk, Highly-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions:

The Company did not engage in high-risk, highly-leveraged investments and derivatives transactions in 2023. Loans, endorsement and guarantee are made only re-invested subsidiaries, and conducted in accordance with the Company's Procedures for Endorsement & Guarantee and Procedures for Lending Funds to Other Parties.

##### (III) Future Research & Development Projects and Corresponding Budget: Not applicable.

- (IV) Impacts of Changes in Domestic and Overseas Important Policies and Regulations on the Company's Finance and Business, and Response Measures: None.
- (V) Impacts of Changes in Technologies on the Company's Finance and Business, and Response Measures: None.
- (VI) Impacts of Changes in the Corporate Image on Corporate Risk Management, and Response Measures: None.
- (VII) Expected Benefits from, Potential Risks Relating to, and Response Measures for, Merger and Acquisition: None.
- (VIII) Expected Benefits from, Potential Risks Relating to, and Response Measures for, Factory Expansion: None.
- (IX) Risks Relating to, and Response Measures for, Excessive Concentrated Suppliers or Clients: None.
- (X) Impacts of, Risks Relating to, and Responses Measures for, Significant Share Transfer or Changes in Shareholding by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: None.
- (XI) Impacts of, and Risks Relating to, Changes in Management Rights on the Company, and Response Measures: None.
- (XII) In Terms of Litigious and Non-litigious Matters, Any Judged or Pending Major Litigious, Non-litigious or Administrative Dispute Events Involving the Company and/or its Any Director, Supervisor, President, Actual Person-in-charge of the Company, Major Shareholder with Shareholding Over Ten Percent, and/or Any Company Affiliated to the Company Shall be Specified. If its Result Would Materially Affect Shareholders' Equity or the Prices Of the Company's Securities, the Disputable Fact, Object Amount, Commencement Date of the Litigation, Major Parties Involved in the Litigation, and its Status As of the Publication Date of the Annual Report Shall be Disclosed: None.
- (XIII) Other Major Risks and Their Response Measures: The Company focuses on international ocean shipping routes in terms of the characteristics of its business, and makes transactions with non-specific international clients based on business routes, and it contacts related clients, business brokers, suppliers, agencies and other stakeholders through e-mail. However, since blackmails, scam e-mails and other malicious e-mails occurs frequently and recently, the Company has conducted reverse IP domain check on e-mails and strengthened firewalls, and it traces and verifies the correctness of the domain relating to e-mail and automatically blocks problematic e-mails through the program. In case of any abnormality, a double confirmation will be made with our transaction counter-party through phone calls made by employees or by any other non-email method, in addition to the

aforementioned automatic blocking system. The Company intends to apply for e-mail SSL certificate for increased accuracy and security of information.

VII. Other Important Matters: None.

## Chapter 6. Special Disclosure

- I. Information on Affiliates: Please refer to the “Three Statements of Affiliated Enterprises” section on the Market Observation Post System (MOPS) for further details.
- II. Private Placement of Securities in the Most Recent Fiscal Year and in the Current Fiscal Year As of the Publication Date of the Annual Report: None.
- III. Other Supplementary Information: None.

Chapter 7. Situations which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities: No situations that might materially affect shareholders' equity or the price of the Company's securities, as specified in Subparagraph 2, Paragraph 2, Article 36 of the Securities and Exchange Act, occurred in the most recent year and in the current year as of the publication date of the Annual Report.



Sincere Navigation Corporation

Chairman: Hsu, Chi-Kao