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Sincere Navigation Corporation

Annual Report 2025

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

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

VI. The Company's Website: www.snc.com.tw

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Chapter 1. Letter to Shareholders

I. Navigating a Divergent Global Economy

As we convene for our 2026 Annual General Meeting, Sincere Navigation Corporation (SNC) operates in a global shipping environment defined less by uniform recovery and more by divergence—across regions, cargo types, and vessel classes. The industry has moved beyond post-pandemic normalization into a phase characterized by heightened volatility, accelerated regulation, and increasingly disciplined capital allocation.

Against this backdrop, SNC has remained anchored by two enduring principles: Diligent operations and Prudent financial stewardship. These principles continue to guide our decisions across market cycles, preserving not only earnings resilience but also balance sheet strength and operational reliability.

Global economic conditions in 2025 proved more resilient than earlier forecasts suggested. According to the International Monetary Fund, global GDP growth reached approximately 3.3% in 2025 and is projected to remain at a similar level in 2026. This stability has been supported by private-sector adaptability, sustained investment in technology, and continued consumption in major economies.

Within this context, China continues its structural transition toward higher-value manufacturing and technology-driven growth, with GDP expansion forecast at approximately 4.5% in 2026, while India, now the fastest-growing major economy, is expected to grow by around 6.4%, reinforcing its rising influence on global commodity flows and seaborne trade.

For SNC, these general trends translate into a selective but constructive demand environment, particularly in vessel segments where supply growth remains constrained. Our exposure to VLCC and Capesize tonnage positions the Company to benefit from this divergence while maintaining a cautious stance toward broader market volatility.

II. 2025 Financial Performance: Disciplined Execution

Throughout 2025, SNC operated a fleet of 15 vessels, comprising 3 VLCCs and 12 dry bulk carriers, with a continued focus on utilization, safety management, regulatory compliance, and asset condition maintenance.

- Revenue: Consolidated revenue reached NTD 4,407,811 thousand dollars, representing a 3% year-on-year decrease compared to 2024.
- Profitability: Net profit attributable to the parent company amounted to NTD 847,322 thousand dollars, translating into EPS of NTD 1.45, broadly in line with management expectations.
- Chartering Strategy: By maintaining a disciplined chartering mix of approximately 60% period cover and 40% spot exposure, SNC mitigated earnings volatility during seasonal softening in early 2025 while retaining upside participation during the tanker rate strength observed in the second half of the year.

Equally important, the Group continued to manage leverage conservatively. Our liquidity position and debt profile remain well within internally defined risk parameters, preserving financial flexibility and optionality. This balance sheet strength enables SNC to respond decisively to fleet renewal or asset rotation opportunities in 2026 without compromising financial stability or shareholder interests.

III. Market Environment and Sector Outlook

The Dry Bulk Market: Growing Divergent Performance Across Vessel Segments

The dry bulk market in 2026 presents a more nuanced picture, with outcomes increasingly determined by vessel class. While overall fleet growth remains elevated, the Capesize segment—where SNC maintains meaningful exposure—continues to exhibit relatively moderate net supply growth, estimated at approximately 2–3%.

Key demand drivers include:

- Bauxite Trade: Strong growth in Guinean bauxite exports has materially increased long-haul tonne-mile demand.
- Iron Ore: Global iron ore trade is forecast to grow by approximately 3–4% in 2026, mainly supported by Indian steel demand and periodic restocking in China.

At the same time, management remains keenly aware that dry bulk demand continues to be highly sensitive to Chinese steel margins and policy direction. Accordingly, the Company continues to approach this segment with measured exposure and disciplined risk management.

The Tanker Market: Structurally Supportive for VLCCs

The tanker market entered 2026 with its strongest fundamentals in over a decade. During late 2025, VLCC spot earnings briefly exceeded USD 100,000 per day, mainly driven by a combination of OPEC+ production increases, re-routing of crude flows, and

materially higher tonne-mile demand. While such levels reflect peak conditions rather than normalized earnings, they underscore the structural tightness of the market.

Looking ahead, supply-side fundamentals remain supportive:

- **Deferred Deliveries:** Although the global crude tanker orderbook has risen to approximately 14% of the fleet, deliveries are heavily back-weighted toward 2027–2028, limiting near-term capacity growth.
- **Aging Fleet:** Roughly 18% of the global tanker fleet is now aged 20 years or older. As environmental regulations tighten and charterer requirements become more stringent, scrapping potential is expected to offset a significant portion of scheduled new deliveries.

The aforementioned factors support a constructive medium-term outlook for VLCC earnings, particularly for owners operating modern, compliant, and well-maintained tonnage, such as the Company.

IV. 2026 Strategic Directions and Operating Priorities

1. **Strategic Fleet Renewal**

SNC remains committed to a disciplined “buy-and-sell” strategy. With asset values for older vessels remaining historically elevated, we are actively assessing opportunities to recycle aging tonnage and reinvest in younger, more fuel-efficient vessels that align with long-term charterer and regulatory expectations.

Importantly, fleet renewal will be pursued within clearly defined capital allocation boundaries, ensuring that growth initiatives do not come at the expense of balance sheet strength or shareholder returns.

2. **Environmental Performance and ESG Integration**

With the EU Emissions Trading System fully implemented and FuelEU Maritime entering into force, environmental performance has become an increasingly important commercial consideration. SNC continues to invest selectively and economically in proven efficiency-enhancing measures, including advanced hull coatings and engine optimization initiatives.

All ESG-related investments are evaluated under the same financial discipline applied to other capital decisions, with a focus on fuel savings, regulatory compliance, and risk mitigation, rather than scale for its own sake.

V. Conclusion

Shipping has always been an industry shaped by cycles. As SNC moves into 2026, we do so with a clear understanding of both the opportunities and the risks ahead. Our strategy emphasizes capital preservation, operational excellence, and selective growth, underpinned by a resilient balance sheet and an experienced management team.

On behalf of the Board, I would like to thank our shareholders for their continued trust, as well as our shore-based teams and seafarers for their professionalism and dedication. We remain committed to being a responsible steward of capital and a reliable partner to our customers as we navigate the years 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 13, 2026

Title	Nationality / place of registration	Name	Gender	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		
			Age				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 61	2025.6.10	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.	-	2025.6.10	3	2019.6.28	18,363,398	3.14%	18,363,398	3.14%	-	-	-	-	-	-	-	-	-
Representative of Institutional Director	Hong Kong	Cheng, Fu-Kwok	Male 78	2025.6.10	3	2025.6.10	-	-	-	-	-	-	-	-	B.S., Social Sciences, University of Hong Kong Senior Advisor to the Global Shipping Head of CA CIB Honorary Chairman and Director of Credit Agricole Asia Honorary Treasurer of the Hong Kong Maritime Museum Member of the Maritime and Port Board (MPB) and Chairman of the Promotion and External Relations Committee under MPB Independent Non-Executive Director of Singamas Container Holdings Limited and Grandland Shipping Limited, TCC Group Independent Director of Sincere Navigation Corporation	Independent Non-Executive Director of Miricor Enterprises Holdings Limited	-	-	-

Title	Nationality / place of registration	Name	Gender	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		
			Age				Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Name	Relationship
Director	British Virgin Islands	Ho Mao Investment Corporation	-	2025.6.10	3	2025.6.10	58,060,800	9.92%	58,060,800	9.92%	-	-	-	-	-	-	-	-	-
Representative of Institutional Director	Canada	Lee, Ka-Kin	Male 54	2025.6.10	3	2025.6.10	-	-	-	-	-	-	-	-	Electronic Systems Engineering, University of Regina, Canada R&D and Technology Architect of Bell Labs, Nortel, A&T Canada Regional Manager, VPI Systems Business Development Manager, Tele Management Forum Worldwide Appointee, Advisory Committee Member, Information and Communication Technology Industry Training Advisory Committee of Education Bureau Government Secretariat, The Government of the Hong Kong Special Administrative Region Head of Innovation Foundry, Digital Solution of Jardine One Solution, Jardine Matheson	Executive Director, WiderWorld Company Limited Official Trainer, The Hong Kong Productivity Council Advisor to President, Sincere Navigation Corporation Certified Change Management Professional (CCMP) of PROSCI Business Advisor, Okia Optical Company Limited (Hong Kong, China, and Vietnam) General Secretary, International Association of Microsoft Channel Partner, (IAMCP) Greater China	-	-	-
Independent Director	Republic of China	Lee, Yen-Sung	Male 75	2025.6.10	3	2016.6.29	-	-	-	-	-	-	-	-	Master, Department of Accounting, Soochow University Deputy Chairman of PwC Taiwan Chairman of Taipei CPA Association Director of Accounting Research and Development Foundation Director of Taiwan Accountant Association Vice Chairman of the National Federation of CPA Associations of the R.O.C. Supervisors Convener of the Real Estate Agents Transaction Guaranty Foundation	Advisor of the Real Estate Agents Transaction Guaranty Foundation Independent Director of FamilyMart, Charoen Pokphand Enterprise (Taiwan) Co., Ltd., Chicony Electronics Co., Ltd., Qun Guang Electronics Co., Ltd., and Sincere Navigation Corporation Lecturer, Dept. Accounting, College of Management National Taiwan University	-	-	-

Title	Nationality / place of registration	Name	Gender	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		
			Age				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	Republic of China	Tseng, Kuo-Cheng	Male 62	2025.6.10	3	2022.6.10	-	-	-	-	-	-	-	-	Master, Naval Architecture, National Taiwan University President, CSBC Corporation, Taiwan Advisor of Ship and Ocean Industries R&D Center (SOIC) Advisor of Metal Industries Research & Development Center Adjunct Professor Rank Specialist at National Cheng Kung University Adjunct Associate Professor of Professional and Technical Personnel at National Kaohsiung University of Science and Technology Chairman and President of High Tien Offshore Co., Ltd. Chairman of the Maritime Engineering Joint Promotion Association, R.O.C. Chairman, CSBC-DEME Wind Engineering Co. Ltd.	Independent Director of IOVTEC Co., Ltd. Independent Director of Sincere Navigation Corporation	-	-	-
Independent Director	Hong Kong	Koo, Tse-Hau	Male 56	2025.6.10	3	2022.6.10	-	-	-	-	-	-	-	-	B.S., Business Administration, Boston University Chairman of HKMPB Promotion and External Relations Committee, Member of Manpower Development Committee Chairman of ClassNK Hong Kong Committee Executive Committee Member of INTERTANKO, the International Association of Independent Tanker Owners Board of Directors of North Standard P&I Association Chairman of VTC Maritime Services Training Institute Committee Chairman of Hong Kong Shipowners Association	Executive Director, Valles Steamship Company Limited Independent Director of Sincere Navigation Corporation	-	-	-

Title	Nationality / place of registration	Name	Gender	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		
			Age				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	Republic of China	Wen, Fang-Yu	Female 64	2025.6.10	3	2025.6.10	-	-	-	-	-	-	-	-	Master, Department of Accounting, National Taiwan University Partner CPA, PwC Taiwan Chief CPA of Risk and Quality Control, PwC Taiwan Advisor of Financial Accounting Issues Task Force, Accounting Research and Development Foundation	CPA, Wen Fang-Yu CPA Firm Independent Director of Orient Semiconductor Electronics, Ltd.	-	-	-

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 10, 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 13, 2026

Name of corporate director	Shareholders whose shareholding ratio is at the top ten of the corporate directors	Shareholding ratio
Solar Shipping Agency Ltd.	Steve Gee King Hsu	100.00%
Ho Mao Investment Corporation	Steve Gee King Hsu	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	<p>Mr. Hsu Chi-Kao holds dual Bachelor of Science degrees in Biology and Economics from Claremont McKenna College in California. He currently serves as the Chairman and President of the Company. Born into a prominent shipping family as the son of Mr. Hsu Gee-King, Mr. Hsu Chi-Kao joined Sincere Navigation Corporation in 1989. Starting his career from the ground up, he gained comprehensive expertise across various functional areas, including shipping operations, finance, technical maintenance, administration, and chartering.</p> <p>Mr. Hsu's leadership extends to the broader maritime community; he served as Chairman of the Hong Kong Shipowners Association from 2017 to 2019 and was a member of the International Maritime Committee (CMI) from 2020 to 2021. He remains actively engaged in industry affairs, fostering close collaborative ties with international maritime institutions worldwide.</p>	<ol style="list-style-type: none"> 1. He/she/it is not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranking as one of its top ten shareholders. 2. He/she/it is not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks as one of its top five shareholders, or that designates its representative to serve as a director or supervisor of the Company under Article 27, Paragraph 1 or 2 of the Company Act (except for independent directors concurrently serving in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 3. He/she/it is not a director, supervisor, or employee of another company where a majority of the company's director seats or voting shares are controlled by the same person (except for independent directors concurrently serving in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 4. He/she/it is not a professional individual, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution, or a spouse thereof, that provides auditing services to the Company or any of its affiliates, or that has provided commercial, legal, financial, or accounting services with cumulative remuneration exceeding NT\$500,000 in the most recent two years. However, this does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Special Committee for Mergers and Acquisitions performing their duties in accordance with the Securities and Exchange Act or the Business Mergers and Acquisitions Act. 5. He/she/it is not a spouse or a relative within the second degree of kinship to any other director of the Company. 6. He/she/it is not under any of the circumstances defined in Article 30 of the Company Act. 7. He/she/it is not elected as a representative of a government, a legal person, or a representative thereof as defined in Article 27 of the Company Act. 	0	0

Name	Qualifications	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: Cheng, Fu-Kwok)	<p>Mr. Cheng, Fu-Kwok a graduate of the University of Hong Kong, currently serves as an Independent Non-Executive Director of Miricor Enterprises Holdings Limited. He previously held several key roles at Crédit Agricole CIB, including Director and Honorary Chairman of Credit Agricole Asia Ship finance Limited and Senior Advisor to the Global Shipping Department.</p> <p>Mr. Cheng has been deeply involved in maritime industry governance, serving as the Honorary Treasurer of the Hong Kong Shipowners Association from 2001 to 2008. His public service includes appointments by the HKSAR Government as a member of the Working Group on Shipping under the Economic Development Commission (January 2015 – March 2018), and as a member of the Hong Kong Maritime and Port Board (MPB) and Chairman of its Promotion and External Relations Committee (April 2016 – March 2018).</p> <p>In addition to his current role as the Honorary Treasurer of the Hong Kong Maritime Museum, Mr. Cheng was appointed a Chevalier de l'Ordre National du Mérite (Knight of the National Order of Merit) by the French Government in June 2015. He possesses extensive expertise in banking, corporate finance, and ship finance.</p>	<ol style="list-style-type: none"> 1. He/she/it is not an employee of the Company or any of its affiliates. 2. He/she/it is not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranking as one of its top ten shareholders. 3. He/she/it is not a director, supervisor, or employee of another company where a majority of the company's director seats or voting shares are controlled by the same person (except for independent directors concurrently serving in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 4. He/she/it is not a director, supervisor, or employee of another company or institution where the chairperson, general manager, or person holding an equivalent position is the same person as, or a spouse to, the chairperson, general manager, or person holding an equivalent position of the Company (except for independent directors concurrently serving in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 5. He/she/it is not a director, supervisor, managerial officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company (except for a specified company or institution that holds twenty percent or more but relatively less than fifty percent of the total number of issued shares of the Company, and where independent directors concurrently serve in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 6. He/she/it is not a professional individual, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution, or a spouse thereof, that provides auditing services to the Company or any of its affiliates, or that has provided commercial, legal, financial, or accounting services with cumulative remuneration exceeding NT\$500,000 in the most recent two years. This restriction does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Special Committee for Mergers and Acquisitions performing their duties in accordance with the Securities and Exchange Act or the Business Mergers and Acquisitions Act. 7. He/she/it is not under any of the circumstances defined in Article 30 of the Company Act. 	0	0	

Name	Qualifications	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, Ho Mao Investment Corporation (Representative: Lee, Ka-Kin)	<p>Mr. Lee, Ka-Kin holds a degree in Electronic Systems Engineering from the University of Regina, Canada. He began his career in research and development, serving as a Technology Systems Architect at prestigious institutions including Bell Northern Research (BNR), Nortel Networks, and AT&T Canada. Mr. Lee's extensive professional trajectory includes leadership roles such as ASEAN Regional Manager for VPI systems, Business Development Manager at the TM Forum, and Director of Technology Innovation at Jardine One Solution (JOS). His commitment to public service and industry development is evidenced by his membership on the ICT Industry Training Advisory Committee of the Education Bureau (HKSAR). Currently, Mr. Lee is a Director of WiderWorld Limited, a Corporate Consultant to Aus-Can Optical Limited, and the Secretary General (Greater China) of the International Association of Microsoft Channel Partners (IAMCP). Additionally, he serves as an Official Trainer for the Hong Kong Productivity Council (HKPC) and a Consultant to the President of Sincere Navigation Corporation. A Prosci® Certified Change Management Professional, Mr. Lee possesses deep practical expertise in information systems architecture and technological innovation.</p>	<ol style="list-style-type: none"> 1. He/she/it is not an employee of the Company or any of its affiliates. 2. He/she/it is not a director or supervisor of the Company or any of its affiliates (except for independent directors concurrently serving in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 3. He/she/it is not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranking as one of its top ten shareholders. 4. He/she/it is not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks as one of its top five shareholders, or that designates its representative to serve as a director or supervisor of the Company under Article 27, Paragraph 1 or 2 of the Company Act (except for independent directors concurrently serving in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 5. He/she/it is not a director, supervisor, or employee of another company where a majority of the company's director seats or voting shares are controlled by the same person (except for independent directors concurrently serving in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 6. He/she/it is not a director, supervisor, or employee of another company or institution where the chairperson, general manager, or person holding an equivalent position is the same person as, or a spouse to, the chairperson, general manager, or person holding an equivalent position of the Company (except for independent directors concurrently serving in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 7. He/she/it is not a director, supervisor, managerial officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company (except for a specified company or institution that holds twenty percent or more but relatively less than fifty percent of the total number of issued shares of the Company, and where independent directors concurrently serve in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 8. He/she/it is not a professional individual, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution, or a spouse thereof, that provides auditing services to the Company or any of its affiliates, or that has provided commercial, legal, financial, or accounting services with cumulative remuneration exceeding NT\$500,000 in the most recent two years. This restriction does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Special Committee for Mergers and Acquisitions performing their duties in accordance with the Securities and Exchange Act or the Business Mergers and Acquisitions Act. 9. He/she/it is not a spouse or a relative within the second degree of kinship to any other director of the Company. 10. He/she/it is not under any of the circumstances defined in Article 30 of the Company Act. 	0	0	

<p>Convener of Independent Director, Lee, Yen-Sung</p>	<p>Mr. Lee, Yen-Sung holds a Master's degree in Accounting from Soochow University. He currently serves as an Independent Director for several prominent companies, including Charoen Pokphand Enterprise (Taiwan) Co., Ltd., Taiwan FamilyMart Co., Ltd., and Chicony Electronics Co., Ltd. Additionally, he has served as the Convener of the Supervisors for the Real Estate Agents Transaction Guaranty Foundation for three consecutive terms. Mr. Lee was formerly the Deputy Territory Senior Partner of PwC Taiwan. His extensive leadership in the professional community includes serving as the Vice President (9th and 10th sessions) of the National Federation of CPA Associations of the R.O.C., and President (16th and 17th sessions) of the Taipei Certified Public Accountants Association. Beyond his professional practice, Mr. Lee has contributed to academia as an Adjunct Lecturer in the Accounting Departments of both National Taiwan University and Soochow University. He is a certified CPA with extensive experience in professional practice and industry oversight.</p>	<ol style="list-style-type: none"> 1. He/she/it is not an employee of the Company or any of its affiliates. 2. He/she/it is not a director or supervisor of the Company or any of its affiliates (except for independent directors concurrently serving in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 3. He/she/it is not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranking as one of its top ten shareholders. 4. He/she/it is not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any managerial officer specified in Item (1), or of any person specified in Items (2) and (3). 5. He/she/it is not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks as one of its top five shareholders, or that designates its representative to serve as a director or supervisor of the Company under Article 27, Paragraph 1 or 2 of the Company Act (except for independent directors concurrently serving in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 6. He/she/it is not a director, supervisor, or employee of another company where a majority of the company's director seats or voting shares are controlled by the same person (except for independent directors concurrently serving in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 7. He/she/it is not a director, supervisor, or employee of another company or institution where the chairperson, general manager, or person holding an equivalent position is the same person as, or a spouse to, the chairperson, general manager, or person holding an equivalent position of the Company (except for independent directors concurrently serving in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 8. He/she/it is not a director, supervisor, managerial officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company (except for a specified company or institution that holds twenty percent or more but relatively less than fifty percent of the total number of issued shares of the Company, and where independent directors concurrently serve in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 9. He/she/it is not a professional individual, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution, or a spouse thereof, that provides auditing services to the Company or any of its affiliates, or that has provided commercial, legal, financial, or accounting services with cumulative remuneration exceeding NT\$500,000 in the most recent two years. This restriction does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Special Committee for Mergers and Acquisitions performing their duties in accordance with the Securities and Exchange Act or the Business Mergers and Acquisitions Act. 10. He/she/it is not a spouse or a relative within the second degree of kinship to any other director of the Company. 11. He/she/it is not under any of the circumstances defined in Article 30 of the Company Act. 12. He/she/it is not elected as a representative of a government, a legal person, or a representative thereof in accordance with Article 27 of the Company Act. 	<p>3</p>	<p>2</p>
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<p>Independent Director, Tseng, Kuo-Cheng</p>	<p>Mr. Tseng Kuo-Cheng, holds a Master's degree from the Institute of Naval Architecture and Ocean Engineering at National Taiwan University. He currently serves as the Chairman of CDWE (CSBC-DEME Wind Engineering) and an Independent Director of IOVTEC Co., Ltd., bringing profound expertise and leadership to the industry. Mr. Tseng's distinguished career includes serving as the President of CSBC Corporation, Taiwan, and Chairman and President of High Tien Offshore Co., Ltd. He has held various influential roles, including Chairman of the Maritime Engineering Association of the R.O.C., and has served as a consultant to the Ship and Ocean Industries R&D Center (SOIC) and the Metal Industries Research and Development Centre (MIRDC). His contributions to academia include serving as an Expert-level Adjunct Professor at National Cheng Kung University and an Adjunct Associate Professor at National Kaohsiung University of Science and Technology.</p> <p>A lifelong advocate for the maritime sector, Mr. Tseng has been instrumental in advancing Taiwan's shipbuilding technology and education through industry-academia collaborations. The numerous specialists he has mentored over the years now form the backbone of the 'National Vessels Built by National Power' (Indigenous Shipbuilding) initiative, reflecting his enduring impact on the field.</p>	<ol style="list-style-type: none"> 1. He/she/it is not an employee of the Company or any of its affiliates. 2. He/she/it is not a director or supervisor of the Company or any of its affiliates (except for independent directors concurrently serving in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 3. He/she/it is not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranking as one of its top ten shareholders. 4. He/she/it is not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any managerial officer specified in Item (1), or of any person specified in Items (2) and (3). 5. He/she/it is not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks as one of its top five shareholders, or that designates its representative to serve as a director or supervisor of the Company under Article 27, Paragraph 1 or 2 of the Company Act (except for independent directors concurrently serving in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 6. He/she/it is not a director, supervisor, or employee of another company where a majority of the company's director seats or voting shares are controlled by the same person (except for independent directors concurrently serving in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 7. He/she/it is not a director, supervisor, or employee of another company or institution where the chairperson, general manager, or person holding an equivalent position is the same person as, or a spouse to, the chairperson, general manager, or person holding an equivalent position of the Company (except for independent directors concurrently serving in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 8. He/she/it is not a director, supervisor, managerial officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company (except for a specified company or institution that holds twenty percent or more but relatively less than fifty percent of the total number of issued shares of the Company, and where independent directors concurrently serve in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 9. He/she/it is not a professional individual, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution, or a spouse thereof, that provides auditing services to the Company or any of its affiliates, or that has provided commercial, legal, financial, or accounting services with cumulative remuneration exceeding NT\$500,000 in the most recent two years. This restriction does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Special Committee for Mergers and Acquisitions performing their duties in accordance with the Securities and Exchange Act or the Business Mergers and Acquisitions Act. 10. He/she/it is not a spouse or a relative within the second degree of kinship to any other director of the Company. 11. He/she/it is not under any of the circumstances defined in Article 30 of the Company Act. 12. He/she/it is not elected as a representative of a government, a legal person, or a representative thereof in accordance with Article 27 of the Company Act. 	<p>1</p>	<p>0</p>
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<p>Independent Director, Koo, Tse-Hau</p>	<p>Mr. Koo, Tse-Hau holds a Bachelor of Business Administration from Boston University, with a double major in Marketing and Operations Management. He began his professional career as an Operations Management Trainee at HSBC Global Asset Management (Hong Kong) Limited before joining the Hong Kong Trade Development Council (HKTDC), a statutory body dedicated to promoting international trade. Mr. Koo currently serves as an Executive Director of his family business, Valles Steamship Company, Limited. His extensive leadership within the maritime community is evidenced by his past and present roles, including Chairman of the Hong Kong Shipowners Association (HKSOA) and Chairman of the Hong Kong Committee of Nippon Kaiji Kyokai (ClassNK). He has held several key positions within the Hong Kong Maritime and Port Board (HKMPB), notably as Chairman of the Promotion and External Relations Committee and a member of the Manpower Development Committee. On the international stage, Mr. Koo has served on the Executive Committee of INTERTANKO and the Board of Directors of the North Standard P&I Club. Furthermore, he demonstrated his commitment to maritime education as Chairman of the Maritime Services Training Board of the Vocational Training Council (VTC).</p>	<ol style="list-style-type: none"> 1. He/she/it is not an employee of the Company or any of its affiliates. 2. He/she/it is not a director or supervisor of the Company or any of its affiliates (except for independent directors concurrently serving in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 3. He/she/it is not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranking as one of its top ten shareholders. 4. He/she/it is not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any managerial officer specified in Item (1), or of any person specified in Items (2) and (3). 5. He/she/it is not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks as one of its top five shareholders, or that designates its representative to serve as a director or supervisor of the Company under Article 27, Paragraph 1 or 2 of the Company Act (except for independent directors concurrently serving in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 6. He/she/it is not a director, supervisor, or employee of another company where a majority of the company's director seats or voting shares are controlled by the same person (except for independent directors concurrently serving in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 7. He/she/it is not a director, supervisor, or employee of another company or institution where the chairperson, general manager, or person holding an equivalent position is the same person as, or a spouse to, the chairperson, general manager, or person holding an equivalent position of the Company (except for independent directors concurrently serving in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 8. He/she/it is not a director, supervisor, managerial officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company (except for a specified company or institution that holds twenty percent or more but relatively less than fifty percent of the total number of issued shares of the Company, and where independent directors concurrently serve in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 9. He/she/it is not a professional individual, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution, or a spouse thereof, that provides auditing services to the Company or any of its affiliates, or that has provided commercial, legal, financial, or accounting services with cumulative remuneration exceeding NT\$500,000 in the most recent two years. This restriction does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Special Committee for Mergers and Acquisitions performing their duties in accordance with the Securities and Exchange Act or the Business Mergers and Acquisitions Act. 10. He/she/it is not a spouse or a relative within the second degree of kinship to any other director of the Company. 11. He/she/it is not under any of the circumstances defined in Article 30 of the Company Act. 12. He/she/it is not elected as a representative of a government, a legal person, or a representative thereof in accordance with Article 27 of the Company Act. 	<p style="text-align: center;">0</p>	<p style="text-align: center;">0</p>
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<p>Independent Director, Wen, Fang-Yu</p>	<p>Ms. Wen, Fang-Yu holds a Master's degree from the Graduate Institute of Accounting at National Taiwan University. Her distinguished career includes serving as a Partner and the Risk and Quality Leader at PwC Taiwan. She has also contributed her expertise as a Consultant to the Accounting Issues Research Committee of the Accounting Research and Development Foundation (ARDF).</p> <p>A seasoned CPA with extensive practical experience in legal compliance and quality control, Ms. Wen is currently the Principal at Wen Fang-Yu CPA Firm and serves as an Independent Director of Orient Semiconductor Electronics, Ltd. (OSE). She possesses a profound professional background in financial accounting, risk management, and corporate governance.</p>	<ol style="list-style-type: none"> 1. He/she/it is not an employee of the Company or any of its affiliates. 2. He/she/it is not a director or supervisor of the Company or any of its affiliates (except for independent directors concurrently serving in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 3. He/she/it is not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranking as one of its top ten shareholders. 4. He/she/it is not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any managerial officer specified in Item (1), or of any person specified in Items (2) and (3). 5. He/she/it is not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks as one of its top five shareholders, or that designates its representative to serve as a director or supervisor of the Company under Article 27, Paragraph 1 or 2 of the Company Act (except for independent directors concurrently serving in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 6. He/she/it is not a director, supervisor, or employee of another company where a majority of the company's director seats or voting shares are controlled by the same person (except for independent directors concurrently serving in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 7. He/she/it is not a director, supervisor, or employee of another company or institution where the chairperson, general manager, or person holding an equivalent position is the same person as, or a spouse to, the chairperson, general manager, or person holding an equivalent position of the Company (except for independent directors concurrently serving in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 8. He/she/it is not a director, supervisor, managerial officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company (except for a specified company or institution that holds twenty percent or more but relatively less than fifty percent of the total number of issued shares of the Company, and where independent directors concurrently serve in the Company and its parent company, subsidiary, or a subsidiary under the same parent company, appointed in accordance with the Act or local laws). 9. He/she/it is not a professional individual, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution, or a spouse thereof, that provides auditing services to the Company or any of its affiliates, or that has provided commercial, legal, financial, or accounting services with cumulative remuneration exceeding NT\$500,000 in the most recent two years. This restriction does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Special Committee for Mergers and Acquisitions performing their duties in accordance with the Securities and Exchange Act or the Business Mergers and Acquisitions Act. 10. He/she/it is not a spouse or a relative within the second degree of kinship to any other director of the Company. 11. He/she/it is not under any of the circumstances defined in Article 30 of the Company Act. 12. He/she/it is not elected as a representative of a government, a legal person, or a representative thereof in accordance with Article 27 of the Company Act. 	<p style="text-align: center;">2</p>	<p style="text-align: center;">2</p>
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4. Diversity and independence of the Board of Directors:

(1) Diversity of the Board of Directors:

(1) Diversity Policy

In accordance with the Corporate Governance Best Practice Principles and the actual operational needs, the composition of the Company's Board of Directors comprehensively considers professional backgrounds, industry experience, business management capabilities, and the overall operational requirements of the Board, while incorporating diversity as one of the key principles for director selection. Members of the Board generally possess professional capabilities, including operational judgment, financial accounting, business management, crisis management, industry knowledge, international market perspectives, leadership, and decision-making.

Where directors of either gender constitute less than one-third of the Board seats, state the reasons and the planned measures to increase board gender diversity:

The Company values the diversity and gender balance of its Board members and remains attentive to the gender composition. Currently, the seats of either gender on the Board have not yet reached one-third. This is primarily because the Company's most recent comprehensive re-election of directors was completed at the 2025 Annual General Meeting of Shareholders. The current directors were elected based on the Company's operational needs, professional capabilities, and shareholder recommendations at that time; therefore, the composition of the Board has not yet achieved the gender diversity goal at this stage.

To continuously enhance the diversity and gender balance of the Board, the Company has integrated board gender diversity into the vital considerations of the director's nomination and selection mechanism. The Company plans to proactively increase the number of director candidates of different genders during the next comprehensive re-election of directors (expected to be held at the 2028 Annual General Meeting of Shareholders) to gradually achieve the target of ensuring that either gender holds one-third of the Board seats.

In addition, the Company continues to build a diverse professional talent pool, actively scouting female talents with expertise in areas such as industry experience, corporate governance, finance, law, and sustainable development to serve as a reference for future director selections, thereby strengthening the Board's governance effectiveness and sustainable management capabilities.

The Company will continuously review the composition of the Board and the implementation of its diversity policy, reference domestic and international corporate governance best practices, and gradually enhance the diversity and independence of the Board to strengthen corporate governance and create long-term shareholder value.

(2) Specific Management Goals and Implementation Status

There are 7 directors, including 4 Independent Directors, in the Company's 20th 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 with the shipping industry and has experience in the professional industries of international economy, financial/accounting, environmental protection, and technical/shipbuilding, etc. Among them, the Independent Director Lee, Yen-Sung and Wen, Fang-Yu both have CPA license and have 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 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
				51-60	61-70	71-80	Over 80	Less than 3 years	3-6 years	6-9 years								
Hsu, Chi-Kao	R.O.C.	Male	V		V						V	V	V				V	
Solar Shipping Agency Ltd. (Representative: Cheng, Fu-Kwok)	Hong Kong	Male				V					V	V	V				V	
Ho Mao Investment Corporation (Representative: Lee, Ka-Kin)	Canada	Male		V							V	V					V	
Lee, Yen-Sung, Independent Director	R.O.C.	Male				V				V	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	
Wen, Fang-Yu, Independent Director	R.O.C.	Female			V			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 for functions strengthen, 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 competency 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 the provision of commercial, legal, financial, or accounting services 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 13, 2026

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 61	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	R.O.C.	Luan, Wen-Pin	Male 59	2018.09.03	18,720	0.00%	41,253	0.01%	--	--	Master, National Taiwan Ocean University Institute of Merchant Marine	None	--	--	--
Vice President and Spokesperson of the Company	R.O.C.	Hsu, Chih-Hung	Male 51	2021.11.09	--	--	--	--	--	--	MBA, Columbia University, USA CPA, California, USA	None	--	--	--
Senior Manager of Finance & Accounting Department, Corporate Governance Officer, and Financial Supervisor	R.O.C.	Chen, Lan-Fang	Female 62	1999.01.01	369	0.00%	--	--	--	--	BSc., Accounting, National Chengchi University, Senior Manager of PwC Taiwan	None	--	--	--
Manager of Operating Department	R.O.C.	Kuo, Sung-Hui	Female 51	2021.01.26	13,141	0.00%	--	--	--	--	BSc., Shipping Transportation Management, National Taiwan Ocean University	None	--	--	--
Assistant Manager of Internal Audit Internal Auditing Officer	R.O.C.	Hu, Chia-Hua	Female 44	2021.07.01	--	--	--	--	--	--	BSc., Shipping Transportation Management, National Taiwan Ocean University	None	--	--	--
Manager of Finance & Accounting Department, Accounting Officer and Deputy Spokesperson of the Company	R.O.C.	Fan, Hsiao-Ting	Female 40	2017.02.08	--	--	--	--	--	--	BSc., Accounting, Fu Jen Catholic University, Assistant Manager of PwC Taiwan	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 Safety Management (Note 1)	R.O.C.	Chang, Chao-I	Male 41	2025.09.15	--	--	--	--	--	--	BSc., Transportation Science, National Taiwan Ocean University	None	--	--	--
Group IT Manager (Note 2)	Nicaragua	Eduardo Bertrand	Male 28	2025.04.01	--	--	--	--	--	--	BSc., Management Information Systems, National Central University	None	--	--	--

Note 1: The Company engaged Mr. Chang, Chao-Yi to serve as the Manager of the Safety Management Department on September 15th, 2025.

Note 2: The Company engaged Mr. Eduardo Bertrand to serve as the Group IT Manager on April 1st, 2025.

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	--	--	--	--	4,241	4,241	250	250	4,491 0.53%	4,491 0.53%	6,967	6,967	108 (Note 1)	108 (Note 1)	3,817	--	3,817	--	15,383 1.82%	15,383 1.82%	
Director	Solar Shipping Agency Ltd.	--	--	--	--	2,727	2,727	--	--	2,727 0.32%	2,727 0.32%	--	--	--	--	--	--	--	--	2,727 0.32%	2,727 0.32%	
	(Representative: Tsai, Ching-Pen)	--	--	--	--	--	--	90	90	90 0.01%	90 0.01%	--	1,116	--	--	--	--	--	--	90 0.01%	1,206 0.14%	
	(Representative: Cheng, Fu-Kwok)	--	--	--	--	--	--	90	90	90 0.01%	90 0.01%	--	--	--	--	--	--	--	--	90 0.01%	90 0.01%	
Director	Orient Dynasty Ltd.	--	--	--	--	1,212	1,212	--	--	1,212 0.14%	1,212 0.14%	--	--	--	--	--	--	--	--	1,212 0.14%	1,212 0.14%	
	(Representative: Chang, Fong-Chou)	--	--	--	--	--	--	90	90	90 0.01%	90 0.01%	--	--	--	--	--	--	--	--	90 0.01%	90 0.01%	
Director	Ho Mao Investment Corporation	--	--	--	--	1,212	1,212	--	--	1,212 0.14%	1,212 0.14%	--	--	--	--	--	--	--	--	1,212 0.14%	1,212 0.14%	
	(Representative: Lee, Ka-Kin)	--	--	--	--	--	--	90	90	90 0.01%	90 0.01%	--	--	--	--	--	--	--	--	90 0.01%	90 0.01%	
Independent Director	Lee, Yen-Sung	--	--	--	--	3,332	3,332	360	360	3,692 0.44%	3,692 0.44%	--	--	--	--	--	--	--	--	3,692 0.44%	3,692 0.44%	
Independent Director	Cheng, Fu-Kwok	--	--	--	--	1,212	1,212	180	180	1,392 0.16%	1,392 0.16%	--	--	--	--	--	--	--	--	1,392 0.16%	1,392 0.16%	
Independent Director	Tseng, Kuo-Cheng	--	--	--	--	2,424	2,424	360	360	2,784 0.33%	2,784 0.33%	--	--	--	--	--	--	--	--	2,784 0.33%	2,784 0.33%	
Independent Director	Koo, Tse-Hau	--	--	--	--	2,727	2,727	360	360	3,087 0.36%	3,087 0.36%	--	--	--	--	--	--	--	--	3,087 0.36%	3,087 0.36%	
Independent Director	Wen, Fang-Yu	--	--	--	--	1,212	1,212	180	180	1,392 0.16%	1,392 0.16%	--	--	--	--	--	--	--	--	1,392 0.16%	1,392 0.16%	

- 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 specify the principles for the payment of remuneration to directors, authorizing the Board of Directors to determine remuneration by reference to the extent of the member's participation in the Company's operations 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 the parent company or all companies in the 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 pays and pension (B) (Note 1)		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	6,144	6,144	108	108	823	823	3,817	-	3,817	-	10,892 1.29%	10,892 1.29%	None
Vice President	Hsu, Chih-Hung	4,264	4,264	108	108	1,113	1,113	2,660	-	2,660	-	8,145 0.53%	8,145 0.53%	
	Luan, Wen-Pin	3,550	3,550	108	108	1,166	1,166	2,223	-	2,223	-	7,047 0.83%	7,047 0.83%	
	Hu, Jui-Chin (Note 2)	1,711	1,711	-	-	238	238	-	-	-	-	1,949 0.23%	1,949 0.23%	

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

Note 2: The former Vice President, Mr. Hu, Jui-Chin, retired on August 19, 2025.

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

Title	Name	Salary (A)		Severance pays 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	6,144	6,144	108	108	823	823	3,817	-	3,817	-	10,892 1.29%	10,892 1.29%	None
Vice President	Hsu, Chih-Hung	4,264	4,264	108	108	1,113	1,113	2,660	-	2,660	-	8,145 0.53%	8,145 0.53%	
	Luan, Wen-Pin	3,550	3,550	108	108	1,166	1,166	2,223	-	2,223	-	7,047 0.83%	7,047 0.83%	
Senior Manager	Chen, Lan-Fang	3,420	3,420	108	108	737	737	1,648	-	1,648	-	5,913 0.70%	5,913 0.70%	
Manager	Kuo, Sung-Hui	2,066	2,066	108	108	530	530	1,056	-	1,056	-	3,760 0.44%	3,760 0.44%	

(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	-	13,262	13,262	1.57%
	Vice President	Luan, Wen-Pin				
		Hsu, Chih-Hung				
	Senior Manager of Finance & Accounting Department, Corporate Governance Officer, and Financial Supervisor	Chen, Lan-Fang				
	Manager of Operating Department	Kuo, Sung-Hui				
	Manager of Finance & Accounting Department, Accounting Officer, and Deputy Spokesperson of the Company	Fan, Hsiao-Ting				
	Manager of Safety Management	Chang, Chao-I				
	Group IT Manager	Eduardo Bertrand				

(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 net profit margin is as follows:

Unit: NT\$ thousand

Year	Total remuneration paid to Directors, President and Vice Presidents	Ratio of total remuneration to net income
2024	\$64,135	4.28%
2025	\$51,498	6.08%

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

(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 recommendations to the Board of Directors for discussion. The remuneration combination is 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 transportation 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, and of which no less than 0.3% for the current year is designated to junior employees allocation, 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, shall the Company have accumulated losses, an equivalent 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 with 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 Directors

A total of 6 (A) Board of Directors' meetings were held in 2025, 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	6	0	100.00	Re-elected after the election on June 10, 2025
Director	Solar Shipping Agency Ltd. (Representative: Tsai, Ching-Pen)	0	1	0.00	Re-elected after the election on June 10, 2025 (Representative retired)
Director	Solar Shipping Agency Ltd. (Representative: Tsai, Ching-Pen)	2	1	50.00	Re-elected after the election on June 10, 2025 (Representative newly appointed)
Director	Orient Dynasty Ltd. (Representative: Chang, Fong-Chou)	1	0	50.00	Retired after the election on June 10, 2025
Director	Ho Mao Investment Corporation (Representative: Lee, Ka-Kin)	4	0	100.00	Newly elected after the election on June 10, 2025
Independent Director	Lee, Yen-Sung	6	0	100.00	Re-elected after the election on June 10, 2025
Independent Director	Cheng, Fu-Kwok	2	0	100.00	Retired after the election on June 10, 2025
Independent Director	Tseng, Kuo-Cheng	6	0	100.00	Re-elected after the election on June 10, 2025
Independent Director	Koo, Tse-Hau	5	1	83.33	Re-elected after the election on June 10, 2025
Independent Director	Wen, Fang-Yu	4	0	100.00	Newly elected after the election on June 10, 2025

Other matters required to be recorded:

1. With regard to the operation of the Board of Directors, if any of the following circumstances occur, 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
2025/03/12	15	(1) Resolved, that the amendments to the Company's "Articles of Incorporation" be approved.	None.
2025/05/12	16	<p>(1) Resolved, that the change of the Company's certified public accountants for financial reports by PwC Taiwan be approved.</p> <p>(2) Resolved to approve the Company serve as the joint and several guarantor for its subsidiary, Norley Corporation Inc., for a USD 10 million credit facility with E.SUN Commercial Bank, Ltd. for the purpose of working capital for vessel acquisition.</p> <p>(3) Resolved to approve the Company serve as the joint and several guarantor for its subsidiary, Norley Corporation Inc., for a USD 50 million credit facility with Mega International Commercial Bank Co., Ltd., for the purpose of working capital for vessel acquisition.</p> <p>(4) Resolved to approve the Company serve as the joint and several guarantor for its subsidiary, Norley Corporation Inc., for a USD 55 million credit facility with Bank of Taiwan for the purpose of working capital for vessel acquisition.</p> <p>(5) Resolved to approve the Company serve as the joint and several guarantor for its subsidiary, Norley Corporation Inc., for a USD 14 million credit facility with Chang Hwa Commercial Bank, Ltd., for the purpose of working capital for vessel acquisition; furthermore, the Company's vessel, MV Palona, shall be provided as collateral for the aforementioned facility.</p> <p>(6) Resolved to approve the Company serve as the joint and several guarantor for its subsidiary, Norley Corporation Inc., for a USD 30 million credit facility with First Commercial Bank for the purpose of working capital for vessel acquisition.</p> <p>(7) Resolved to approve the Company serve as the joint and several guarantor for its subsidiary, Norley Corporation Inc., for a USD 60 million credit facility with Taishin International Bank Co., Ltd., for the purpose of working capital for vessel acquisition.</p> <p>(8) Resolved to approve the Company serve as the joint and several guarantor for its subsidiary, Norley Corporation Inc., for a USD 35 million credit facility with Taipei Fubon Commercial Bank Co., Ltd., for the purpose of working capital for vessel acquisition.</p> <p>(9) Resolved to approve the Company serve as the joint and several guarantor for its subsidiary, Norley Corporation Inc., for a USD 30 million</p>	None.

Date of the Board of Directors' meeting	Period	Contents of proposal	Independent Directors' opinions or the Company's response to Independent Directors' opinions
		credit facility with Yuanta Commercial Bank Co., Ltd., for the purpose of working capital for vessel acquisition.	
2025/08/08	3	<p>(1) Resolved to approve the amendments to the Company's "Internal Control System" be approved.</p> <p>(2) Resolved to approve the amendments to the Company's "Standard Operating Procedures for Handling Requests from Directors" be approved.</p> <p>(3) Resolved to approve the adoption of the Company's "Regulations Governing the Definition and Management of Junior Employees" be approved.</p> <p>(4) Resolved to approve the Company serve as the joint and several guarantor for its subsidiary, Norley Corporation Inc., regarding the renewal of a USD 6 million short-term credit facility with Bank of Taiwan.</p> <p>(5) Resolved to approve the Company serve as the joint and several guarantor for its subsidiary, Norley Corporation Inc., regarding the renewal of a USD 10 million short-term credit facility with Taishin International Bank Co., Ltd.</p>	None.
2025/11/07	4	<p>(1) Resolved to approve the appointment of the financial and tax auditing CPA(s) for the fiscal year 2026.</p> <p>(2) Resolved to approve the Board of Directors of the subsidiary be authorized to exercise full authority over matters pertaining to the purchase and sale of vessels, in accordance with the "Procedures for Acquisition or Disposal of Assets.</p>	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, the name of the director, contents of proposal, reasons for recusal due to conflict of interests, and participation in the voting 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	2025/1/1 ~ 12/31	<ol style="list-style-type: none"> 1. The Board of Directors 2. Individual Board Members 3. Functional Committees 	<ol style="list-style-type: none"> 1. Internal Self-Evaluation of the Board of Directors 2. Self-Evaluation by Individual Board Members 	<p>The measurement items for the Board of Directors' performance evaluation include the following five aspects:</p> <ol style="list-style-type: none"> 1. Degree of participation in the Company's operating 2. Improvement of the Board of Directors' decision-making quality 3. Composition and structure of the Board of Directors 4. Election and continuing education of the Board of Directors' members 5. Internal control <p>The measurement items for an individual director's performance evaluation include the following six aspects:</p> <ol style="list-style-type: none"> 1. Keep up to date with the Company's goals and missions 2. Directors' and functional committee members' awareness of their duties 3. Participation in the Company's operation 4. Internal relationship management and communication 5. Expertise and continuing education of the directors 6. Internal control <p>The measurement items for the functional committee's performance evaluation include the following five aspects:</p> <ol style="list-style-type: none"> 1. Participation in the Company's operation 2. Awareness of the duties of the functional committees 3. Improvement in the quality of functional committees' decision-making 4. Composition and member selection of the functional committees 5. Internal control 	Excellent

4. Goals for strengthening the functions of the Board of Directors (such as the establishment of the Audit Committee and improvement of information transparency) in the current year and the most recent year and evaluation of 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, to exert their independent supervision function and implement the spirit of corporate governance.
 - (3) Since 2014, the Company has affected “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 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, internal audit officer, and CPAs (including significant matters, methods, and results of communication on the Company's finances and business):
- The internal audit officer 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 2025 are summarized as follows:

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

Time	Main points of communication items	Communication results
2025/03/12	Report on the performance of the Annual Internal Audit Plan from October to December 2024. Submission of 2024 Internal Control System Statement.	After discussion and communication, Independent Directors raised no objection against the internal audit execution and resolved to approve the 2024 Internal Control System Statement and submitted to the Board of Directors.
2025/05/12	Report on the performance of Annual Internal Audit Plan from January to March 2025.	After discussion and communication, Independent Directors raised no objection against the internal audit execution.

Time	Main points of communication items	Communication results
2025/08/08	Report on the performance of Annual Internal Audit Plan from April to June 2025.	After discussion and communication, Independent Directors raised no objection against the internal audit execution.
2025/11/07	Report on the performance of Annual Internal Audit Plan from July to September 2025. Submission of 2026 Internal Audit Plan.	After discussion and communication, Independent Directors raised no objection against the internal audit execution and resolved to approve the 2026 Internal Audit Plan and submitted the same to the Board of Directors.

Summary on communication between Independent Directors and CPAs:

Time	Main points of communication items	Communication results
2025/03/12	Audit result of 2024 Financial Statements (including Consolidated Financial Statements and Individual Financial Statements).	2024 Financial Statements were approved by Audit Committee and the Board of Directors, and published and reported to the competent authority as scheduled.
2025/05/12	Review result of 2025 Q1 Consolidated Financial Statements.	2025 Q1 Financial Statements were approved by Audit Committee and the Board of Directors, and published and reported to the competent authority as scheduled.
2025/08/08	Review result of 2025 Q2 Consolidated Financial Statements.	2025 Q2 Financial Statements were approved by Audit Committee and the Board of Directors, and published and reported to the competent authority as scheduled.
2025/11/07	Review result of 2025 Q3 Consolidated Financial Statements.	2025 Q3 Financial Statements were approved by Audit Committee and the Board of Directors, and published and reported to the 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 (2025), 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	Re-elected after the election on June 10, 2025
Committee Member	Cheng, Fu-Kwok	2	0	100.00	Retired after the election on June 10, 2025
Committee Member	Tseng, Kuo-Cheng	4	0	100.00	Re-elected after the election on June 10, 2025
Committee Member	Koo, Tse-Hau	4	0	100.00	Re-elected after the election on June 10, 2025
Committee Member	Wen, Fang-Yu	2	0	100.00	Newly elected after the election on June 10, 2025

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 semiannual 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 occur, 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
2025/03/12	15	(1) Resolved, to approve the Company's 2024 Business Report and Financial Statements. (2) Resolved, to approve the Company's 2024 Internal Control System Statement.	None.
2025/05/12	16	(1) Resolved, that the change of the Company's certified public accountants for financial reports by PwC Taiwan be approved. (2) Resolved, to approve the Company's consolidated financial statements for 2025Q1. (3) Resolved to approve the Company serve as the joint and several guarantor for its subsidiary, Norley Corporation Inc., for a USD 10 million credit facility with E.SUN Commercial Bank, Ltd. for the purpose of working capital for vessel acquisition. (4) Resolved to approve the Company serve as the joint and several guarantor for its subsidiary, Norley Corporation Inc., for a USD 50 million credit facility with Mega International Commercial Bank Co., Ltd., for the purpose of working capital for vessel acquisition. (5) Resolved to approve the Company serve as the joint and several guarantor for its subsidiary, Norley Corporation Inc., for a USD 55 million credit facility with Bank of Taiwan for the purpose of working capital for vessel acquisition. (6) Resolved to approve the Company serve as the joint and several guarantor for its subsidiary, Norley Corporation Inc., for a USD 14 million credit facility with Chang Hwa Commercial Bank, Ltd., for the purpose of working capital for vessel acquisition; furthermore, the Company's vessel, MV Palona, shall be provided as collateral for the aforementioned facility. (7) Resolved to approve the Company serve as the joint and several guarantor for its subsidiary, Norley Corporation Inc., for a USD 30 million credit facility with First Commercial Bank for the purpose of working capital for vessel acquisition. (8) Resolved to approve the Company serve as the joint and several guarantor for its subsidiary, Norley Corporation Inc., for a USD 60 million credit facility with Taishin International Bank Co., Ltd., for the purpose of working capital for vessel acquisition. (9) Resolved to approve the Company serve as the joint and several guarantor for its subsidiary, Norley Corporation Inc., for a USD 35 million credit facility with Taipei Fubon Commercial	None.

Date of the Audit Committee's meeting	Period	Contents of proposal	Independent Directors' opinions or the Company's response to Independent Directors' opinions
		<p>Bank Co., Ltd., for the purpose of working capital for vessel acquisition.</p> <p>(10) Resolved to approve the Company serve as the joint and several guarantor for its subsidiary, Norley Corporation Inc., for a USD 30 million credit facility with Yuanta Commercial Bank Co., Ltd., for the purpose of working capital for vessel acquisition.</p>	
2025/08/08	3	<p>(1) Resolved, to approve the Company's consolidated financial statements for 2025Q2.</p> <p>(2) Resolved to approve the amendments to the Company's "Internal Control System" be approved.</p> <p>(3) Resolved to approve the amendments to the Company's "Standard Operating Procedures for Handling Requests from Directors" be approved.</p> <p>(4) Resolved to approve the adoption of the Company's "Regulations Governing the Definition and Management of Junior Employees" be approved.</p> <p>(5) Resolved to approve the Company serve as the joint and several guarantor for its subsidiary, Norley Corporation Inc., regarding the renewal of a USD 6 million short-term credit facility with Bank of Taiwan.</p> <p>(6) Resolved to approve the Company serve as the joint and several guarantor for its subsidiary, Norley Corporation Inc., regarding the renewal of a USD 10 million short-term credit facility with Taishin International Bank Co., Ltd.</p>	None.
2025/11/07	4	<p>(1) Resolved, to approve the Company's consolidated financial statements for 2025Q3.</p> <p>(2) Resolved to approve the appointment of the financial and tax auditing CPA(s) for the fiscal year 2026.</p> <p>(3) Resolved, to approve the amendments to the Company's "Internal Control System."</p> <p>(4) Resolved, to approve the 2026 Annual Internal Audit Plan.</p> <p>(5) Resolved to approve the Board of Directors of the subsidiary be authorized to exercise full authority over matters pertaining to the purchase and sale of vessels, in accordance with the "Procedures for Acquisition or Disposal of Assets.</p>	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 interest and participation in the voting shall be specified: None.
3. Communications between Independent Directors, the Company's internal audit officer 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 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. Has the Company established and disclosed its own Corporate Governance Best Practice Principles in accordance with 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' equity.				
(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 20 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.
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	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	
(2) Does the company voluntarily establish other functional committees in addition to the legally required Remuneration Committee and Audit Committee?	V		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 16~17 for details. The Company has established the 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 7, 2025, and the evaluation of the independence of the accountants was reported and approved by the Board of Directors on November 7, 2025.	No deviation.
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,	V		The Company established the first Corporate Governance Officer on March 23, 2021, through the resolution of the Board of Directors, whose major duties are as follows: <ol style="list-style-type: none"> 1. Legally dealing with matters related to the Board of Directors' meetings and Shareholders' Meetings. 2. Making the Board of Directors' meeting and Shareholders' Meeting minutes. 3. Assisting directors in taking office and continuing education. 4. Providing the information required for directors to perform business. 	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																																	
legally dealing with the affairs related to the Board of Directors' meetings and Shareholders' Meetings and making Board of Directors' meeting and Shareholders' Meeting minutes)?			<p>5. Assisting directors in compliance with laws and regulations.</p> <p>6. Promoting the achievement of corporate governance indexes and reviewing the important points for getting scores based on corporate governance evaluation indicators.</p> <p>7. Arranging communication between Independent Directors, CPAs, and internal audit officer.</p> <p>8. Handling liability insurance for directors.</p> <p>The Corporate Governance Officer received 24 hours of continuing education in 2025. Please refer to "Corporate Governance" section on the Company's website for detailed contents of the continuing education courses.</p> <table border="1"> <thead> <tr> <th>Course Date</th> <th>Organization</th> <th>Course</th> <th>Hours</th> </tr> </thead> <tbody> <tr> <td>2025/07/25</td> <td>Securities and Futures Institute</td> <td>2025 Seminar on Legal Compliance for Insider Equity Trading</td> <td>3</td> </tr> <tr> <td>2025/08/11</td> <td>Taiwan Stock Exchange</td> <td>Seminar on CDP Alignment with IFRS S2: Strengthening Climate Information Disclosure to Enhance Corporate Climate Resilience</td> <td>6</td> </tr> <tr> <td>2025/08/22</td> <td>Chinese National Association of Industry and Commerce, Taiwan</td> <td>Director and Supervisor Training: 2025 Taishin-Shin Kong Net Zero Summit</td> <td>3</td> </tr> <tr> <td>2025/10/15</td> <td>Taiwan Investor Relations Institute</td> <td>Practices of Group Governance and Performance Management: A Financial Perspective</td> <td>3</td> </tr> <tr> <td>2025/10/16</td> <td>Taiwan Investor Relations Institute</td> <td>Corporate Sustainability and Risk Management</td> <td>3</td> </tr> <tr> <td>2025/11/04</td> <td>Taiwan Investor Relations Institute</td> <td>Trends in New Generation Talent</td> <td>3</td> </tr> <tr> <td>2025/11/05</td> <td>Taiwan Investor Relations Institute</td> <td>Sustainability Legal Responsibilities of Corporate Executives: Domestic and International Case Studies</td> <td>3</td> </tr> </tbody> </table>	Course Date	Organization	Course	Hours	2025/07/25	Securities and Futures Institute	2025 Seminar on Legal Compliance for Insider Equity Trading	3	2025/08/11	Taiwan Stock Exchange	Seminar on CDP Alignment with IFRS S2: Strengthening Climate Information Disclosure to Enhance Corporate Climate Resilience	6	2025/08/22	Chinese National Association of Industry and Commerce, Taiwan	Director and Supervisor Training: 2025 Taishin-Shin Kong Net Zero Summit	3	2025/10/15	Taiwan Investor Relations Institute	Practices of Group Governance and Performance Management: A Financial Perspective	3	2025/10/16	Taiwan Investor Relations Institute	Corporate Sustainability and Risk Management	3	2025/11/04	Taiwan Investor Relations Institute	Trends in New Generation Talent	3	2025/11/05	Taiwan Investor Relations Institute	Sustainability Legal Responsibilities of Corporate Executives: Domestic and International Case Studies	3	
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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 appropriately to the significant sustainability issues that stakeholders are concerned 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 stock affairs agent 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? (2) Does the company have other information disclosure channels (e.g., establishing an English website, appointing designated persons to be responsible for the 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)? (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 V		A website has been established to disclose relevant information. 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. No deviation.
		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 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	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 appointments, 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 examinations and provides health promotion manuals in accordance with regulations; Accident/casualty insurance are affected for employees. The crew	No deviation.

Evaluation item	Implementation status		Description	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No		
supervisors)?			<p>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 have 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 an "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, maintains seamless cooperation with various vendors and suppliers, 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 the 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 relationships, social relationships, and supplier relationships. For a complete and detailed assessment report, please refer to the Company's ESG Report prepared in accordance with GRI 4.0.</p> <p>(5) Purchase of liability insurance for directors and supervisors Since 2014, the Company has affected "Liability Insurance for Directors and Managerial Officers" for all directors to establish a sound corporate governance mechanism.</p> <p>Relevant information can be found on the Company's website and MOPS.</p>	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof	
	Yes	No	Description		
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		The Company's corporate governance evaluation in 2025 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 has already improved:	Same as the description on the left.	

Evaluation item	Implementation status		Description	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof						
	Yes	No								
			<p>(2) Priority improvements and measures that have been proposed for items that have not yet improved:</p> <table border="1"> <thead> <tr> <th>Indicator</th> <th>Improvement description</th> </tr> </thead> <tbody> <tr> <td>Does the Company establish an information security risk management framework, formulate information security policies and specific management plans, allocate resources for information security management, and disclose such information on the Company's website or in the annual report?</td> <td> <p>The Company has established an information security risk management framework, with the IT Department executing cybersecurity policies and management measures. This includes the implementation of cybersecurity protection mechanisms for both shore-based operations and vessels, as well as the continuous execution of information security awareness training, phishing simulations, and internal cybersecurity audits for vessels.</p> <p>In the future, the Company will consider benchmarking requirements to evaluate the appropriate disclosure of data regarding resource allocation for information security management in public information, thereby enhancing management transparency. Furthermore, the Company will continue to monitor global and domestic trends in information security management standards. Based on operational needs and practical circumstances, the Company will periodically assess the feasibility of adopting relevant management systems or seeking third-party certifications to enhance overall information security management effectiveness.</p> </td> </tr> <tr> <td>Does the Company provide live streaming of the shareholders' meeting or upload a full and uninterrupted video/audio recording afterwards?</td> <td>A full and uninterrupted video recording of the most recent shareholders' meeting will be uploaded to the Market Observation Post System (MOPS) after the meeting.</td> </tr> </tbody> </table>	Indicator	Improvement description	Does the Company establish an information security risk management framework, formulate information security policies and specific management plans, allocate resources for information security management, and disclose such information on the Company's website or in the annual report?	<p>The Company has established an information security risk management framework, with the IT Department executing cybersecurity policies and management measures. This includes the implementation of cybersecurity protection mechanisms for both shore-based operations and vessels, as well as the continuous execution of information security awareness training, phishing simulations, and internal cybersecurity audits for vessels.</p> <p>In the future, the Company will consider benchmarking requirements to evaluate the appropriate disclosure of data regarding resource allocation for information security management in public information, thereby enhancing management transparency. Furthermore, the Company will continue to monitor global and domestic trends in information security management standards. Based on operational needs and practical circumstances, the Company will periodically assess the feasibility of adopting relevant management systems or seeking third-party certifications to enhance overall information security management effectiveness.</p>	Does the Company provide live streaming of the shareholders' meeting or upload a full and uninterrupted video/audio recording afterwards?	A full and uninterrupted video recording of the most recent shareholders' meeting will be uploaded to the Market Observation Post System (MOPS) after the meeting.	
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Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			<p>Does the Company establish a dedicated (or concurrent) unit to promote sustainable development, conduct risk assessments on environmental, social, or corporate governance (ESG) issues related to company operations based on the principle of materiality, and formulate relevant risk management policies or strategies? Furthermore, does the Board of Directors oversee the progress of sustainable development initiatives, and is this information disclosed on the Company's website and in the annual report?</p>	<p>The Company formally established a "Sustainable Development Task Force" in 2025 as a dedicated unit responsible for coordinating the implementation of Environmental, Social, and Governance (ESG) issues. To further strengthen the Board's oversight of sustainable development, the Company plans to establish a functional committee (the "Sustainable Development Committee"). This elevates the management level and ensures that progress and performance results are regularly reported to the Board of Directors.</p> <p>Moving forward, this Committee will conduct risk assessments of environmental, social, or corporate governance issues related to operations based on the principle of materiality and formulate relevant risk management policies or strategies accordingly. Such information will be disclosed on the Company's website and in the annual report in accordance with regulations.</p>
			<p>Does the Company regularly conduct employee satisfaction surveys and disclose the implementation status as well as subsequent improvement plans?</p>	<p>Currently under review and will be implemented in the near future.</p>

● 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 having 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's 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 been 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 9% to 21%. 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 the 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 5 to 8 for its member's information.
3. Operation of Remuneration Committee:
 - (1) The Company's Remuneration Committee is composed of six members.
 - (2) The term of the 5th Remuneration Committee: June 25, 2025 - June 9, 2028. The Remuneration Committee held 2 meetings (A) in 2025. 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	1	0	100.00	Re-elected after the election on June 10, 2025
Committee Member		1	0	100.00	
Committee Member	Cheng, Fu-Kwok	1	0	100.00	Retired after the election on June 10, 2025
Committee Member	Tseng, Kuo-Cheng	2	0	100.00	Re-elected after the election on June 10, 2025
Committee Member	Koo, Tse-Hau	1	0	100.00	Re-elected after the election on June 10, 2025
Convener		1	0	100.00	
Committee Member	Wen, Fang-Yu	1	0	100.00	Newly elected after the election on June 10, 2025
Committee Member	Lee, Ka-Kin	1	0	100.00	Newly elected after the election on June 10, 2025

Summary of Remuneration Committee's Meetings

Remuneration Committee's meeting date	Contents of proposal	Members' opinions and response to such opinions
2025/03/12	(1) The 2024 remuneration for directors and employees (including managerial officers). (2) Amendment to the Articles of Incorporation to stipulate the appropriation of a certain percentage of annual earnings for salary adjustments or distribution of remuneration to junior employees.	Approved by all members present at the meeting.
2025/11/07	(1) Salary adjustment for Vice President Mr. Luan, Wen-Bin, and the adjustment of the 2026 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 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 of the performance of the Board of Directors, various committees, directors, and senior management, and evaluation of the independence of Independent Directors.
 - 1.3 Establishment of and regular review of 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 5 to 8 for its member's information.
3. Operation of the Nomination Committee:
 - (1) This committee consists of a convener and five members, with a total of six members.
 - (2) The term of the 2nd Nomination Committee: June 25, 2025 - June 9, 2028. The Remuneration Committee held 2 meetings (A) in the most recent year (2025), with the attendance as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance rate (%) [B/A]	Note
Convener	Lee, Yen-Sung	1	0	100.00	Re-elected after the election on June 10, 2025
Committee Member		1	0	100.00	
Committee Member	Cheng, Fu-Kwok	1	0	100.00	Re-elected after the election on June 10, 2025
Convener		1	0	100.00	
Committee Member	Tseng, Kuo-Cheng	2	0	100.00	Re-elected after the election on June 10, 2025
Committee Member	Koo, Tse-Hau	2	0	100.00	Re-elected after the election on June 10, 2025
Committee Member	Wen, Fang-Yu	1	0	100.00	Newly elected after the election on June 10, 2025
Committee Member	Lee, Ka-Kin	1	0	100.00	Newly elected after the election on June 10, 2025

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
2025/03/12	6	(1) Board and Functional Committees 2024 Performance Evaluation Report. (2) Report on the Planning of Director Training Programs. (3) Approval of the list of candidates for the 20th term of Directors (including Independent Directors).	None.
2025/11/07	1	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>To promote its sustainable development, the Company plans to establish a Sustainability Committee, with representatives nominated from departments to assist in driving various sustainability initiatives. Internally, the ESG Steering Committee has already been established, which is responsible for promoting and executing various sustainability-related operations.</p> <p>The ESG Steering Committee encompasses the following Work Forces and their assigned tasks:</p> <ol style="list-style-type: none"> 1. Governance Work Force: Responsible for corporate governance regulatory compliance, establishing reasonable remuneration policies and employee performance evaluation systems, training and development, and stakeholder communication mechanisms, to achieve the goals of corporate sustainability. 2. Environment Work Force: Responsible for environmental management systems, complying with environment-related laws, regulations, and international standards, assessing sustainable transition, improving resource utilization efficiency, climate change response mechanisms, and establishing dedicated environmental management units or personnel, to achieve the goals of environmental sustainability. 3. Social Work Force: Responsible for human rights management policies and procedures, complying with human rights-related laws, regulations, and international standards, establishing internal and external communication for all organizational members (such as employees, subsidiaries, joint ventures, etc.) and key members of the value chain, assessing relevant risks and management mechanisms, and promoting community and cultural development, to achieve the goals of sustainable operations. 4. Sustainability Information Disclosure Work Force: Responsible for sustainability information management policies, complying with relevant laws, regulations, and international standards for sustainability information disclosure, and fully disclosing relevant and reliable sustainability information, to enhance the transparency of sustainability information. <p>The Board of Directors periodically supervises the progress of sustainability initiatives, manages and tracks issues related to climate change and greenhouse gas emissions, and instructs all units to formulate short-, medium-, and long-term plans for gradual implementation.</p> <p>For relevant sustainability strategies and implementation status, please refer to the Company's Sustainability 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		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 the 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. Please refer to the ESG Report for the risk evaluation standards, processes, results, and risk management policies of this major issue.	No deviation.
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 a low impact on the environment?	V V		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 the establishment of the 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	No deviation. 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		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 the 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 certification from the experts of an 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 emissions according to the Ship Energy Efficiency Management Plan (SEEMP) issued by the International Maritime Organization (IMO). The Company traces the fleet's performance regarding energy consumption based on IMO's Energy Efficiency Operating Indicators (EEOI) and Energy Efficiency Design Indicators (EEDI). For relevant information on environmental issues and climate change, please refer to the disclosure in Chapters 3 and 4 of the ESG Report.	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 salaries 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 for 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 examinations and health guidebooks.</p> <p>The Group affects accident or casualty insurance for employees according to its rules. The Group's crew employment and onboard living and working environments are strictly managed in compliance with the Maritime Labour Convention (MLC). Senior Officer Training Seminars are held semi-annually, with curricula covering maritime regulations, maritime safety, technical education, and the sharing of practical experiences. This year, due to inadvertent operational errors by crew members, two minor industrial accidents occurred, with the number of injured personnel accountings for 0.9% of the total workforce. To address this, the Company has posted warning signs in high-risk areas and has further reinforced safety awareness and key precautions for Standard Operating Procedures (SOPs) within the work environment.</p>	No deviation.
(4) Does the company establish effective career development and training plans for its employees?	V		<p>The Group conducts systematic training for employees and encourages participation in external relevant training to enhance the development of employees' career capabilities. Internal training courses are arranged for personnel at different levels: programs for new employees focus on professional knowledge and potential development; in addition to on-the-job professional training, managers at all levels focus on leadership and team communication skills.</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	
(5) Does the company comply with relevant regulations and international standards regarding customer health and safety, privacy rights, marketing and labeling of its products and services, and establish relevant consumer protection or customer's interest 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.	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.
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.
<p>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:</p> <p>Although the "Sustainable Development Best Practice Principles" have not yet been formally established, the shipping industry to which the Group belongs is a highly internationally regulated industry. For many years, the Group has continuously conducted its operations and vessel management in compliance with the regulations of the International Maritime Organization (IMO) and relevant international maritime conventions, and has implemented measures related to environmental protection, occupational safety, corporate governance, and sustainable operations.</p> <p>In response to the Taiwan Stock Exchange's promotion and requirements for ESG and sustainable development, in addition to continuously improving existing sustainability management measures, the Chairman of the Company has led the senior management to drive sustainability-related initiatives. Furthermore, plans are underway to establish an ESG Committee directed by the Chairman and the Board of Directors to strengthen the corporate governance and sustainability management framework.</p> <p>Meanwhile, the Company also continuously studies and deliberates on the adoption of the Taiwan Stock Exchange's sustainability-related frameworks and regulations to serve as the guiding direction for the Company's overall sustainability promotion, gradually deepening the ESG management system and related disclosure practices.</p>				

Evaluation item	Implementation status		Description	Deviations from the Sustainability Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No		
<p>7. Other important information to facilitate a better understanding of the Company's implementation of sustainable development:</p> <p>(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.</p> <p>(2) The Group's vessels comply with 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.</p> <p>(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.</p> <p>(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 a 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.</p>				

(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, verifying 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>A. Short and medium-term business, strategy, and financial impacts:</p> <p>(1) Shipyard: Retrofitting low-carbon transportation equipment to meet ship energy efficiency ratings, impacting replacement costs.</p> <p>(2) Charter: Existing aging ships cannot match the energy-saving and carbon-reduction performance of newly built ships in the current market.</p> <p>B. Medium and long-term business, strategy, and financial impacts:</p> <p>(1) Bunker suppliers: Seeking a diversified green alternative energy supply chain due to environmental taxes and fees, impacting operating costs.</p> <p>(2) Shipyard: 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> <p>(3) Charter: 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>

Item	Implementation Status
	<p>(2) "Sustained High Temperatures"</p> <p>A. Short and medium-term business, strategy, and financial impacts: 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> <ol style="list-style-type: none"> (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. (2) Prolonged waiting times (e.g., ships having to frequently leave or increase their distance from ports) will impact on 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. (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. (4) Delays in estimated cargo delivery times. <p>B. Long-term business, strategy, and financial impacts: 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. Short and medium-term business, strategy, and financial impacts:</p> <ol style="list-style-type: none"> (1) Shipyard: Gradually optimizing the ship fleet with carbon-reduction equipment to reduce greenhouse gas emissions. <p>B. Medium and long-term business, strategy, and financial impacts:</p> <ol style="list-style-type: none"> (1) Bunker suppliers: Actively cooperating in a diversified green alternative energy supply chain. (2) Shipyard: Actively cooperating to gradually optimize and add green alternative energy equipment to ships or purchase new vessels to reduce greenhouse gas emissions. (3) Charter: 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.
3. Describe the financial impacts of extreme climate events and transition actions.	<p>(1) Extreme Climate Events While extreme climate events have occurred in recent years, our assessment indicates that the identified risk of "sustained high temperatures" could, if no corresponding measures are taken, reasonably be predicted to cause the Company's business to face obstacles or difficulties in whole or in part, resulting in progressive economic losses.</p> <p>(2) Transformation Actions 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 profitability for more than three years through such initiatives.</p>

Item	Implementation Status
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 ESG Steering 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>
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.	<p>(1) Overall Strategy for Responding to Physical Risks</p> <ul style="list-style-type: none"> 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. 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. C. Regularly train employees in emergency response mechanisms. <p>(2) Transition Risks</p> <p>Overall Short-Term Response Strategy</p> <ul style="list-style-type: none"> A. The Company actively collects information on low-carbon technologies, especially green alternative energy sources. B. Continue to commission independent third-party organizations to verify greenhouse gas emissions, comprehensively consolidating the overall greenhouse gas emissions of the organization. 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.

Item	Implementation Status																
	<p>Overall Medium and Long-Term Response Strategy</p> <p>A. Continue to commission independent third-party organizations to verify greenhouse gas emissions, comprehensively consolidating the overall greenhouse gas emissions of the organization.</p> <p>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.</p> <p>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.</p> <p>(3) Identify and manage indicators and targets for physical risks and transition risks</p> <table border="1" data-bbox="887 507 1917 866"> <thead> <tr> <th>Climate Risk</th> <th>Climate Opportunity</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>Sustained high temperature</td> <td>Energy substitution / diversification</td> <td>Headquarters gas management (baseline year 2021)</td> </tr> <tr> <td> <ul style="list-style-type: none"> • Demands and regulations for existing products and services • Sustained high temperature </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> </tbody> </table>	Climate Risk	Climate Opportunity	Target	Sustained high temperature	Energy substitution / diversification	Headquarters gas management (baseline year 2021)	<ul style="list-style-type: none"> • Demands and regulations for existing products and services • Sustained high temperature 	Energy substitution / diversification	Fleet gas management (baseline year 2008)	Sustained high temperature	Energy substitution / diversification	Use of renewable energy at headquarters				
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Sustained high temperature	Energy substitution / diversification	Headquarters gas management (baseline year 2021)															
<ul style="list-style-type: none"> • Demands and regulations for existing products and services • Sustained high temperature 	Energy substitution / diversification	Fleet gas management (baseline year 2008)															
Sustained high temperature	Energy substitution / diversification	Use of renewable energy at headquarters															
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.	<p>The Company's relevant climate short-, medium- and long-term goals are as follows:</p> <table border="1" data-bbox="887 1010 2002 1369"> <thead> <tr> <th>Goals</th> <th>Short-Term 2030</th> <th>Mid-Term 2040</th> <th>Long-Term 2050</th> </tr> </thead> <tbody> <tr> <td>Headquarters Gas Management (Base year 2024) (Originally 2021)</td> <td>A 10% reduction from the 2024 baseline</td> <td>A 25% reduction from the 2024 baseline</td> <td>Net-zero carbon emissions</td> </tr> <tr> <td>IMO Fleet Emission Management (Base year 2008)</td> <td>40% reduction in CO2 emissions</td> <td>70% reduction in GHG emission intensity</td> <td>100% reduction in GHG emission intensity</td> </tr> <tr> <td>Headquarters Use of Renewable Energy</td> <td>Achieving 30% green energy usage</td> <td>Achieving 50% green energy usage</td> <td>Achieving 100% green energy usage</td> </tr> </tbody> </table>	Goals	Short-Term 2030	Mid-Term 2040	Long-Term 2050	Headquarters Gas Management (Base year 2024) (Originally 2021)	A 10% reduction from the 2024 baseline	A 25% reduction from the 2024 baseline	Net-zero carbon emissions	IMO Fleet Emission Management (Base year 2008)	40% reduction in CO2 emissions	70% reduction in GHG emission intensity	100% reduction in GHG emission intensity	Headquarters Use of Renewable Energy	Achieving 30% green energy usage	Achieving 50% green energy usage	Achieving 100% green energy usage
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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 CO₂e), intensity (metric tons of CO₂e/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:

		2024 (Note*)		2025 (Note*)	
		Emissions (metric tons CO ₂ e)	Intensity (metric tons CO ₂ e/ million NTD revenue)	Emissions (metric tons CO ₂ e)	Intensity (metric tons CO ₂ e/ million NTD revenue)
Parent Company	Scope 1 Direct greenhouse gas emissions	307,373	2.605	305,485	2.605
	Scope 2 Indirect energy greenhouse gas emissions	20.0	0.3	20.0	0.3

(Note) The figures for 2024 and 2025 are preliminary estimates and have not yet 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 CO₂ 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 CO₂ 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.

(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 "Integrity, Decisiveness, Diligence, Prudence, Continuous Improvement, and Collaboration". The Company has established the "Ethical Corporate Management Best Practice Principles," the "Code of Ethical Conduct," and the "Whistleblowing and Disciplinary Procedures for Violations of Ethical Management and Ethical Conduct" to formally fulfill its commitment to ethical management policies. Please refer to the Corporate Governance section of the Company's website for details.	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 counterparties?	V		The Group, when handling business activities, carefully selects transaction counterparties and signs 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 have established an e-mail box 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: 1. Whistle-blowing e-mail: sd@snc.com.tw	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		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 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	
(3) Does the company provide protection for whistleblowers against receiving improper treatment?	V			No deviation.
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 established 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 the 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 commitment to ethical corporate management policies. There are no significant violations and deviations in the current year.				
6. Any other important information to facilitate a better understanding of the Company's ethical corporate management (such as review of an 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 established the 'Ethical Corporate Management Best Practice Principles' and the 'Code of Ethical Conduct' in 2018; since then, no material violations have been identified.				

(IX) Any Other Important Information to Facilitate a Better Understanding of Corporate Governance: Please check on MOPS for continuing education records of the Company's directors and Corporate Governance Officer in 2025.

(X) Implementation Status of Internal Control System

1. Statement on Internal Control

Sincere Navigation Corporation

Statement on Internal Control

Date: March 12, 2026

The Company makes the following statement based on the results of self-evaluation on 2025 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. The Company has established this system. Its purpose is to reasonably ensure that operational effectiveness and efficiency (including income, performance, and asset safety assurance) 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 once recognized.
- 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 by adopting the aforementioned internal control systems.
- 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, 2025, 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, 2026, by the Board of Directors, and out of the 7 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. Where the Company has commissioned a CPA to conduct a special audit on the internal control system, the CPA audit report shall be disclosed: Not applicable.

(XI) Important Resolutions of Shareholders' Meeting and Board of Directors in the Most Recent Year and in the Current Year (2025) as of the Publication Date of the Annual Report:

1. Important resolutions in 2025 annual Shareholders' Meeting and their implementation status:
The Company held 2025 annual Shareholders' Meeting at 9 a.m., June 10, 2025, 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 2024 Business Report and Financial Statements.
Status of implementation: The resolution is approved as proposed.
 - (2) Approve the Company's 2024 earnings distribution plan.
Status of implementation: Cash dividends of NT\$1.30 per share were distributed in 2024. The Company has set July 19, 2025, as the dividend record date and has distributed cash dividends on August 15, 2025, according to the Board of Directors' resolution.
 - (3) Amendment to the Company's "Articles of Incorporation."
Status of implementation: The amendments were disclosed on the Company's website on June 10, 2025, and operations have since been conducted in accordance with the revised procedures.
 - (4) Re-election of the 20th Board of Directors.
Status of implementation: Hsu, Chi-Kao, Solar Shipping Agency Ltd., Ho Mao Investment Corporation, Lee, Yen-Sung (Independent Director), Tseng, Kuo-Cheng (Independent Director), Koo, Tse-Hau (Independent Director), Wen, Fang-Yu (Independent Director).
 - (5) Removal of Non-Competition Restrictions on Newly Appointed Directors.
Status of implementation: The resolution is approved as proposed.
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, 2025:
 - (a) Report on the 2024 performance evaluation of the Board of Directors and functional committees.
 - (b) Report on the status of greenhouse gas inventory and verification for 2024 Q4.
 - (c) Report on the implementation of the integrity management program.
 - (d) Resolved, to approve the convening of the Company's 2025 Annual General Shareholders' Meeting.
 - (e) Resolved, to approve the 2024 Business Report and Financial Statements as proposed by the Audit Committee.
 - (f) Resolved, to approve the 2024 Earnings Distribution Proposal as proposed by the Audit Committee.
 - (g) Resolved, to approve the 2024 cash dividend distribution from earnings.
 - (h) Resolved, to approve the 2024 Internal Control System Statement as proposed by the Audit Committee.
 - (i) Resolved, to approve the nomination period, number of directors to be elected, and the designated location for accepting nominations of Director candidates (including Independent Directors).
 - (j) Resolved, to approve the list of Director candidates (including Independent Directors) nominated by the Nomination Committee.

- (k) Resolved, to approve the removal of non-competition restrictions on newly appointed Directors as proposed by the Audit Committee.
 - (l) Resolved, to approve the 2024 distribution of remuneration for Directors and employees (including managerial personnel) as proposed by the Remuneration Committee.
 - (m) Resolved, to approve the amendments to the Company's "Articles of Incorporation" as proposed by the Remuneration Committee.
- (2) Board of Directors' meeting held on May 12, 2025:
- (a) Report on the status of greenhouse gas inventory and verification for 2025 Q1.
 - (b) Resolved, to approve the Company's 2025 Q1 Consolidated Financial Statements as proposed by the Audit Committee.
- (3) Board of Directors' meeting held on June 10, 2025:
- Resolved, to elect Mr. Hsu, Chi-Kao as the Chairman of the Board of Directors
- (4) Board of Directors' meeting held on June 25, 2025:
- Resolved, to approve the record date and payment date for the 2024 cash dividend distribution.
- (5) Board of Directors' meeting held on August 08, 2025:
- (a) Report on the status of greenhouse gas inventory and verification for 2025 Q2.
 - (b) Resolved, to approve the Company's 2025 Q2 Consolidated Financial Statements as proposed by the Audit Committee.
 - (c) Resolved, to approve the amendments to the Company's Internal Control System as proposed by the Audit Committee.
 - (d) Resolved, to approve the amendments to the Company's "Standard Operating Procedures for Handling Director Requests" as proposed by the Audit Committee.
 - (e) Resolved, to approve the adoption of the Company's "Procedures for the Definition and Management of Junior Employees" as proposed by the Audit Committee.
 - (f) Resolved, to approve the Company's 2024 ESG Sustainability Report.
- (6) Board of Directors' meeting held on November 07, 2025:
- (a) Report on the renewal of the Company's "Directors and Officers Liability Insurance" and the details of the insurance coverage.
 - (b) Report on the status of greenhouse gas inventory and verification for 2025 Q3.
 - (c) Resolved, to approve the Company's 2025 Q3 Consolidated Financial Statements as proposed by the Audit Committee.
 - (d) Resolved, to approve the appointment of the financial and tax certified CPAs for 2026 as proposed by the Audit Committee.
 - (e) Resolved, to approve the 2026 Internal Audit Plan as proposed by the Audit Committee.
 - (f) Resolved, to approve the proposal by the Audit Committee to grant full authority to the Board of Directors of the subsidiary to handle the purchase and sale of vessels in accordance with the "Procedures for Acquisition or Disposal of Assets".
 - (g) Resolved, to approve the 2026 managerial compensation adjustment as proposed by the Remuneration Committee.
- (7) Board of Directors' meeting held on March 12, 2026:
- (a) Report on the 2025 performance evaluation of the Board of Directors and functional committees.
 - (b) Report on the status of greenhouse gas inventory and verification for 2025 Q4.
 - (c) Report on the implementation of the integrity management program.
 - (d) Resolved, to approve the convening of the Company's 2026 Annual General Shareholders' Meeting.

- (e) Resolved, to approve the 2025 Business Report and Financial Statements as proposed by the Audit Committee.
- (f) Resolved, to approve the 2025 Earnings Distribution Proposal as proposed by the Audit Committee.
- (g) Resolved, to approve the 2025 cash dividend distribution from earnings.
- (h) Resolved, to approve the 2025 Internal Control System Statement as proposed by the Audit Committee.
- (i) Resolved, to approve the 2025 distribution of remuneration for Directors and employees (including managerial personnel) as proposed by the Remuneration Committee.
- (j) Resolved, to approve the amendments to the Company's "Procedures for Acquisition or Disposal of Assets" as proposed by the Audit Committee.
- (k) Resolved, to approve the Company's "Roadmap for Adoption of IFRS Sustainability Disclosure Standards."

(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	Liao, Fu-Ming	2025/1/1 ~ 2025/12/31	2,255	1,222	3,477	
	Tsai, Pei-Hua	2025/1/1 ~ 2025/12/31				

Note: Non-audit services include: Transfer Pricing Report fees of NT\$702 thousand; Service fees for amendments to the Articles of Incorporation and related matters of NT\$120 thousand; and Service fees for the implementation of corporate environmental sustainability standards of NT\$400 thousand.

- (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: None
- (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:

Due to the internal organizational restructuring of the accounting firm, the certifying CPAs will be changed from Lin, Yi-Fan and Liao, Fu-Ming to Liao, Fu-Ming and Tsai, Pei-Hua, effective from the first quarter of 2025.

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	2025		Current year as of April 13th	
		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 Solar Shipping Agency Ltd. under the custody of China CITIC Bank (Representative: Cheng, Fu-Kwok)	-	-	-	-
Director	Special account of Ho Mao Investment Corporation under the custody of China CITIC Bank (Representative: Lee, Ka-Kin)	-	-	-	-
Independent Director	Lee, Yen-Sung	-	-	-	-
Independent Director	Tseng, Kuo-Cheng	-	-	-	-
Independent Director	Koo, Tse-Hau	-	-	-	-
Independent Director	Wen, Fang-Yu	-	-	-	-
Vice President	Luan, Wen-Pin	-	-	-	-
Vice President and Spokesperson of the Company	Hsu, Chih-Hung	-	-	-	-
Vice President	Hu, Jui-Chin (Note 1)	-	-	-	-
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 (Note 2)	-	-	-	-
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	-	-	-	-
Manager of Safety Management	Chang, Chao-I	-	-	-	-
Group IT Manager	Eduardo Bertrand	-	-	-	-

Note 1: Former Vice President Mr. Hu, Jui-Chin retired on August 19, 2025.

Note 2: Former Shipping Department Manager Mr. Leu, Jin-Cheng resigned on December 5, 2025.

(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 13, 2026

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 Ho Mao 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%	--	--	--	--			
HSBC Bank (Taiwan) Limited in its capacity as custodian for Goldman Sachs International Investment Account	12,807,324	2.19%	--	--	--	--			
HSBC Bank (Taiwan) Limited in its capacity as custodian for Merrill Lynch International Investment Account	12,095,528	2.07%	--	--	--	--			
CTBC Bank Co., Ltd. in its capacity as custodian for Best Summit Enterprise Limited Investment Account	11,724,694	2.00%	--	--	--	--			
Citibank Taiwan Limited in its capacity as custodian for UBS Europe SE Investment Account	9,977,834	1.70%	--	--	--	--			
CTBC Bank Co., Ltd. in its capacity as custodian for Eastern Dynasty Limited Investment Account	9,539,761	1.63%	--	--	--	--			
Citibank Taiwan Limited in its capacity as custodian for BNP Paribas Arbitrage SNC Investment Account	8,915,825	1.52%	--	--	--	--			

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 13, 2026

Name of major shareholders	Shares	Number of shares held	Shareholding ratio
CTBC Bank Co., Ltd. in custody for Ho Mao 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%
HSBC Bank (Taiwan) Limited in its capacity as custodian for Goldman Sachs International Investment Account		12,807,324	2.19%
HSBC Bank (Taiwan) Limited in its capacity as custodian for Merrill Lynch International Investment Account		12,095,528	2.07%
CTBC Bank Co., Ltd. in its capacity as custodian for Best Summit Enterprise Limited Investment Account		11,724,694	2.00%
Citibank Taiwan Limited in its capacity as custodian for UBS Europe SE Investment Account		9,977,834	1.70%
CTBC Bank Co., Ltd. in its capacity as custodian for Eastern Dynasty Limited Investment Account		9,539,761	1.63%
Citibank Taiwan Limited in its capacity as custodian for BNP Paribas Arbitrage SNC Investment Account		8,915,825	1.52%

(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 the previous year; however, this shall not apply if the legal reserve reaches the Company's total capital. After the special surplus reserve is withdrawn or reversed pursuant to related laws and regulations, its balance and the accumulated undistributed earnings of the previous year will be deemed as distributable earnings, for which the Board of Directors shall draft a 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 time, as necessary, in response to any changes in economic and industry conditions, by considering future development demands and the profitability of the Company.
2. Distribution of dividends proposed at this Shareholders' Meeting: NT\$1.00 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	2026 (Estimate)
Opening paid-in capital			NT\$5,853,533 thousand
Share dividend of current year	Cash dividend per share		NT\$1.00
	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, and of which no less than 0.3% for the current year is designated to junior employees allocation, 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, shall the Company have accumulated losses, an equivalent 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:
 3. The basis for estimating the amount of remuneration to employees and directors for the current period subject to the Company's Articles of Incorporation, and the amount estimated is based on experience in the past. Any difference between the actually distributed amount as resolved and the estimated amount will be recorded in the profit or loss of the following year. If employees' remuneration is paid by shares, the basis for the calculation of the number of shares is the closing price on the previous day of the resolution of the Board of Directors.
 4. Information on any approval by the Board of Directors on distribution of remuneration:
 - (1) The Company's Board of Directors has approved distribution of 2025 cash remuneration of NT\$20,298,662 to employees and NT\$20,298,662 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.
 5. 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	31,958,745	0	31,958,745	--	--
Remuneration for directors and supervisors	0	31,958,745	0	31,958,745	--	--

(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

Year Operating revenue Type	2025		2024	
	Amount	%	Amount	%
Bulk carrier	\$ 2,852,297	64.71	\$ 3,171,496	69.80
Oil tanker	1,535,879	34.84	1,352,086	29.76
Revenue from vessel management	19,635	0.45	20,220	0.44
Total	\$ 4,407,811	100.00	\$ 4,543,802	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

As we convene for our 2026 Annual General Meeting, Sincere Navigation Corporation (SNC) operates in a global shipping environment defined less by uniform recovery and more by divergence—across regions, cargo types, and vessel classes. The industry has moved beyond post-pandemic normalization into a phase characterized by heightened volatility, accelerated regulation, and increasingly disciplined capital allocation.

Against this backdrop, SNC has remained anchored by two enduring principles: Diligent

operations and Prudent financial stewardship. These principles continue to guide our decisions across market cycles, preserving not only earnings resilience but also balance sheet strength and operational reliability.

Global economic conditions in 2025 proved more resilient than earlier forecasts suggested. According to the International Monetary Fund, global GDP growth reached approximately 3.3% in 2025 and is projected to remain at a similar level in 2026. This stability has been supported by private-sector adaptability, sustained investment in technology, and continued consumption in major economies.

Within this context, China continues its structural transition toward higher-value manufacturing and technology-driven growth, with GDP expansion forecast at approximately 4.5% in 2026, while India, now the fastest-growing major economy, is expected to grow by around 6.4%, reinforcing its rising influence on global commodity flows and seaborne trade.

For SNC, these general trends translate into a selective but constructive demand environment, particularly in vessel segments where supply growth remains constrained. Our exposure to VLCC and Capesize tonnage positions the Company to benefit from this divergence while maintaining a cautious stance toward broader market volatility.

Throughout 2025, SNC operated a fleet of 15 vessels, comprising 3 VLCCs and 12 dry bulk carriers, with a continued focus on utilization, safety management, regulatory compliance, and asset condition maintenance.

Chartering Strategy: By maintaining a disciplined chartering mix of approximately 60% period cover and 40% spot exposure, SNC mitigated earnings volatility during seasonal softening in early 2025 while retaining upside participation during the tanker rate strength observed in the second half of the year.

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 transport is stalemated. When the shipping market is still in recovery, slumped new ship orders on shipyards will result in a drop in steel and steel plates demands. Steel industry relevant to bulk carriers perform mediocly 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 on 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

The Dry Bulk Market: Growing Divergent Performance Across Vessel Segments

The dry bulk market in 2026 presents a more nuanced picture, with outcomes increasingly determined by vessel class. While overall fleet growth remains elevated, the Capesize segment—where SNC maintains meaningful exposure—continues to exhibit relatively moderate net supply growth, estimated at approximately 2–3%.

Key demand drivers include:

- Bauxite Trade: Strong growth in Guinean bauxite exports has materially increased long-haul tonne-mile demand.
- Iron Ore: Global iron ore trade is forecast to grow by approximately 3–4% in 2026, mainly supported by Indian steel demand and periodic restocking in China.

At the same time, management remains keenly aware that dry bulk demand continues to be highly sensitive to Chinese steel margins and policy direction. Accordingly, the Company continues to approach this segment with measured exposure and disciplined risk management.

The Tanker Market: Structurally Supportive for VLCCs.

The tanker market entered 2026 with its strongest fundamentals in over a decade. During late 2025, VLCC spot earnings briefly exceeded USD 100,000 per day, mainly driven by a combination of OPEC+ production increases, re-routing of crude flows, and materially higher tonne-mile demand. While such levels reflect peak conditions rather than normalized earnings, they underscore the structural tightness of the market.

Looking ahead, supply-side fundamentals remain supportive:

- Deferred Deliveries: Although the global crude tanker orderbook has risen to approximately 14% of the fleet, deliveries are heavily back-weighted toward 2027–2028, limiting near-term capacity growth.

- Aging Fleet: Roughly 18% of the global tanker fleet is now aged 20 years or older. As environmental regulations tighten and charterer requirements become more stringent, scrapping potential is expected to offset a significant portion of scheduled new deliveries.

The aforementioned factors support a constructive medium-term outlook for VLCC earnings, particularly for owners operating modern, compliant, and well-maintained tonnage, such as the Company.

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 the international shipping market, and carefully select reputed charterers to ensure shipowners' rights and interests.
- (3) Keep up-to-date information on the secondhand vessel market for timely disposal of the Company's and the Group's older vessels, plan to add vessels and expand fleet at an 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 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	81,676	Kamsarmax	2014

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

Vessel name	Quantity	DWT	Type	Built in
Oceana	1	81,594	Kamsarmax	2014
Rebekah	1	82,250	Kamsarmax	2012
Sarah	1	81,082	Kamsarmax	2018
Chin Shan	1	175,569	Capesize Bulker	2004
Chou Shan	1	175,569	Capesize Bulker	2005
Bao Shan	1	175,009	Capesize Bulker	2006
Yue Shan	1	177,799	Capesize Bulker	2009
Mineral Oak	1	177,921	Capesize Bulker	2010
Tai Shan	1	176,000	Capesize Bulker	2011
Wah Shan	1	179,546	Capesize Bulker	2015
Tien Shan	1	250,328	VLOC	2018
Maxim	1	296,888	VLCC	2011
Kondor	1	296,714	VLCC	2012
Elbhoff	1	300,619	VLCC	2017
SNC Group Fleet Total	15	2,708,564		

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 content</u>
Rio Tinto Singapore Holdings Pte Ltd	Iron ore
BHP Singapore	Iron ore
NORDEN Shipping (Singapore) Pte. Ltd.	Grain, Coal

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 companies 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 gives the Group an 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 60 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 adding new vessels and expanding 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 affecting 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 appear to be the biggest unknown factor that could unpredictably disrupt trade flows 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 the 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 for 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 is accounted for in US dollars. However, some of the operating costs 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 a 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 the dual challenges of market volatility and pressure from environmental regulations. Since January 2023, the International Maritime Organization (IMO) has officially implemented new regulations, such as the Energy Efficiency Existing Ship Index (EEXI) and the Carbon Intensity Indicator (CII), which set stricter standards for vessel energy efficiency and emissions. Additionally, the European

Union's "Fit for 55" green economic plan included the shipping industry in the EU Emissions Trading System (EU ETS) in January 2024, and the FuelEU Maritime regulation has also officially come into effect as of January 2025.

With the full implementation of the EU Emissions Trading System (EU ETS) and the official commencement of FuelEU Maritime, environmental performance has become an increasingly important business consideration. The Company continues to invest in effective energy-saving technologies in a prudent and cost-effective manner, including advanced hull coatings and main engine efficiency optimization solutions.

All ESG-related investments are subject to the same rigorous financial evaluation standards as other capital expenditures. These investments focus on fuel savings, regulatory compliance, and risk reduction, rather than investing for the sake of scale.

Summary:

The Company adheres to a conservative operating strategy of prudently managing its vessel assets, which has generated stable and favorable profits over the past few years. We expect to continue generating profits in the current year (2026) by mitigating the risks of market uncertainty. Meanwhile, to respond to rapid and volatile market changes, the Company has balanced its spot market vessel operations with the scale of its period charter business. Under the leadership of the Company's professional and responsible management team, we believe we can maintain a competitive advantage in the fluctuating shipping market and seek long-term and maximized profits for the Company and its shareholders.

(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:

- List of clients accounting for 10% or more of the Company's total procurement amount in the most recent two fiscal years: Not applicable.
- 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	2024				2025				2026 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	\$1,352,086	29.76	None	Tanker International	\$1,468,511	33.32	None	Tanker International	\$ 467,658	34.21	None
2	BHP Singapore	1,111,028	24.45	None	Rio Tinto Singapore Holdings Pte Ltd	698,071	15.84	None	BHP Singapore	169,772	12.42	None
3	Rio Tinto Singapore Holdings Pte Ltd.	519,093	11.42	None	BHP Singapore	668,939	15.18	None	Rio Tinto Singapore Holdings Pte Ltd.	166,455	12.18	None
	Net sales of goods	\$2,982,207	65.63		Net sales of goods	\$2,835,521	64.34		Net sales of goods	\$ 803,885	58.81	

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

		2024	2025	Current year (as of May 6, 2026)
Number of employees	Staff member	30	37	40
	Crew member	270	281	277
	Total	300	318	317
Average age		41.61	40.61	40.06
Average service year		12.5	12.5	10.32
Distribution of education level	PhD	0.00	0.00	0.00
	Master	3.33	3.46	3.79
	Bachelor and associate degrees	52.33	53.14	55.52
	Senior high school	30.67	28.93	28.71
	Below senior high school	13.67	14.47	11.99

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 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 machines, 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 emphasizes energy efficiency and utilizes the Energy Efficiency Operational Indicator (EEOI) formula issued by the International Maritime Organization (IMO) to calculate carbon emissions during vessel operations, in preparation for future mandatory CO2 reduction measures. Since 2023, the IMO has required the adoption of the new Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) regulations. The EU Emissions Trading System (EU ETS) officially took effect on January 1, 2024, and the FuelEU Maritime regulation, aimed at reducing greenhouse gas emissions from ships, also officially came into force on January 1, 2025. In response to these environmental regulations, the Company, with technical support from major classification societies, continuously monitors the energy efficiency indicators of its managed fleet and has formulated and implemented Ship Energy Efficiency Management Plans (SEEMP). The Company continues to invest in effective energy-saving technologies in a prudent and cost-effective manner, including advanced hull coatings and main engine efficiency optimization solutions.

(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 irregularly 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 a monthly pension based on a certain ratio of local employees' salaries and wages according to the endowment insurance system stipulated by the government of the People's Republic of China. All employees' pensions are managed and arranged by the government. The Company has no further obligations, except for the 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 examinations 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 to enable 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 the 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, 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) Information Security Risk Management Framework, Policies, and Management Measures

To strengthen the information security management framework and ensure the secure and stable operation of the Company's and vessels' critical data, information systems, and network environments, the Company has established an information security management system covering both shore office and vessel networks. The system is centrally planned and implemented by the Group IT Department and is subject to regular review and continuous improvement.

The Company adopts a risk-based information security management framework focused on three major areas: technical controls, administrative management, and security awareness training. These measures aim to reduce operational disruption and information leakage risks while ensuring the Confidentiality, Integrity, and Availability (CIA) of information assets. The Company's information security management objectives are as follows:

1. To maintain the continuous and stable operation of the Company's and vessels' information systems.
2. To ensure confidentiality, integrity, and availability of information assets.
3. To prevent unauthorized access and illicit use.
4. To reduce human error and operational risks.
5. To defend against hacker attacks, malware, and cyber threats.
6. To strengthen the security management of physical environments and equipment.
7. To enhance the Company's overall cyber resilience and emergency response capabilities.

Information Security Technical and Management Control Measures

1. Network and Endpoint Security Protection

- Firewall systems are deployed across both company and vessel networks for perimeter defense and traffic monitoring.
- Intrusion Prevention Systems (IPS) have been implemented to enhance threat detection and real-time blocking capabilities.
- All terminal devices are equipped with endpoint protection and anti-virus software to provide real-time monitoring and malware protection.
- Non-essential external connections are restricted to reduce the external attack surface.
- Vessel networks are integrated into a unified information security management framework to ensure consistent protection standards across land and sea.
- Completed the standardization of the vessel firewall management platform, enabling centralized management and monitoring through a unified portal. Firewall rule cleanup, permission reviews, and the optimization of common security rules were also conducted to improve overall fleet cybersecurity and management efficiency.
- Conducted IT Health Checks (Information Technology Environment Health Checks) across the Company's offices to review servers, network equipment, endpoint security, system patch status, user account permissions, and overall IT environment configurations, with recommendations provided for improvements and strengthening measures.
- Completed the standardization of firewall devices and security policies across all offices, unifying security rules and management mechanisms to enhance cross-regional network security consistency and management efficiency.
- Continuously strengthened VPN security connectivity mechanisms between offices and internal systems, securing cross-location data transmission through encrypted communications.
- Implemented Multi-Factor Authentication (MFA Token) mechanisms for VPN remote access connections to reduce the risk of account compromise and unauthorized access.

2. Account and Access Management

- A hierarchical account privilege management system has been established.
- User accounts and access permissions are reviewed regularly to prevent excessive privilege granting.
- System operation behaviors are managed, and necessary logs are retained.
- Access and data transmission channels for internal and external systems are separated to strengthen control mechanisms.

3. Data Center Reinforcement and System Availability Enhancement

The construction and optimization of the Data Center was completed in 2025, strengthening infrastructure security and system availability, including:

- Enhancing the stability and availability of core equipment.

- Strengthening network security architecture and access control.
- Establishing comprehensive data backup mechanisms and recovery plans.
- Centrally managing critical systems to improve overall operational stability.

The Data Center's establishment has effectively enhanced the Company's information system security and Business Continuity (BCP) capabilities.

4. Backup and Business Continuity Management

To ensure the security of critical data and systems, the Company has established a comprehensive backup strategy:

- Full backups are performed for all important data.
- Regular automated scheduling backup mechanisms have been established.
- Coverage includes both internal company systems and in-house developed systems.
- Backup status and restorability are reviewed periodically.

This ensures that in the event of an incident, system operations can be restored promptly to minimize operational impact.

5. Information Security Awareness and Defense Drills

The Company prioritizes personnel security awareness. In addition to institutional regulations, defense capabilities are strengthened through practical drills and education:

- (1) Conducted two corporate information security awareness campaigns to enhance employees' understanding of cyber threats and social engineering attacks.
 - In June and December 2025, the Group's IT Manager led the implementation of corporate information security awareness training and campaigns to strengthen employees' understanding of phishing emails, social engineering, password security, and emerging cyber threats.
- (2) Included vessels in the security management scope and conducted Phishing Simulations for both office and vessel personnel to strengthen identification skills.
- (3) Cybersecurity Drills with various vessels to verify emergency response procedures and personnel coordination.
 - During vessel cybersecurity audits, cybersecurity drill scenarios were conducted simultaneously, simulating malware infections, unauthorized device connections, phishing attacks, and network anomalies to verify the effectiveness of shore-vessel incident response and reporting procedures.
- (4) Continuous promotion to avoid the following human-related risks:
 - Using external media from unverified sources.
 - Lack of vigilance during repetitive tasks.
 - Expose confidential documents or passwords in insecure environments.
 - Mis-transmission of sensitive data.
 - Uploading company data to suspicious or spoofed websites.

By integrating technical protection with personnel awareness, the Company strengthens its overall information security defense capabilities.

6. Cyber Insurance and Risk Transfer Mechanisms

To further enhance the Company's ability to withstand cyberattacks and cybersecurity incidents, the Company has obtained Cyber Marine Cover insurance for the fleet to reduce operational and financial risks arising from cybersecurity incidents.

The fleet's cybersecurity insurance currently covers all managed vessels and has been effective since 28 November 2024, with coverage provided by The Swedish Club.

The insurance coverage includes:

- Physical damage to vessels caused by cybersecurity incidents.
- Operational interruption and Loss of Hire resulting from cybersecurity incidents.
- Cybersecurity incident emergency response and support services.
- Incident investigation, data restoration, and digital forensic support.
- 24/7 cybersecurity emergency response services.

The Company continues to evaluate opportunities to further enhance the scope and coverage limits of the fleet's cyber insurance program in order to strengthen vessel operational resilience and align with international maritime cybersecurity requirements.

2025 Information Security Protection Effectiveness and Review

1. Successfully completed a total of 8 internal cybersecurity audits for vessel networks:
 - 1.1 MV Mineral Oak: 2025-02-18
 - 1.2 MV Tien Shan: 2025-03-19
 - 1.3 MV Bao Shan: 2025-03-07 & 2025-10-09
 - 1.4 MV Chou Shan: 2025-01-05
 - 1.5 MV Oceana: 2025-01-04
 - 1.6 MV Palona: 2025-08-18
 - 1.7 MV Sarah: 2025-01-29
 - 1.8 MV Wah Shan: 2025-01-07
2. Arranged for cybersecurity personnel to participate in professional maritime cybersecurity training and obtain relevant certifications.
3. Attended briefing sessions on the "Cybersecurity Control Guidelines for TWSE/TPEX Listed Companies" and related cybersecurity courses.
4. Promoted cybersecurity awareness campaigns and conducted phishing simulations to enhance defense awareness among all personnel.
5. Completed the construction and system reinforcement of the Data Center, enhancing infrastructure security and availability.

(II) Description of Material Information Security Incidents

As of the publication date of this annual report, the Company has not experienced any material information security incidents, nor has it incurred any losses resulting from such incidents.

The Company continues to enhance its overall cyber resilience and risk prevention capabilities through institutional optimization, technical reinforcement, and personnel training.

VII. Important Contracts

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

Contract Party	Term	Content
H-LINE SHIPPING CO., LIMITED.	2024/05/29- 2026/09/29	Medium-to-Long-Term Charter Party for M.V. Wah Shan on International Routes
Rio Tinto Shipping (Asia) Pte. Ltd.	2024/06/17- 2026/07/28	Medium-to-Long-Term Charter Party for M.V. Bao Shan on International Routes
NORDEN A/S	2025/03/10- 2026/05/15	Medium-to-Long-Term Charter Party for M.V. Oceana on International Routes

(II) Long-term Loan Contracts: 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	Unit: NT\$ thousand			
		December 31, 2025	December 31, 2024	Difference	
				Amount	%
Current assets (Explanation 1)		8,763,500	7,181,830	1,581,670	22.02
Property, plant and equipment		13,227,730	15,149,327	(1,921,597)	(12.68)
Other assets (Explanation 2)		22,804	33,415	(0,611)	(31.76)
Total assets		22,014,034	22,364,572	(350,538)	(1.57)
Current liabilities		4,534,891	3,862,686	672,205	17.40
Long-term liabilities (Explanation 1)		-	206,577	(206,577)	(100.00)
Other liabilities (Explanation 3)		13,078	38,363	(25,285)	(65.91)
Total liabilities		4,547,969	4,107,626	440,343	10.72
Share capital		5,853,533	5,853,533	-	-
Capital surplus		165,886	165,576	310	0.19
Retained earnings					
Legal reserve		3,470,192	3,320,041	150,151	4.52
Special reserve (Explanation 4)		-	904,748	(904,748)	(100.00)
Unappropriated retained earnings		8,450,104	7,609,188	840,916	11.05
Other equity (Explanation 5)		(473,650)	403,860	(877,510)	(217.28)
Total shareholders' equity		17,466,065	18,256,946	(790,881)	(4.33)

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. The increase in cash was primarily due to the early repayment of bank loans for M.V. Landbridge Glory and M.V. Tien Shan in the previous year, a transaction that did not occur in the current period.
2. The change was primarily because the prepayments for equipment from the previous year were successfully installed during the current year.
3. The change was primarily caused by the reversal of pension funds appropriated in previous years, following a major organizational restructuring of an overseas subsidiary on August 31, 2025.
4. Primarily due to fluctuations in the TWD/USD exchange rate, the special surplus reserve was reversed against the debit balance of "other equity" in accordance with applicable laws and regulations.
5. Primarily due to the appreciation of the New Taiwan Dollar against the U.S. Dollar, exchange losses were recognized from the translation of financial statements of foreign operations.

II. Financial Performance

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

Unit: NT\$ thousand

Item	Year		Amount of increase (decrease)	Percentage of change (%)	Analysis of deviation
	2025	2024			
Operating revenue	\$ 4,407,811	\$ 4,412,174	(\$ 4,363)	(0.10)	
Operating costs	(3,260,325)	(3,082,587)	(177,738)	5.77	
Gross profit (loss)	1,147,486	1,329,587	(182,101)	(13.70)	
Operating expenses	(351,325)	(348,048)	(3,277)	0.94	
Other gain and losses – net	-	-			
Operating profit	796,161	981,539	(185,378)	(18.89)	
Non-operating income and expenses					
Interest income	261,819	240,390	21,429	8.91	
Other income	3,522	10,132	(6,610)	(65.24)	
Other gains and losses	(26,079)	(11,996)	(14,083)	117.40	Please refer to Explanation 1
Finance costs	(81,386)	(92,815)	11,429	(12.31)	
Total non-operating income and expenses	157,876	145,711	12,165	8.35	
Pre-tax net profit from continuing operations	954,037	1,127,250	(173,213)	(15.37)	
Income tax expenses	(106,715)	(28,949)	(77,766)	268.63	Please refer to Explanation 2
Net profit from continuing operations	847,322	1,098,301	(250,979)	(22.85)	Please refer to Explanation 3
Net gain and loss from discontinued operations	-	400,708	(400,708)	(100.00)	Please refer to Explanation 4
Net profit	847,322	1,499,009	(651,687)	(43.47)	
Net other comprehensive income	(877,554)	1,311,110	(2,188,624)	(166.93)	Please refer to Explanation 5
Total comprehensive income	(30,232)	2,810,119	(2,840,351)	(101.08)	
Net income attributable to:					
Owners of the parent company	\$ 847,322	\$ 1,499,009	(\$ 651,687)	(43.47)	
Non-controlling interests	-	-	-	-	
	\$ 847,322	\$ 1,499,009			
Total comprehensive income attributable to:					
Owners of the parent company	(\$ 30,232)	\$ 2,810,119	(\$ 2,840,351)	(101.08)	
Non-controlling interests	-	-	-	-	
	(\$ 30,232)	\$ 2,810,119			

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. The change was primarily due to exchange losses arising from the remittance of earnings from overseas subsidiaries.
2. The change was primarily due to the reversal of special surplus reserve during the current period

and the recognition of income tax expenses for undistributed earnings from previous years that were not subject to additional tax.

3. Net income decreased primarily due to a slight decline in the average annual freight rates for bulk carriers compared to the same period last year, as well as an increase in depreciation expenses from vessel dry-docking.
4. The change was primarily because the buyers of M.V. Heng Shan and M.V. Landbridge Glory exercised their early buy-back options in the previous period, a transaction that did not occur in the current period.
5. The change was due to the impact of TWD/USD exchange rate fluctuations on the translation of financial statements of foreign operations.

III. Cash Flows

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

Item	Year		Increase (Decrease) ratio
	December 31, 2025	December 31, 2024	
Cash flow ratio	60.78%	76.35%	(15.57%)
Cash flow sufficiency ratio	151.85%	156.03%	(4.18%)
Cash reinvestment ratio	5.98%	7.45%	(1.47%)
Analysis of the changes in increase/decrease ratio: The Company fully repaid all long-term loans of its subsidiaries ahead of schedule for financial planning purposes and increased short-term borrowings for operational needs. The resulting increase in overall current liabilities led to a decrease in the cash flow ratio. Additionally, the cash flow adequacy ratio declined slightly during this period due to an increase in cash dividend payments.			

(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
\$4,065,964	\$2,278,567	(\$1,801,403)	\$8,145,934	-	-

Note 1: The projected annual cash outflow is the sum of cash flows from investing and financing activities. Major expenditures include cash dividend payments of NT\$585 million, as well as capital expenditures of NT\$329 million for vessel dry-docking and equipment installation. Since M.V. Kondor is scheduled for disposal in early April 2026 at a sale price of US\$78.4 million (approximately NT\$2,464 million), this will result in a negative annual cash outflow (meaning the net cash flow from investing and financing activities will be positive).

The Company continues to evaluate vessel acquisition plans to align with operational needs and fleet optimization strategies. However, as the specific investment amounts and timelines have not yet been finalized, they are excluded from this cash flow forecast. Actual future investment expenditures will depend on market conditions and the Company's capital planning, which may impact cash flows.

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

In 2025, the primary capital expenditure projects included the dry-docking of three vessels: M.V. Chou Shan, M.V. Mineral Oak, and M.V. Wah Shan. The total expenditure amounted to US\$7 million, which was funded by cash flows from operating activities.

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:

Item \ Explanation	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	2025 (NT\$ thousand)
Interest expenses	\$ 80,900
Exchange gain	(\$ 25,995)

The Company periodically assesses the interest rate of bank loans and strives to get the most favorable lending rate from banks. 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 any high-risk, high-leverage investments or derivative financial instrument transactions in 2025. Financing provided to others and endorsements/guarantees were conducted solely for invested subsidiaries and were handled in accordance with the Company's "Procedures for Endorsements and Guarantees" and "Procedures for Lending Funds to Other Parties."

(III) Future Research and Development Plans and Estimated R&D Expenses: 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 Associated with Concentration of Sales or Purchases and Corresponding Mitigation Measures: 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) Material litigation, non-litigious, or administrative contentious matters—concluded by a final judgment or remaining pending—involving the Company, its directors, supervisors, president, de facto responsible persons, major shareholders with a holding of more than 10%, and subsidiaries, the results of which may have a material impact on shareholders' equity or securities prices, and for which the facts of the dispute, the amount of the subject matter, the commencement date, the major parties involved, and the status as of the publication date of the annual report shall be disclosed: None.
- (XIII) Other Major Risks and Their Response Measures:

Due to the nature of our business, which primarily focuses on international ocean-going routes, the Company frequently transacts with a diverse range of international vendors. Communication with stakeholders—including customers, brokers, suppliers, and agents—is conducted mainly via email. In response to the increasing prevalence of ransomware and cyber-scams, the Company has implemented reverse IP lookups and enhanced firewall systems for email traffic. This process tracks and verifies the authenticity of email domains to automatically detect and block malicious emails. In the event of anomalies, in addition to the automated blocking mechanism, the Company employs manual verification via telephone or other non-email channels to perform dual confirmation with counterparties. Moving forward, the Company plans to implement S/MIME (Secure/Multipurpose Internet Mail Extensions) or digital security certificates for encryption to further ensure the 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 Necessary 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