



Franbo Lines Corp.

2024 Annual Shareholders' Meeting

Meeting Handbook

(Translation)

Time: May 30, 2024 (Thursday) at 9:00 a.m.

Location: 3F, No. 31, Haibian Rd., Lingya Dist., Kaohsiung 802, Taiwan.(R.O.C)

-----Disclaimer-----

This English Handbook For 2023 Annual Meeting Of Shareholders Is Translated From The Chinese Version. It Is Intended For Reference Only. The Company Hereby Disclaims Any And All Liabilities For The Translation. The Chinese Handbook Shall Govern Any And All Matters Related To The Interpretation Of The Subject Matter Stated Herein.



Franbo Lines Corp. (the “Company”)
2024 Annual Meeting of Shareholders

Table of Contents

Page

Meeting Procedures	1
Meeting Agenda	2
1. Report Items	3
2. Ratification and Discussion Item	8
3. Extempore Motion	9
 Attachment :	
1. Business Report of the Year 2023	10
2. Independent Auditor’S Report And 2023 consolidated Financial Statements	13
3. Independent Auditor’S Report And 2023 Parent Company Only Financial Statements .	25
4. Audit Committee’s Review Report	37
5. To Revise the Articles of Incorporation.Comparison Table .	38
 Appendix :	
1. Rules and Procedures of the Shareholders’ Meetings	39
2. Articles of Incorporation	45
3. Shareholdings of All Directors	48



Franbo Lines Corp.

Meeting Procedures for the 2024 Annual Meeting of Shareholders

1. Call the Meeting to Order
2. Chairman's Address
3. Report Items
4. Ratification Items
5. Discussion and Election Items
6. Extempore Motion
7. Adjourned



Franbo Lines Corp.

Agenda for 2024 Annual Meeting of Shareholders

1.Time: May 30, 2024 (Thursday) at 9:00 a.m.

2.Location: 3F, No. 31, Haibian Rd., Lingya Dist., Kaohsiung 802, Taiwan.(R.O.C)

3.Shareholders' meeting will be held by physical meeting

4.Chairman's Address

5.Report Items

(1)Business Report of the year 2023.

(2)Audit Committee's Review Report of the year 2023.

(3)2023 Employees' Compensation, and Remuneration of Directors report.

(4)Report on directors' remuneration collection in 2023.

(5)2023 Earnings Distribution of Cash Dividend.

(6)Implementation of Endorsements and Guarantees & Loaning of Funds to Others Parties.

(7)Implementation of the Fifth and the Sixth Domestic Unsecured Convertible Corporate Bond.

6.Ratification and Discussion Items

(1)To ratify the Business Report and Financial Statements for 2023.

(2)To ratify the Proposal for Distribution of 2023 Profits.

(3)To revise the Articles of Incorporation.

7.Extempore Motion

8.Adjourned

Report Items

1. Business Report of the year 2023.

Explanation:

Please refer to Attachment 1 of this handbook for the 2023 Business Report.

2. Audit Committee's Review Report of the year 2023.

Explanation:

Please refer to Attachment 4 of this handbook for the Audit Committee's Review Report.

3. 2023 Employees' Compensation, and Remuneration of Directors report.

Explanation:

- (1) According to the company's articles of association, the company shall distribute no less than one percent of employee remuneration and no more than five percent of directors' remuneration based on the current year's profit.
- (2) The company distributed employee remuneration and director remuneration in cash in 2023 which was reviewed and approved by the board of directors on March 7, 2024. The distribution situation is as follows:

Century: NTD

	Provision ratio	Actual allotment amount	Estimated amount for 2024	differests	Note
Employees' Compensation	1.0025%	5,310,000	5,310,000	-	
Remuneration of Directors	1.0025%	5,310,000	5,310,000	-	

4. Report on directors' remuneration collection in 2023.

Explanation:

- (1) The remuneration of the company's chairman, directors and independent directors is based on the evaluation results of the "Director Performance Evaluation Method", based on their participation in the company's operations and the value of their contribution, and with reference to domestic and foreign industry standards, and is reported to the Salary and Remuneration Committee. Cases are reviewed and sent to the board of directors for review and approval of the total amount to be issued.
- (2) The remuneration received by the directors of the Company is as follows:

Unit: NT\$ thousand; Thousand shares;

Title	Name	Directors' remuneration								A+B+C+D as a percentage of net income after tax		Remuneration from concurrent positions as employees								A+B+C+D+E+F + G as a percentage of net income after tax		Compensation received from Non-Consolidated affiliates of Parent Company
		Remuneration (A)		Pension (B)		Remuneration to directors(C)		Allowances (D)				Salaries, Bonuses and allowances (E)		Pension (F)		Profit distribution for employee compensation (G)						
		The company	Consolidated Entities	The company	Consolidated Entities	The company	Consolidated Entities	The company	Consolidated Entities	The company	Consolidated Entities	The company	Consolidated Entities	The company	Consolidated Entities	Franbo		Consolidated Entities		Franbo	Consolidated Entities	
																cash	stock	cash	stock			
Chairman	Prosperity Investment and Consulting Co., Ltd. Representative: Pang Chuan, Tsai	120	120	-	-	1,111.1	1,111.1	21	21	0.30%	0.30%	2,798	2,798	-	-	498	-	498	-	1.07%	1.07%	-
Director	Prosperity Investment and Consulting Co., Ltd. Representative: Ching-Chuang, Tsai	120	120	-	-	1,111.1	1,111.1	21	21	0.30%	0.30%	2,351	2,351	103	103	498	-	498	-	0.99%	0.99%	-
Director	Chun Yu, Lo	120	120	-	-	555.6	555.6	21	21	0.17%	0.17%	-	-	-	-	-	-	-	-	0.16%	0.16%	-
Director	Yi-Wen, Shen	120	120	-	-	555.6	555.6	21	21	0.17%	0.17%	-	-	-	-	-	-	-	-	0.16%	0.16%	-
Independent Director	Shu-Yang, Yen (note)	70	70	-	-	309.8	309.8	24	24	0.08%	0.08%	-	-	-	-	-	-	-	-	0.10%	0.10%	-
Independent Director	Tian-Ming, Wu,	120	120	-	-	555.6	555.6	39	39	0.17%	0.17%	-	-	-	-	-	-	-	-	0.17%	0.17%	-
Independent Director	Rong-Qin, Liu	120	120	-	-	555.6	555.6	39	39	0.17%	0.17%	-	-	-	-	-	-	-	-	0.17%	0.17%	-
Independent Director	Shih-Chuan, Lin (note)	70	70	-	-	309.8	309.8	12	12	0.08%	0.08%	-	-	-	-	-	-	-	-	0.09%	0.09%	-
Independent Director	Chih-Tsung, Tai (note)	50	50	-	-	245.8	245.8	12	12	0.08%	0.08%	-	-	-	-	-	-	-	-	0.07%	0.07%	-

Note: Independent directors Shu-Yang, Yen and Shih-Chuan, Lin were newly appointed on June 1, 2024; Chih-Tsung, Tai resigned on June 1, 2024 when his term expired.

5.2023 Earnings Distribution of Cash Dividend

Explanation:

- (1) According to Article 20 of the Articles of Association of the Company, all or part of the dividends and bonuses shall be distributed in the form of cash. The board of directors shall be authorized to make a resolution and report to the shareholders' meeting.
- (2) On March 7, 2024, the company's board of directors resolved to allocate a cash dividend of NT\$148,786,175. Calculated based on the shares held by shareholders listed in the shareholder list on the ex-dividend base date, the cash dividend was NT\$0.5 per share and calculated to the nearest dollar (If the amount is less than one yuan, the total amount is included in the company's other income. The chairman of the board of directors is also authorized to set another ex-dividend base date, payout date and other related matters, and announce them in accordance with the law.
- (3) If the dividend distribution is subsequently changed due to changes in the company's share capital, which affects the number of outstanding shares and causes a change in the dividend rate, the chairman shall be authorized to handle it with full authority in accordance with the Company Law or its relevant laws and regulations.

6.Implementation of Endorsements and Guarantees & Loaning of Funds to Others Parties.

Explanation:

- (1) As of December 31, 2023, the guaranteed amount endorsed by the company is as follows:

Unit: NT\$ thousand;

Endorsement Guarantor	Endorsement Guarantor Company Name	Endorsement guarantee object relationship with the company	Endorsement guarantee amount	Actual Endorsement guarantee amount	Endorsement Guarantee Reason
Franbo Lines Corp.	Franbo Ocean Limited	100% Sub-subsidiary	319,998	319,998	Ship Loan
	FB Pioneer Limited		73,704	73,704	Ship Loan
	Franbo Legacy Limited		184,260	184,260	Ship Loan
	Franbo Ace Limited		529,748	529,748	Ship Loan
	Franbo Art Limited		529,748	529,748	Ship Loan
	Franbo Cosmos Limited		569,671	569,671	Ship Loan
	Franbo Century Limited		552,780	-	Ship Loan
	Franbo Brave Limited		576,642	576,642	Ship Loan
	Franbo Bravo Limited		576,642	576,642	Ship Loan
Total			3,913,193	3,360,413	

Note 1: The total amount of endorsements and guarantees given by the Company, New Lucky Lines S.A. and Uni-Morality Lines Ltd. to a single affiliated company shall not exceed 100% of the company's net worth. The remaining group subsidiaries shall not exceed 400% of the company's net worth. %.

Note 2: The total amount of endorsement guarantees of the company and its group subsidiaries, except New Lucky Lines S.A. and Uni-Morality Lines Ltd., which shall not exceed 200% and 300% of the company's net worth respectively, the company and the other group subsidiaries shall not exceed 500% of the company's net worth.

(2)As of December 31, 2023, the amount of funds loaned by the company to others is as follows:

Unit: NT\$ thousand

Lending company name	Fund loan and object	relationship	Fund loan and reason	Ending balance	Actual amount
Franbo Lines Corp.	Franbo Asset Management Co., Ltd.	100% Sub-subsidiary	working capital	200,000	158,000
	FB Propriety Construction and Development Co., Ltd.		working capital	200,000	108,000
New Lucky Lines S.A.	Franbo Lines Corp.	100% parent company	working capital	153,550	73,704
	FB Pioneer Limited	100% Sub-subsidiary	working capital	61,420	19,962
	FB Navigation Limited		working capital	61,420	5,528
	Franbo Legion Limited		working capital	138,195	16,891
	Franbo Ocean Limited		working capital	276,390	241,688
	Franbo Bright Limited		working capital	214,970	170,748
	Franbo Ace Limited		working capital	92,130	-
	Franbo Art Limited		working capital	92,130	-
	Franbo Century Limited		working capital	552,780	513,164
	Franbo Brave Limited		working capital	30,710	-
	Franbo Bravo Limited		working capital	30,710	3,378
	Franbo Legacy Limited		working capital	30,710	-
	Franbo Lohas S.A.		working capital	61,420	49,443
	Franbo Wind S.A.		working capital	153,550	18,426
	FWF Shipping Limited	Associated Company	working capital	61,420	-
Franbo Shipping S.A.	New Lucky Lines S.A.	100% parent company	working capital	122,840	74,011
Franbo Transportation S.A.			working capital	122,840	94,280
TW Hornbill Lines S.A.			working capital	178,118	106,871
Franbo Logos S.A.			working capital	30,710	3,685
Franbo Logic S.A.			working capital	92,130	65,412
Franbo Lohas S.A.			working capital	61,420	-
Franbo Sagacity S.A.			working capital	76,775	23,647
Franbo Way Limited			working capital	122,840	94,280
Franbo Ocean Limited			working capital	61,420	-
FB Pioneer Limited			working capital	30,710	-
FB Navigation Limited			working capital	30,710	-
Franbo Legacy Limited			working capital	153,550	8,906
Franbo Ace Limited			working capital	61,420	25,796
Franbo Art Limited			working capital	61,420	14,434
Franbo Cosmos Limited			working capital	184,260	105,642
Franbo Brave Limited			working capital	61,420	33,167
BCTS Capital Inc.			working capital	61,420	44,837
FWF Shipping Limited			working capital	214,970	55,094
FWF Shipping Limited	Franbo Lines Corp.	100% parent company	working capital	30,710	5,221
Uni-Morality Lines Limited	Franbo Lines Corp.		working capital	110,556	110,556
Franbo Asset Management Co., Ltd.	FB Propriety Construction and Development Co., Ltd.	100% Sub-subsidiary	working capital	65,000	-
	FB Integrity Real Estate Development Co., Ltd.		working capital	30,000	-
FB Justice Construction and Development Co., Ltd.	Franbo Asset Management Co., Ltd.	100% parent company	working capital	50,000	-
FB Propriety Construction and Development Co., Ltd.			working capital	30,000	-

Note 1: The company's individual target loan and limit shall not exceed 10% of the company's net value. The group subsidiary's individual target loan and limit shall not exceed 30% of the subsidiary's net value except for New Lucky Lines S.A. 30% of the subsidiary's net value, other group subsidiaries are shall not exceed 100% of the net worth of the subsidiary.

Note 2: The total amount of funds lent by the company shall not exceed 20% of the net worth of the company, and the total amount of funds lent by a group subsidiary shall not exceed 100% of the net worth of the subsidiary.

7. Implementation of the Fifth and the Sixth Domestic Unsecured Convertible Corporate Bond.

Explanation:

- (1) The company passed the resolution of the board of directors on March 4, 2022, to issue the fifth unsecured conversion corporate bonds in 2022. The total issuance amount is NT\$600 million, which will be used to pay for the construction of 5 new bulk ships with a load capacity of 40,000 tons through the investment in subsidiaries. Part of the payment for general cargo ships.
- (2) The company passed the resolution of the board of directors on May 4, 2023, to issue the sixth unsecured conversion corporate bonds in 2023. The total issuance is NT\$400 million, which will be used to pay for the construction of 5 new ships with a load capacity of NT\$40,000 through investment in subsidiaries. tons of bulk cargo ships and repay the first secured ordinary corporate bonds in 2020.

Bond Name	The Fifth Domestic Unsecured Convertible Corporate Bond (Bond code: 26415)	The Fifth Domestic Unsecured Convertible Corporate Bond (Bond code: 26416)
Approval document number for OTC transactions issued by the competent authority	No. 11100081941 issued by Taipei Exchange on July 25, 2022.	No. 11200092672 issued by Taipei Exchange on August 18, 2023.
Issuance	NT\$600 million	NT\$400 million
Book Value	NT 100,000 dollars, issued in full denomination	NT 100,000 dollars, issued in full denomination
Coupon Rate	Fixed annual interest rate of 0%	Fixed annual interest rate of 0%
Repayment Method	The principal is repaid once after three years from the date of issue	When this bond matures, it will be repaid in one lump sum in cash at 103.0301% of the face value of the bond (the real yield is 1%).
Conversion price at issue	NT\$19.99	NT\$16.48
Latest conversion price	NT\$18.06	NT\$18.30
Issue period	Three-year period, issued on July 28, 2022, and expired on July 28, 2025	Three-year period, issued on August 23, 2023, and expired on August 23, 2026
Amount of ordinary shares converted	NT\$198,800,000	NT\$313,100,000
Outstanding principal	NT\$399,600,000	NT\$86,900,000

Note: Information as of March 31, 2024.

Ratification and Discussion Items

Item 1: To ratify the Business Report and Financial Statements for 2023.

(Proposed by the Board of Directors)

Explanation:

- (1) The compilation of the Company's 2023 Business Report and Financial Statements are completed. The Financial Statements have been audited and certified by independent certified public accountants, Wang, Kuo-Hua, and Liao, A-shen, of PricewaterhouseCoopers Taiwan, and reviewed by the Audit Committee of the Company. Adoption Requested
- (2) Please refer to Attachment 1, Attachment 2 and Attachment 3 of this handbook.

Resolution:

Item 2: To ratify the Proposal for Distribution of 2023 Profits.

(Proposed by the Board of Directors)

Explanation:

- (1) The unappropriated earnings at the beginning of the year is NT\$ 1,179,858,554, after adding up the 2023 net income of NT\$ 424,401,483 and the legal reserve (10%) of NT\$ 42,440,148, therefore the total amount of earnings available for distribution is NT\$1,561,819,889.
- (2) Attached the earnings distribution table for the year 2023 is as follows :

Franbo Lines Corp.
2022 Earnings distribution table

Unit:NT\$

Item	Amount
Ratained earnings in the bengining of 2022	\$ 1,179,858,554
Add: Net profit after tax for the year 2022	424,401,483
Subtract: Setting aside 10% legal reserve	(42,440,148)
Earnings available for distribution by the end of the fiscal year	<u>1,561,819,889</u>
Distribution Items	
Shareholders' dibidends – Cash (NT\$0.5 per share) (Note)	(148,786,175)
Undistributed earnings by the end of 2022	<u>\$ 1,413,033,714</u>

- (3) The cash dividend in this case has been authorized to be resolved by the board of directors in accordance with Article 20 of the company's articles of association.
- (4) The dividend distribution is calculated based on the number of issued shares of 297,928,172 at the time of the board of directors' resolution on March 7, 2024.

Resolution:

Item 3: To revise the Articles of Incorporation.

(Proposed by the Board of Directors)

Explanation:

- (1) In response to the company's internal practical needs, the company plans to amend some provisions of the "Articles of Association". For a comparison table of the provisions before and after the revision, please refer to Attachment 5 of this handbook.
- (2) Discussion requested.

Resolution:

Extempore Motion

Meeting Adjourned

Franbo Lines Corp
Business Report of the Year 2023

The Russia-Ukraine war has changed global shipping routes for oil tankers and bulk cargo ships, and the EU has reduced its dependence on Russia, since December 2022 imposing a ban on the import of Russian crude oil. This process was accelerated in February 2023, with a ban on imports of Russian diesel and other refined products. Global trade flows have thus been reshuffled on a massive scale. In addition, tensions between China and the United States have intensified. Such geopolitical tensions have caused more destinations for China's container export to be shifted to other Asian countries, as well as a decrease in export volumes to the United States in 2023. As a result, the United States has also increased container imports from Southeast Asia and India. Coupled with a weaker economic recovery for China than expected, global cargo transport demand has declined. Thus, the overall performance of the shipping industry has also been affected. In October 2023, with the Panama Canal experiencing its driest weather in history, transit capacity was significantly reduced and the number of vessels allowed to pass through the canal was decreased. The waiting time for unreserved ships at the Panama Canal increased significantly. The canal restrictions also impacted container shipping flows from Asia to the United States for the first time. Two of the three major global container shipping alliances – Ocean Alliance and THE Alliance – diverted their Asia-to-US East Coast shipping routes from the Panama Canal to the Suez Canal, ultimately leading to additional, similar shipping route adjustments around the world. In addition, in October 2023, the Israel-Hamas conflict and the Red Sea attack, as well as the outbreak of the military confrontation between Israel and Hamas, gave rise to concern over key shipping routes. With the enlarged scope of attacks by the Yemeni Houthi anti-government armed organization, the Hormuz Strait and the Suez Canal near Iran presented similar challenges. In response to these threats, all container shipping companies and numerous bulk commodity ship operators chose to use the longer route around the Cape of Good Hope to avoid the risk of passing through the Suez Canal and the Mandab Strait. The Red Sea crisis continued to ferment in December 2023, causing two critically important shortcuts for the global shipping industry – the Panama Canal and the Suez Canal, together accounting for 20% of global trade – to be simultaneously in a state of stalemate. Freight rates rose sharply, the index reached 2087 points at the end of the year, and the average BDI for the year reached 1,378 points, a decrease of 28.7% compared to that in 2022.

Looking back on 2023, factors of war, labor issues, weather and others led to a great many route changes. However, there was no crisis in the supply chain. In response to the rapid changes in the economy and long-term operational deployment, Franbo Lines put four newly-built ships into operation in 2023. Looking forward to 2024, the Company will have two new 40,000-ton, environmental regulation-compliant ships delivered in June and September. We believe that these expansions in fleet size in response to market demand and development will have positive benefits for the Company's future revenue growth and increased profits, enhanced company value, and long-term development. Our report on the Company's operating status over the past year is as follows:

Operating Results for 2023

1. Business plan implementation results:

The Company disposed of five ships in 2022, and four newly built ships were delivered and put into operation in 2023. Due to the Group's replacement of old vessels with new ones, consolidated revenue in 2023 was NT\$1,337,660,000, a decrease of NT\$129,289,000, and representing a decrease of 8.81% as compared to 2022's figure of NT\$1,466,949,000.

2. Budget implementation status:

The Company did not disclose financial forecasts in 2023.

3. Analysis of financial revenue, expenditure, and profitability

Due to relatively large economic fluctuations in the shipping industry in 2023, the Company's gross operating margin dropped slightly from 52.35% to 45.62%. In addition, affected by global inflation, borrowing interest rates remain high. Financial expenditures in 2023 were NT\$96,026,000, an increase of NT\$34,126,000 as compared to 2022's figure of NT\$61,900,000. Nevertheless, with revenues and expenditures well under control, net profit after tax was NT\$424,402,000, and earnings per share were NT\$1.69.

Business Policy for 2023

1. Operational policy

The Company operates bulk cargo transportation services. The operating models are mainly long-term and short-term time charters, trip charters, and as bareboat charters in cooperation with charterers. The short-term charter model has the advantage of adjusting rental fees in a timely manner in conjunction with market conditions; while the long-term time charter model allows us to establish long-term and reliable cooperative relationships with existing charterers, and provide highly efficient and stable charter services.

2. Important production and marketing strategies

The Group's 100%-owned sub-subsidiaries have a total of 17 ships. The operating models are time charters and bareboat charters. The fleet age is 10.63 years, and the fleet has a gross deadweight tonnage of approximately 665,300 tons. One ship has a load capacity of 176,000 tons; eight extreme lightweight ships have load capacities of 40,000 tons or more; one lightweight ship has a load capacity of c. 20,000 tons; and seven lightweight ships have load capacities of 10,000 tons. The charterers' main operations cover global routes.

Our Future Development Strategy

The Company's operations focus on bulk shipping business and ship management. In terms of directions for expanding our shipping business, the Company plans to purchase energy-saving, environmentally-friendly, newly-built ships; increase fleet deadweight tonnage; strengthen safety management and risk controls; improve the quality of ship management; pay attention to global environmental protection and sustainable operations; strengthen the development of high-quality charterers; increase stable income; and continue to maintain our fleet's long-term competitive advantages in low costs and high service quality.

Effects of the External Competitive Environment, Regulatory Environment, and Overall Operating Environment

The global shipping industry is actively promoting the development of environmentally-friendly ships. The International Maritime Organization (IMO) has set a carbon reduction goal of achieving net-zero emissions by around 2050, and hopes to reduce greenhouse gas emissions by at least 20% by 2030 as compared to that in 2008, and by 70% by 2040. In addition, by 2030, the use rate of zero-emission or near-zero-emission fuel will reach 5% to 10%.

Beyond the impact of environmental regulations on the shipping industry, in terms of supply and demand for ships during the period of 2023–2024, the supply of new ship capacity will reach a peak. This is likely to put pressure on freight rates. Such pressure is expected to gradually decrease in 2025, and ease to some extent in 2026. On the other hand, in terms of demand, geopolitical uncertainty also had a significant impact on the shipping industry in 2023. The Russia-Ukraine conflict resulted in the closure of Black Sea ports, causing congestion and delays in cargo transportation, a decline in Ukraine's exports, and rising prices. Although the global market recovery has stabilized prices to some extent, Ukraine's capability to export grains and foods to the global market is limited, and thus global food supply remains unstable. In addition, the Israel-Hamas conflict has also brought risks to major shipping routes. Coupled with the decline in purchasing power of the two major consumer markets (Europe and the US), possibly resulting from high inflation, uncertainty of demand recovery is enhanced. Such uncertainty may not become clearer until interest rates are cut. Until inflation rates drop to national targets, the pressure of high interest rates as well as the scope and duration of geopolitical conflicts will further increase uncertainty for the shipping industry in 2024. Looking forward to the future, as Franbo Lines adjusts our fleet and new ships are put into operation, and as we continue to plan our newly-built fleet deployment, profits from our main business will have even more room for growth. In conjunction with the diversified business strategy, we aim to maximize shareholder interests and maintain the Company's sustainable operations and growth, so as to return the favor and support shareholders have shown us.

Chairman B.C. Tsai

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Franbo Lines Corporation

Opinion

We have audited the accompanying consolidated balance sheets of Franbo Lines Corporation (the “Group”) as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China.

Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

The existence of revenue recognition of newly top 10 unlisted customers

Description

Please refer to Notes 4(25) and 4(31) for the accounting policies on revenue recognition, and Note 6(21) for details of accounting item of operating revenue.

Operating revenue was the main indicator of managements' operating performance, and because the economic fluctuation of marine industry was larger in recent years, we consider the existence of revenue recognition of newly top 10 unlisted customers of the Company and subsidiaries as a key audit matter.

How our audit addressed the matter

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

1. Assessed and tested the implementation effectiveness of internal control in relation to credit business in sales cycle.
2. Examined contracts to confirm the amounts of revenue were calculated according to contracts.
3. Verified the collection record of banks and counterparties were in agreement.
4. Confirmed vessels were actually operating properly by searching rutters on the internet and verified related documents.

Impairment assessment of vessels and equipment

Description

Please refer to Note 4(18) for accounting policies on the impairment of non-financial assets, and Note 5 for the uncertainty of accounting estimates and assumptions on the impairment assessment of investment accounted for using equity method.

The main business of the subsidiary held by the Group was ocean freight forwarder. Because of the external competitive environment of bulk shipments and the effect of worsening macroeconomic conditions, there were indications which were identified by the management showing that the vessels and equipment of some subsidiaries might have been impaired, thus, the appraiser who was appointed by the management measured the recoverable amounts of vessels and equipment by using fair values less disposal costs. The aforementioned estimates of recoverable amount primarily relied on the appraisal report of the appraiser, and the result might have significant influence on the consolidated financial statements, thus, we consider the impairment assessment of vessels and equipment a key audit matter.

How our audit addressed the matter

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

1. Obtained the vessels appraisal report of the appraiser who was appointed by the management, and assessed the professional ability, the performance of competence and the objectiveness of the appraiser.
2. Examined the content of vessels appraisal report to understand and assess the reasonableness of the source of data, appraisal method and conclusions of the appraiser.

Other matter – Consolidated financial reports

We have audited and expressed an unqualified opinion on the consolidated financial statements of the Company as at and for the years ended December 31, 2023 and 2022.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

Wang, Kuo-Hua

Liao, A-Shen

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 7, 2024

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

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

FRANBO LINES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	448,715	5	\$	1,597,253	20
1110	Financial assets at fair value through profit or loss - current	6(2)		8,803	-		7,816	-
1136	Current financial assets at amortised cost	6(4) and 8		-	-		242,670	3
1170	Accounts receivable, net	6(5) and 7		56	-		56	-
1197	Finance lease receivable, net	6(9)		163,693	2		170,313	2
1220	Current tax assets			19	-		28	-
130X	Inventories	6(6), 7 and 8		786,100	9		610,377	7
1410	Prepayments			45,586	-		50,793	1
1460	Non-current assets held for sale, net	5, 6(8)(10)		73,086	1		-	-
1479	Other current assets, others			6,808	-		57,727	1
11XX	Current Assets			1,532,866	17		2,737,033	34
Non-current assets								
1510	Non-current financial assets at fair value through profit or loss	6(2)		397	-		880	-
1517	Non-current financial assets at fair value through other comprehensive income	6(3)		2,996	-		-	-
1535	Non-current financial assets at amortised cost	6(4) and 8		16,973	-		19,057	-
1550	Investments accounted for using equity method	6(7)		25,278	-		26,363	-
1600	Property, plant and equipment	5, 6(8)(10) and 8		5,764,213	65		2,505,566	31
1780	Intangible assets			513	-		382	-
1840	Deferred tax assets	6(27)		664	-		14,764	-
1915	Prepayments for business facilities			384,428	4		1,551,114	20
1930	Long-term notes and accounts receivable	6(9)		1,204,032	14		1,156,513	15
1990	Other non-current assets, others	8		725	-		620	-
15XX	Non-current assets			7,400,219	83		5,275,259	66
1XXX	Total assets		\$	8,933,085	100	\$	8,012,292	100

(Continued)

FRANBO LINES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Current borrowings	6(11) and 8	\$ -	-	\$ 120,000	2
2110	Short-term notes and bills payable	6(12)	-	-	29,966	1
2130	Current contract liabilities		1,598	-	-	-
2170	Accounts payable		9,020	-	377	-
2200	Other payables	6(13)	134,567	2	186,235	2
2220	Other payables to related parties	7	-	-	1,881	-
2230	Current tax liabilities		80,338	1	5,278	-
2320	Long-term liabilities, current portion	6(14)(15) and 8	170,566	2	586,155	7
2399	Other current liabilities, others	6(21)	111,579	1	99,070	1
21XX	Current Liabilities		507,668	6	1,028,962	13
Non-current liabilities						
2530	Bonds payable	6(14) and 8	581,773	7	565,399	7
2540	Non-current portion of non-current borrowings	6(15) and 8	1,474,038	16	846,174	10
2570	Deferred tax liabilities		-	-	461	-
2645	Guarantee deposits received		111,597	1	125,291	2
2670	Other non-current liabilities, others	6(21)	55,229	1	109,180	1
25XX	Non-current liabilities		2,222,637	25	1,646,505	20
2XXX	Total Liabilities		2,730,305	31	2,675,467	33
Equity						
Equity attributable to owners of parent						
	Share capital	6(18)				
3110	Ordinary share		2,924,827	33	2,391,567	30
	Capital surplus	6(19)				
3200	Capital surplus		1,392,634	15	1,107,999	14
	Retained earnings	6(20)				
3310	Legal reserve		192,260	2	64,268	1
3320	Special reserve		-	-	263,295	3
3350	Unappropriated retained earnings (accumulated deficit)		1,604,259	18	1,403,289	18
	Other equity interest					
3400	Other equity interest		88,800	1	106,407	1
31XX	Equity attributable to owners of the parent		6,202,780	69	5,336,825	67
3XXX	Total equity		6,202,780	69	5,336,825	67
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 8,933,085	100	\$ 8,012,292	100

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

FRANBO LINES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

			Year ended December 31			
			2023		2022	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(21) and 7		\$ 1,337,660	100	\$ 1,466,949	100
5000 Operating costs	6(25)(26)		(727,426)	(55)	(698,938)	(48)
5900 Gross profit from operations			610,234	45	768,011	52
Operating expenses	6(25)(26)					
6100 Selling expenses			(11,508)	(1)	(9,615)	(1)
6200 Administrative expenses			(86,330)	(6)	(124,032)	(8)
6000 Total operating expenses			(97,838)	(7)	(133,647)	(9)
6900 Net operating income			512,396	38	634,364	43
Non-operating income and expenses						
7100 Interest income			33,187	3	18,816	1
7010 Other income	6(22)		18,270	1	42,569	3
7020 Other gains and losses	6(2)(23)		49,794	4	643,640	44
7050 Finance costs	6(24)		(96,026)	(7)	(61,900)	(4)
7060 Share of profit/(loss) of associates and joint ventures accounted for using equity method	6(7)		1,410	-	11,126	1
7000 Total non-operating income and expenses			6,635	1	654,251	45
7900 Profit (loss) before income tax			519,031	39	1,288,615	88
7950 Income tax (expense) benefit	6(27)		(94,629)	(7)	(8,704)	(1)
8200 Profit (loss) for the year			\$ 424,402	32	\$ 1,279,911	87
Other comprehensive income						
8316 Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)		(\$ 4)	-	\$ -	-
Components of other comprehensive income that will be reclassified to profit or loss						
8361 Exchange differences on translation			(17,603)	(2)	369,688	25
8300 Other comprehensive income for the year			(\$ 17,607)	(2)	\$ 369,688	25
8500 Total comprehensive income for the year			\$ 406,795	30	\$ 1,649,599	112
Profit (loss), attributable to:						
8610 Owners of the parent			\$ 424,402	32	\$ 1,279,911	87
Comprehensive income attributable to:						
8710 Owners of the parent			\$ 406,795	30	\$ 1,649,599	112
Basic earnings per share	6(28)					
9750 Total basic earnings per share			\$ 1.69		\$ 6.23	
9850 Diluted earnings per share			\$ 1.52		\$ 5.86	

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

FRANBO LINES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent												
		Capital Reserves				Retained Earnings			Other equity interest			
	Notes	Ordinary share	Share premium	Treasury stock transactions	Stock options	Expired options	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity
<u>2022</u>												
Balance at January 1, 2022		\$ 1,886,358	\$ 646,904	\$ -	\$ -	\$ 5,764	\$ 26,742	\$ 194,315	\$ 380,793	(\$ 263,281)	\$ -	\$ 2,877,595
Profit for the year		-	-	-	-	-	-	-	1,279,911	-	-	1,279,911
Other comprehensive income		-	-	-	-	-	-	-	-	369,688	-	369,688
Total comprehensive income		-	-	-	-	-	-	-	1,279,911	369,688	-	1,649,599
Appropriation and distribution of 2021 retained earnings:												
Legal reserve appropriated		-	-	-	-	-	37,526	-	(37,526)	-	-	-
Special reserve appropriated		-	-	-	-	-	-	68,980	(68,980)	-	-	-
Cash dividends	6(20)	-	-	-	-	-	-	-	(150,909)	-	-	(150,909)
Due to recognition of equity component of convertible bonds issued	6(14)	-	-	-	31,003	-	-	-	-	-	-	31,003
Issue of shares	6(18)	500,000	414,000	-	-	-	-	-	-	-	-	914,000
Conversion of convertible bonds	6(14)(18)(29)	5,209	5,003	-	(522)	-	-	-	-	-	-	9,690
Purchase of convertible bonds	6(14)	-	-	5	(82)	-	-	-	-	-	-	(77)
Share-based payments		-	5,715	-	-	43	-	-	-	-	-	5,758
Disgorgement of short-swing profits		-	-	-	-	166	-	-	-	-	-	166
Balance at December 31, 2022		<u>\$ 2,391,567</u>	<u>\$ 1,071,622</u>	<u>\$ 5</u>	<u>\$ 30,399</u>	<u>\$ 5,973</u>	<u>\$ 64,268</u>	<u>\$ 263,295</u>	<u>\$ 1,403,289</u>	<u>\$ 106,407</u>	<u>\$ -</u>	<u>\$ 5,336,825</u>
<u>2023</u>												
Balance at January 1, 2023		\$ 2,391,567	\$ 1,071,622	\$ 5	\$ 30,399	\$ 5,973	\$ 64,268	\$ 263,295	\$ 1,403,289	\$ 106,407	\$ -	\$ 5,336,825
Profit for the year		-	-	-	-	-	-	-	424,402	-	-	424,402
Other comprehensive income		-	-	-	-	-	-	-	-	(17,603)	(4)	(17,607)
Total comprehensive income		-	-	-	-	-	-	-	424,402	(17,603)	(4)	406,795
Appropriation and distribution of 2022 retained earnings:												
Legal reserve appropriated		-	-	-	-	-	127,992	-	(127,992)	-	-	-
Special reserve appropriated		-	-	-	-	-	-	(263,295)	263,295	-	-	-
Cash dividends	6(20)	-	-	-	-	-	-	-	(358,735)	-	-	(358,735)
Due to recognition of equity component of convertible bonds issued	6(14)	-	-	-	8,552	-	-	-	-	-	-	8,552
Issue of shares	6(18)	300,000	125,000	-	-	-	-	-	-	-	-	425,000
Conversion of convertible bonds	6(14)(18)(29)	233,260	159,819	-	(12,112)	-	-	-	-	-	-	380,967
Share-based payments	6(17)	-	3,376	-	-	-	-	-	-	-	-	3,376
Balance at December 31, 2023		<u>\$ 2,924,827</u>	<u>\$ 1,359,817</u>	<u>\$ 5</u>	<u>\$ 26,839</u>	<u>\$ 5,973</u>	<u>\$ 192,260</u>	<u>\$ -</u>	<u>\$ 1,604,259</u>	<u>\$ 88,804</u>	<u>(\$ 4)</u>	<u>\$ 6,202,780</u>

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

FRANBO LINES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 519,031	\$ 1,288,615
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(7)(25)	250,564	256,511
Amortization expense		152	158
Net (gains) loss on financial assets at fair value through profit or loss	6(2)(23)	(1,628)	2,754
Interest expense	6(24)	96,026	61,900
Interest income		(33,187)	(18,816)
Share-based payments	6(17)	3,376	5,758
Share of profit of associates and joint ventures accounted for using equity method	6(7)	(1,410)	(11,126)
Gain on disposal of non-current assets classified as held for sale	6(10)(23)	-	(671,211)
(Gain) loss on disposal of property, plant and equipment	6(23)	(54,042)	29,960
Gain on bond redemption		-	(110)
Changes in operating assets and liabilities			
Changes in operating assets			
Current financial assets at fair value through profit or loss		1,018	(7,219)
Accounts receivable		-	3,352
Finance lease receivable		(41,485)	70,469
Inventories		(175,811)	(599,793)
Prepayments		5,344	(15,680)
Other current assets, others		50,919	(44,922)
Changes in operating liabilities			
Accounts payable		8,703	(5,184)
Other payable		(52,170)	104,474
Other payable to related parties		(1,881)	1,881
Other current liabilities, Others		14,289	(18,274)
Other non-current liabilities, others		(54,724)	(52,211)
Cash inflow generated from operations		533,084	381,286
Interest received		33,187	18,816
Dividends received	6(7)	2,442	12,408
Interest paid		(84,816)	(56,903)
Income tax paid		(5,922)	(615)
Income taxes refund		12	-
Net cash flows from operating activities		477,987	354,992

(Continued)

FRANBO LINES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 3,000)	\$ -
Decrease (increase) in current financial assets at amortised cost		242,676	(153,908)
Decrease in non-current financial assets at amortised cost		2,136	20,820
Proceeds from capital reduction of investments accounted for using equity method	6(7)	-	19,157
Proceeds from disposal of investments accounted for using equity method	6(7)	66	-
Acquisition of property, plant and equipment	6(8)	(2,516,754)	(26,374)
Proceeds from disposal of property, plant and equipment		124,130	286,409
Proceeds from disposal of non-current assets held for sale	6(10)	-	987,873
Acquisition of intangible assets		(283)	-
Increase in prepayments for business facilities		-	(808,189)
(Increase) decrease in refundable deposits		(105)	7
Net cash flows (used in) from investing activities		(2,151,134)	325,795
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term loans	6(30)	579,120	130,000
Decrease in short-term loans	6(30)	(699,120)	(20,000)
Increase in short-term notes and bills payable	6(30)	-	30,000
Decrease in short-term notes and bills payable	6(30)	(30,000)	-
Proceeds from long-term debt	6(30)	1,854,859	1,310,042
Repayments of long-term debt	6(30)	(1,230,618)	(2,390,624)
Proceeds from issuing bonds	6(30)	395,943	602,381
Repayments of bonds	6(30)	(400,000)	-
Purchase of convertible bonds	6(30)	-	(1,500)
Proceeds from issuing shares (net of issuance cost)	6(18)	425,000	914,000
Cash dividends paid	6(20)	(358,735)	(150,909)
Decrease in guarantee deposits received		(14,213)	(41,703)
Disgorgement of short-swing profits		-	166
Net cash flows from financing activities		522,236	381,853
Effect of exchange rate changes on cash and cash equivalents		2,373	40,148
Net (decrease) increase in cash and cash equivalents		(1,148,538)	1,102,788
Cash and cash equivalents at beginning of year	6(1)	1,597,253	494,465
Cash and cash equivalents at end of year	6(1)	\$ 448,715	\$ 1,597,253

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Franbo Lines Corporation

Opinion

We have audited the accompanying parent company only balance sheets of Franbo Lines Corporation (the “Company”) as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

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

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

On December 31, 2023, subsidiaries included in the balance of the Company's investment accounted by using equity method was NT\$6,720,959 thousand, which presented 94% of total assets of the Company. For the year ended December 31, 2023, the Company recognised gains on investments which presented 97% of the Company's profit before tax and had significant impacts on the Company's parent company only financial statements. Thus, we listed the subsidiary's key audit matter - the existence of revenue recognition and the impairment assessment of vessels and equipment into the Company's key audit matters.

Key audit matters for the Company's 2023 parent company only financial statements are stated as follows:

The existence of revenue recognition of newly top 10 unlisted customers

Description

Please refer to Note 4(24) for the accounting policies on revenue recognition, and Note 6(17) for details of accounting item of operating revenue.

Operating revenue was the main indicator of managements' operating performance, and because the economic fluctuation of marine industry was larger in recent years, we consider the existence of revenue recognition of newly top 10 unlisted customers of the Company and subsidiaries as a key audit matter.

How our audit addressed the matter

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

1. Assessed and tested the implementation effectiveness of internal control in relation to credit business in sales cycle.
2. Examined contracts to confirm the amounts of revenue were calculated according to contracts.
3. Verified the collection record of banks and counterparties were in agreement.
4. Confirmed vessels were actually operating properly by searching rutters on the internet and verified related documents.

Impairment assessment of vessels and equipment

Description

Please refer to Note 4(14) for accounting policies on the impairment of non-financial assets, and Note 5 for the uncertainty of accounting estimates and assumptions on the impairment assessment of investment accounted for using equity method.

The main business of the subsidiary held by the Company was ocean freight forwarder. Because of the external competitive environment of bulk shipments and the effect of worsening macroeconomic conditions, there were indications which were identified by the management showing that the vessels and equipment of some subsidiaries might have been impaired, thus, the appraiser who was appointed by the management measured the recoverable amounts of vessels and equipment by using fair values less disposal costs. The aforementioned estimates of recoverable amount primarily relied on the appraisal report of the appraiser, and the result might have significant influence on the parent company only financial statements, thus, we consider the impairment assessment of vessels and equipment a key audit matter.

How our audit addressed the matter

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

1. Obtained the vessels appraisal report of the appraiser who was appointed by the management, and assessed the professional ability, the performance of competence and the objectiveness of the appraiser.
2. Examined the content of vessels appraisal report to understand and assess the reasonableness of the source of data, appraisal method and conclusions of the appraiser.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

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

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Wang, Kuo-Hua

Liao, A-Shen

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 7, 2024

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

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

FRANBO LINES CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 31,541	1	\$ 217,115	3
1110	Financial assets at fair value through profit or loss - current	6(2)	7,778	-	7,816	-
1136	Current financial assets at amortised cost	6(3) and 8	-	-	242,302	4
1180	Accounts receivable due from related parties, net	6(4) and 7	19,052	-	6,198	-
1210	Other receivables due from related parties	7	266,000	4	-	-
1220	Current tax assets		-	-	20	-
1410	Prepayments		346	-	1,128	-
1470	Other current assets		3	-	513	-
11XX	Current Assets		324,720	5	475,092	7
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	397	-	880	-
1550	Investments accounted for using equity method	6(5)	6,720,959	94	6,425,050	92
1600	Property, plant and equipment	6(6) and 8	49,403	1	51,885	1
1780	Intangible assets		513	-	382	-
1840	Deferred income tax assets	6(22)	664	-	14,764	-
1990	Other non-current assets, others	8	600	-	600	-
15XX	Non-current assets		6,772,536	95	6,493,561	93
1XXX	Total assets		\$ 7,097,256	100	\$ 6,968,653	100

(Continued)

FRANBO LINES CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Current borrowings	6(7) and 8	\$ -	-	\$ 120,000	2
2110	Short-term notes and bills payable	6(8)	-	-	29,966	-
2200	Other payables	6(9)	42,620	1	59,579	1
2220	Other payables to related parties	7	189,481	3	429,019	6
2230	Current income tax liabilities		80,338	1	5,278	-
2320	Long-term liabilities, current portion	6(10)(11) and 8	-	-	402,190	6
2399	Other current liabilities, others		264	-	236	-
21XX	Current Liabilities		312,703	5	1,046,268	15
Non-current liabilities						
2530	Bonds payable	6(10) and 8	581,773	8	565,399	8
2540	Non-current portion of non-current borrowings	6(11) and 8	-	-	19,700	-
2570	Deferred tax liabilities	6(22)	-	-	461	-
25XX	Non-current liabilities		581,773	8	585,560	8
2XXX	Total liabilities		894,476	13	1,631,828	23
Equity						
Share capital		6(14)				
3110	Ordinary share		2,924,827	41	2,391,567	34
Capital surplus		6(15)				
3200	Capital surplus		1,392,634	19	1,107,999	16
Retained earnings		6(16)				
3310	Legal reserve		192,260	3	64,268	1
3320	Special reserve		-	-	263,295	4
3350	Unappropriated retained earnings		1,604,259	23	1,403,289	20
Other equity interest						
3400	Other equity interest		88,800	1	106,407	2
3XXX	Total equity		6,202,780	87	5,336,825	77
Significant contingent liabilities and unrecognised contract commitments		9				
Significant events after the balance sheet date		11				
3X2X	Total liabilities and equity		\$ 7,097,256	100	\$ 6,968,653	100

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

FRANBO LINES CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

			Year ended December 31			
			2023		2022	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(17) and 7		\$ 131,335	100	\$ 63,261	100
5000 Operating costs	6(21)		(22,221)	(17)	(14,945)	(24)
5900 Gross profit from operations			109,114	83	48,316	76
Operating expenses	6(21)					
6100 Selling expenses			(11,315)	(9)	(9,616)	(15)
6200 General and administrative expenses			(72,755)	(55)	(103,377)	(163)
6000 Total operating expenses			(84,070)	(64)	(112,993)	(178)
6900 Net operating profit (loss)			25,044	19	64,677	102
Non-operating income and expenses						
7100 Interest income			7,013	5	6,363	10
7010 Other income			82	-	61	-
7020 Other gains and losses	6(2)(18)	(	3,337)	(2)	6,575	10
7050 Finance costs	6(19)	(	14,398)	(11)	9,383	(15)
7070 Share of profit of associates and joint ventures accounted for using equity method	6(5)		504,627	384	1,349,676	2134
7000 Total non-operating income and expenses			493,987	376	1,353,292	2139
7900 Profit before income tax			519,031	395	1,288,615	2037
7950 Income tax(expense) benefit	6(22)	(	94,629)	(72)	8,704	(14)
8200 Profit for the year			\$ 424,402	323	\$ 1,279,911	2023
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8330 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(5)		(\$ 4)	-	\$ -	-
Components of other comprehensive income that will be reclassified to profit or loss						
8361 Exchange differences on translation	6(5)		(17,603)	(13)	369,688	585
8300 Other comprehensive income(loss) for the year			(\$ 17,607)	(13)	\$ 369,688	585
8500 Total comprehensive income for the year			\$ 406,795	310	\$ 1,649,599	2608
Earnings per share						
9750 Basic earnings per share	6(23)		\$ 1.69		\$ 6.23	
9850 Diluted earnings per share			\$ 1.52		\$ 5.86	

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

FRANBO LINES CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Capital Reserves					Retained Earnings			Other equity interest		
										Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income		
	Notes	Ordinary share	Share premium	Treasury share transactions	Stock options	Expired options	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total equity	
<u>2022</u>												
Balance at January 1, 2022		\$ 1,886,358	\$ 646,904	\$ -	\$ -	\$ 5,764	\$ 26,742	\$ 194,315	\$ 380,793	(\$ 263,281)	\$ 2,877,595	
Profit for the year		-	-	-	-	-	-	-	1,279,911	-	1,279,911	
Other comprehensive income for the year 6(5)		-	-	-	-	-	-	-	-	369,688	369,688	
Total comprehensive income		-	-	-	-	-	-	-	1,279,911	369,688	1,649,599	
Appropriation and distribution of 2021 retained earnings:												
Legal reserve		-	-	-	-	-	37,526	-	(37,526)	-	-	
Special reserve		-	-	-	-	-	-	68,980	(68,980)	-	-	
Cash dividends		-	-	-	-	-	-	-	(150,909)	-	(150,909)	
Due to recognition of equity component of convertible bonds issued	6(10)	-	-	-	31,003	-	-	-	-	-	31,003	
Issue of shares	6(14)	500,000	414,000	-	-	-	-	-	-	-	914,000	
Conversion of convertible bonds	6(10)(14)(24)	5,209	5,003	-	(522)	-	-	-	-	-	9,690	
Purchase of convertible bonds	6(10)	-	-	5	(82)	-	-	-	-	-	(77)	
Share-based payments	6(13)	-	5,715	-	-	43	-	-	-	-	5,758	
Disgorgement of short-swing profits		-	-	-	-	166	-	-	-	-	166	
Balance at December 31, 2022		<u>\$ 2,391,567</u>	<u>\$ 1,071,622</u>	<u>\$ 5</u>	<u>\$ 30,399</u>	<u>\$ 5,973</u>	<u>\$ 64,268</u>	<u>\$ 263,295</u>	<u>\$ 1,403,289</u>	<u>\$ 106,407</u>	<u>\$ 5,336,825</u>	
<u>2023</u>												
Balance at January 1, 2023		\$ 2,391,567	\$ 1,071,622	\$ 5	\$ 30,399	\$ 5,973	\$ 64,268	\$ 263,295	\$ 1,403,289	\$ 106,407	\$ 5,336,825	
Profit for the year		-	-	-	-	-	-	-	424,402	-	424,402	
Other comprehensive income for the year 6(5)		-	-	-	-	-	-	-	-	(17,603)	(17,607)	
Total comprehensive income		-	-	-	-	-	-	-	424,402	(17,603)	406,795	
Appropriation and distribution of 2022 retained earnings:												
Legal reserve		-	-	-	-	-	127,992	-	(127,992)	-	-	
Special reserve		-	-	-	-	-	-	(263,295)	263,295	-	-	
Cash dividends		-	-	-	-	-	-	-	(358,735)	-	(358,735)	
Due to recognition of equity component of convertible bonds issued	6(10)	-	-	-	8,552	-	-	-	-	-	8,552	
Issue of shares	6(14)	300,000	125,000	-	-	-	-	-	-	-	425,000	
Conversion of convertible bonds	6(10)(14)(24)	233,260	159,819	-	(12,112)	-	-	-	-	-	380,967	
Share-based payments	6(13)	-	3,376	-	-	-	-	-	-	-	3,376	
Balance at December 31, 2023		<u>\$ 2,924,827</u>	<u>\$ 1,359,817</u>	<u>\$ 5</u>	<u>\$ 26,839</u>	<u>\$ 5,973</u>	<u>\$ 192,260</u>	<u>\$ -</u>	<u>\$ 1,604,259</u>	<u>\$ 88,804</u>	<u>\$ 6,202,780</u>	

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

FRANBO LINES CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 519,031	\$ 1,288,615
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(6)(20)	2,482	2,736
Amortisation expense		152	158
Net (gains) loss on financial assets at fair value through profit or loss	6(2)(18)	(1,398)	2,754
Interest expense	6(19)	14,398	9,383
Interest income		(7,013)	(6,363)
Share-based payments	6(13)	3,376	5,758
Share of profit of associates and joint ventures accounted for using equity method	6(5)	(504,627)	(1,349,676)
Gain on bond redemption		-	(110)
Changes in operating assets and liabilities			
Changes in operating assets			
Current financial assets at fair value through profit or loss		1,813	(7,219)
Accounts receivable due from related parties		(12,854)	1,377
Prepayments		782	839
Other current assets		510	(513)
Changes in operating liabilities			
Other payables		(4,331)	40,425
Other current liabilities, others		28	48
Cash inflow (outflow) generated from operations		12,349	(11,788)
Interest received		7,013	6,363
Dividends received	6(5)	-	26,714
Interest paid		(16,936)	(9,288)
Income taxes paid		(5,922)	(615)
Income taxes refund		12	-
Net cash flows (used in) from operating activities		(3,484)	11,386
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (increase) in current financial assets at amortised cost		242,302	(153,550)
(Increase) decrease in other receivables due from related parties		(266,000)	1,190
Acquisition of investments accounted for using equity method	6(5)	(1,343,556)	(1,703,631)
Proceeds from capital reduction of investments accounted for using equity method	6(5)	1,534,641	93,791
	6(5)	26	-
Acquisition of property, plant and equipment	6(6)	-	(1,564)
Proceeds from disposal of property, plant and equipment		-	210
Acquisition of intangible assets		(283)	-
Net cash flows from (used in) investing activities		167,130	(1,763,554)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans	6(25)	510,000	130,000
Decrease in short-term loans	6(25)	(630,000)	(20,000)
(Decrease) increase in short-term notes and bills payable	6(25)	(30,000)	30,000
(Decrease) increase in other payable to related parties		(239,538)	424,313
Repayments of long-term debt	6(25)	(21,890)	(2,153)
Proceeds from issuance of bonds	6(25)	395,943	602,381
	6(25)	(400,000)	-
Purchase of convertible bonds	6(25)	-	(1,500)
Proceeds from issuing shares (net of issuance cost)	6(14)	425,000	914,000
Cash dividends paid	6(16)	(358,735)	(150,909)
Disorgement of short-swing profits		-	166
Net cash flows (used in) from financing activities		(349,220)	1,926,298
Net (decrease) increase in cash and cash equivalents		(185,574)	174,130
Cash and cash equivalents at beginning of year	6(1)	217,115	42,985
Cash and cash equivalents at end of year	6(1)	\$ 31,541	\$ 217,115

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

Audit Committee's Review Report

The board of directors prepared the company's individual financial statements and consolidated financial statements for the year 2023, the business report and the proposal for distribution of earnings. By PricewaterhouseCoopers Wang, Kuo-Hua, and Liao, A-shen, accountant completed the audit and issued a financial report. The various forms and books prepared by the board of directors of the Company have been reviewed by the audit committee and found that there is no inconsistency. Please check in accordance with the provisions of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely,

The Company's 2024 Annual General Meeting of Shareholders

Franbo Lines Corp.

Chairman of the Audit Committee: Shu-Yang, Yen i

March 7th, 2024

Franbo Lines Corp

To Revise the Articles of Incorporation Comparison Table

Article number	Original Article	Article after amendment	Reason for amendment
The Articles of Incorporation			
Article 6	The total capital of the company is NT\$3,500,000,000 divided into 350,000,000 shares of NT\$10 per share, of which unissued shares are authorized to be issued by the board of directors.	The total capital of the company is NT\$6,000,000,000 divided into 600,000,000 shares of NT\$10 per share, of which unissued shares are authorized to be issued by the board of directors.	Amendment according to the company's actual operational needs
Article 20	<p>If the company has a surplus after the annual final accounts, in addition to paying the profit-making enterprise income tax according to law and making up for previous annual losses...</p> <p>In order to continuously expand the scale of operation, enhance the competitiveness, and meet the company's long-term business development, future capital needs and long-term financial planning, the dividend distribution policy is mainly based on stock dividends and matching cash dividends, of which cash dividends shall not be less than 10% of the total dividends distributed.</p>	<p>If the company has a surplus after the annual final accounts, in addition to paying the profit-making enterprise income tax according to law and making up for previous annual losses...</p> <p>In order to continuously expand the scale of operation, enhance the competitiveness, and meet the company's long-term business development, future capital needs and long-term financial planning. Shareholder dividends shall be appropriated from accumulated distributable earnings, which shall be no less than 15% of the current year's distributable earnings, and cash dividends shall be no less than 10% of shareholder dividends.</p>	Amendment according to the company's actual operational needs
Article 23	This Articles of Association was concluded on September 22, 1998, the first amendment was on November 30, 1989, the second amendment was on April 24, 207, and the third amendment was on April 24, 2007 On August 1, the 4th amendment was made on January 15, 2008. The fifth amendment was made on December 26, 2008. The 6th amendment was made on November 6, 2009. The 7th amendment was made on March 25, 2010. The 8th amendment was made on June 29, 2010. The 9th amendment was made on June 27, 2011. The 10th amendment was made on June 28, 2012. The 11th amendment was made on June 27, 2013. The 12th amendment was made on June 26, 2014. The 13th amendment was made on June 25, 2005. The 14th amendment was made on June 28, 2016. The 15th amendment was made on June 23, 2007. The 16th amendment was made on May 29, 2019.	This Articles of Association was concluded on September 22, 1998, the first amendment was on November 30, 1989, the second amendment was on April 24, 207, and the third amendment was on April 24, 2007 On August 1, the 4th amendment was made on January 15, 2008. The fifth amendment was made on December 26, 2008. The 6th amendment was made on November 6, 2009. The 7th amendment was made on March 25, 2010. The 8th amendment was made on June 29, 2010. The 9th amendment was made on June 27, 2011. The 10th amendment was made on June 28, 2012. The 11th amendment was made on June 27, 2013. The 12th amendment was made on June 26, 2014. The 13th amendment was made on June 25, 2005. The 14th amendment was made on June 28, 2016. The 15th amendment was made on June 23, 2007. The 16th amendment was made on May 29, 2019. The 17th amendment was made on May 30, 2024.	Adding amendment date

Franbo Lines Corp.

Document number	Rules and Procedures of the Shareholders' Meetings	Date of establishment
CX17		June 27 th , 2009
Vision : 8		Revision Date
Total: 8 pages		August 20 th , 2021

Article 1

Basis for setting

In order to establish a good governance system for the shareholders' meeting, improve the supervisory function and strengthen the management function of the company, these rules are formulated in accordance with the provisions of Article 5 of the Code of Practice for Governance of Listed OTC Companies for compliance.

Article 2

Unless otherwise stipulated by laws or regulations, the rules of procedure of the shareholders' meeting of the company shall be governed by these rules.

Article 3

Shareholders' meeting convening and meeting notice

- (1) Unless otherwise stipulated by laws and regulations, the shareholders' meeting of the company shall be convened by the board of directors.
- (2) The company shall notify all shareholders 30 days before the ordinary shareholders' meeting or 15 days before the extraordinary shareholders' meeting.
- (3) The notice of the shareholders' meeting, the proxy paper, the reasons and explanatory materials for various proposals such as recognition proposals, discussion proposals, election or dismissal of directors, and supervisory matters are made into electronic files and sent to the public information observatory. Twenty-one days before the ordinary shareholders' meeting or fifteen days before the extraordinary shareholders' meeting, the shareholders' meeting procedure manual and supplementary materials of the meeting shall be prepared as electronic files and sent to the public information observatory. Fifteen days before the shareholders' meeting, prepare the current shareholders' meeting procedure manual and meeting supplementary materials for shareholders to request at any time. The notice and announcement shall specify the reason for the convening; if the notice is approved by the counterparty, it may be done electronically. For shareholders holding less than 1,000 registered shares, they may do so by public announcement.
- (4) Election and dismissal of directors, supervisors, changes to articles of association, capital reduction, application for suspension of public offerings, directors' non-compete licenses, capital increase from surplus, capital increase from public reserves, company dissolution, merger, division or Company Law 185 Matters referred to in Paragraph 1 of Article 1, Articles 26-1 and 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60- 2. For matters, the main contents shall be listed and explained in the reason for the convening, and shall not be proposed as an interim motion.
- (5) The reasons for convening the shareholders' meeting have stated the general re-election of directors and supervisors, and the date of their inauguration. After the re-election of the shareholders' meeting is completed, the same meeting shall not change the date of their inauguration by temporary motions or other means.
- (6) Shareholders holding more than 1% of the total number of issued shares may submit a proposal to the company at the general meeting of shareholders, limited to one proposal, and those with more than one proposal will not be included in the proposal. However, the shareholders' proposal is a proposal to urge the company to promote public interests or fulfill its social responsibilities, and the board of directors may still include it in the proposal. In addition, the proposal proposed by the shareholders falls under any of the circumstances of Subparagraph 4 of Article 172-1 of the Company Law, and the board of directors may not list it as a proposal.

- (7) The company shall announce the acceptance of shareholders' proposals, the method of acceptance in writing or electronically, the place of acceptance, and the acceptance period before the date of the suspension of stock transfer before the general meeting of shareholders; the acceptance period shall not be less than ten days.
- (8) Proposals proposed by shareholders shall be limited to 300 words, and those exceeding 300 words shall not be included in the proposal; the proposing shareholders shall attend the general meeting of shareholders in person or by proxy, and participate in the discussion of the proposal.
- (9) The company shall notify the proposing shareholders of the handling results before the notice of convening the shareholders' meeting, and list the resolutions conforming to the provisions of this article in the meeting notice. For shareholder proposals that are not included in the resolutions, the board of directors shall explain the reasons for not including them at the shareholders' meeting.

Article 4

Proxy to attend shareholders meeting and authorize

- (1) Shareholders may, at each shareholders' meeting, issue a power of attorney issued by the company, specifying the scope of authorization, and entrust an agent to attend the shareholders' meeting.
- (2) One shareholder shall issue one power of attorney, and only one person shall be entrusted, which shall be delivered to the company five days before the shareholders' meeting. However, it is not limited to those who declare to revoke the previous entrustment.
- (3) After the power of attorney is delivered to the company, shareholders who wish to attend the shareholders' meeting in person or exercise their voting rights in writing or electronically shall notify the company in writing of the revocation of the proxy two days before the shareholders' meeting; , subject to the voting rights of proxies attending and exercising.

Article 5

Principles for the venue and time of convening shareholders' meetings

The venue for the shareholders' meeting shall be the place where the company is located or at a place that is convenient for shareholders to attend and suitable for the shareholders' meeting to be held.

The meeting shall not start earlier than 9:00 a.m. or later than 3:00 p.m., and the venue and

The time should fully consider the opinions of independent directors.

Article 6

Preparation of signature books and other documents

- (1) The company shall state in the meeting notice the time and place of the acceptance of the shareholders' registration, and other matters that should be paid attention to.
- (2) The time for accepting the shareholders' registration in the preceding paragraph shall be done at least 30 minutes before the start of the meeting; the registration office shall be clearly marked, and appropriate and competent personnel shall be assigned to handle it.
- (3) The company shall set up a signature book for the attendance of the shareholders themselves or their proxies (hereinafter referred to as shareholders) to sign in, or the attendance of the shareholders to hand in a sign-in card to sign in on their behalf.
- (4) The company shall deliver the procedure manual, annual report, attendance certificate, speech slips, voting ballots and other meeting materials to shareholders attending the shareholders meeting; if there is an election of directors and supervisors, an election ballot shall be attached.
- (5) Shareholders themselves or their proxies (hereinafter referred to as shareholders) should present their attendance cards, attendance cards or other attendance certificates to attend the shareholders' meeting. Proof documents; the applicant who is soliciting the power of attorney should bring along the identification documents for verification.
- (6) When the government or legal person is a shareholder, the number of representatives attending the shareholders' meeting is not limited to one. When a legal person is entrusted to attend the shareholders' meeting, only one representative may be appointed to attend the meeting.

Article 7

Chairman of the shareholders' meeting, non-voting attendees

- (1) If the shareholders' meeting is convened by the board of directors, the chairman of the board of directors shall be the chairman of the board of directors. If the chairman of the board of directors requests leave or is unable to exercise his power for any reason, the deputy chairman of the board of directors shall act as his proxy. In the event of inability to exercise powers, the chairman of the board

shall designate a managing director to act as his agent; if there is no managing director, a director shall be appointed to act as his agent, and if the chairman does not designate an agent, the managing director or one of the directors shall be appointed as his agent.

- (2) The chairman of the preceding paragraph is an executive director or a director who has served as the executive director or director who has served for more than six months and who has an understanding of the company's financial and business conditions. The same applies if the chairman is the representative of the corporate directors.
- (3) The chairman of the board of directors shall preside over the shareholders' meeting convened by the board of directors in person, and more than half of the directors of the board of directors, at least one supervisor, and at least one representative of various functional committee members shall attend in person, and the attendance shall be recorded in the Minutes of the shareholders meeting.
- (4) If the shareholders meeting is convened by a person with the right to convene other than the board of directors, the chairman shall be the person with the right to convene.
- (5) The company may designate appointed lawyers, accountants or related personnel to attend the shareholders' meeting.

Article 8

Evidence of audio recording or video recording of the shareholders' meeting

- (1) The company shall record and record the whole process of shareholder registration, the meeting process, and the voting counting process continuously and uninterruptedly from the time of acceptance of shareholder registration.
- (2) The audio-visual materials in the preceding paragraph shall be kept for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Law, it shall be kept until the lawsuit is concluded.

Article 9

Calculation of the number of shares attended and the meeting of shareholders

- (1) Attendance at the shareholders' meeting shall be calculated on the basis of shares. The number of shares present shall be calculated based on the signature book or the paid-in attendance card, plus the number of shares for which voting rights are exercised in writing or electronically.
- (2) After the meeting time has expired, the chairman shall announce the meeting immediately, and at the same time announce the number of non-voting rights and the number of shares attended and other relevant information. However, when shareholders representing more than half of the total number of issued shares are not present, the chairman may announce that the meeting will be postponed. The number of postponements shall be limited to two times, and the total postponement time shall not exceed one hour. If there are not enough shareholders representing more than one third of the total number of issued shares to attend after the second delay, the chairman will announce the adjournment of the meeting.
- (3) If the number of shareholders who represent more than one-third of the total number of issued shares is present after the second delay in the preceding paragraph, the resolution may be deemed false in accordance with the provisions of Paragraph 1 of Article 175 of the Company Law, and the false resolution shall be made. Shareholders were notified of the resolution to convene another shareholders' meeting within one month.
- (4) Before the end of the current meeting, if the number of shares represented by the shareholders present reaches more than half of the total number of issued shares, the chairman may re-submit the false resolution made to the shareholders' meeting in accordance with Article 174 of the Company Law vote.

Article 10

motion discussion

- (1) If the shareholders' meeting is convened by the board of directors, its agenda shall be determined by the board of directors, and relevant proposals (including interim motions and amendments to original proposals) shall be voted on a case-by-case basis. It cannot be changed.
- (2) If the shareholders meeting is convened by a person other than the board of directors who has the right to convene, the provisions of the preceding paragraph shall apply mutatis mutandis.
- (3) Before the meeting (including provisional motions) as scheduled in the preceding two paragraphs is concluded, the chairman shall not declare the meeting adjourned without a resolution; if the chairman violates the rules of procedure and announces the adjournment of the meeting, other members of the

board of directors shall promptly assist the attending shareholders in accordance with the regulations. According to the procedure, one person shall be elected as the chairman with the consent of more than half of the voting rights of the shareholders present, and the meeting shall continue. (4) The chairman shall give sufficient explanation and discussion opportunities to the proposal and the amendments or interim motions proposed by shareholders. When he deems that the voting has reached a sufficient level, he may announce the suspension of discussion, put forward a vote, and arrange for a suitable voting time.

Article 11

Shareholders' speech

- (1) Before attending a shareholder's speech, a speech slip must be filled in, stating the gist of the speech, the shareholder's account number (or attendance certificate number) and account name, and the chairman will determine the order of their speeches.
- (2) Those attending shareholders who only put forward a statement without speaking shall be deemed to have not spoken. Speech content and statement record
In case of discrepancies, the content of the speech shall prevail.
- (3) Each shareholder's speech on the same proposal shall not exceed two times without the consent of the chairman, and each time shall not exceed five minutes. However, if a shareholder's speech violates the regulations or exceeds the scope of the agenda, the chairman may stop him from speaking.
- (4) When attending a shareholder's speech, other shareholders shall not interfere with their speech unless they have obtained the consent of the chairman and the speaking shareholder, and the chairman shall stop the violation.
- (5) When a legal person shareholder appoints two or more representatives to attend the shareholders' meeting, only one person may speak on the same proposal.
- (6) After attending shareholders' speeches, the chairman may reply in person or designate relevant personnel.

Article 12

Calculation and avoidance system of voting shares

- (1) Voting at the shareholders' meeting shall be calculated on the basis of shares.
- (2) The number of shares of shareholders without voting rights shall not be included in the total number of issued shares in the resolution of the shareholders' meeting. Shareholders who have their own interests in the matters of the meeting and may be harmful to the interests of the company shall not participate in voting, and shall not exercise their voting rights on behalf of other shareholders.
The number of shares for which voting rights are not exercised in the preceding paragraph shall not be included in the number of voting rights of shareholders present.
- (3) Except for a trust enterprise or a stock agency agency approved by the securities regulatory authority, when one person is entrusted by two or more shareholders at the same time, the voting rights of the proxy shall not exceed 3% of the total voting rights of the issued shares. The voting rights shall not be counted.

Article 13

Voting, scrutineering and counting of votes

- (1) Shareholders have one voting right per share, except those with restricted or no voting rights.
- (2) When the company convenes a shareholders' meeting, it shall use electronic means and may exercise its voting rights in writing; when it exercises its voting rights in writing or electronically, its exercise method shall be specified in the notice of convening the shareholders' meeting. Shareholders who exercise their voting rights in writing or electronically are deemed to have attended the shareholders' meeting in person. However, the provisional motions and amendments to the original motions at the shareholders' meeting shall be deemed as abstentions.
- (3) If the voting rights are exercised in writing or electronically in the preceding paragraph, the statement of intent shall be delivered to the company two days before the shareholders' meeting. However, the declaration of intention before the revocation of the declaration is not limited to this.
- (4) After shareholders exercise their voting rights in writing or electronically, if they wish to attend the shareholders' meeting in person, they shall
Two days before the shareholders' meeting, the declaration of intention to exercise the voting rights in the preceding paragraph shall be revoked in the same manner as the exercise of the voting rights; if the

revocation is overdue, the voting rights exercised in writing or electronically shall prevail. If voting rights are exercised in writing or electronically and a proxy is entrusted to attend the shareholders' meeting by proxy, the voting rights that are entrusted to attend and exercise shall prevail.

- (5) Voting on resolutions shall be approved by the approval of more than half of the voting rights of shareholders present, unless otherwise stipulated in the Company Law and the Articles of Association of the Company.
- (6) When there are amendments or alternatives to the same motion, the chairman shall determine the order of voting on the same motion as the original motion. If one of the motions has been passed, the other motions are deemed to be rejected and no further voting is required.
- (7) The scrutineer and vote-counter for voting on the resolution shall be designated by the chairman, but the scrutineer shall have the identity of a shareholder. The counting of votes for votes or election proposals at the shareholders' meeting shall be done in a public place at the shareholders' meeting, and after the counting of votes is completed, the voting results shall be announced on the spot, including the weight of the statistics, and a record shall be made.

Article 14

election matters

- (1) When the shareholders' meeting elects directors and supervisors, it shall be handled in accordance with the relevant selection and appointment regulations stipulated by the company's "Procedures for the Selection and Appointment of Directors and Supervisors", and the election results shall be announced on the spot, including the list of elected directors and supervisors and their right to be elected. and the list of unsuccessful directors and supervisors and the number of voting rights they have obtained.
- (2) The ballots for the election matters in the preceding paragraph shall be sealed and signed by the scrutineers, and shall be properly kept for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Law, it shall be kept until the lawsuit is concluded.

Article 15

Meeting minutes and signatures

- (1) The resolutions of the shareholders' meeting shall be made into minutes, which shall be signed or sealed by the chairman, and the minutes shall be distributed to all shareholders within 20 days after the meeting.
- (2) After the public offering of the company's shares, the production and distribution of minutes may be done electronically. The distribution of the minutes mentioned in the preceding paragraph may be done in the form of an announcement entered into the public information observatory.
- (3) The minutes of the meeting shall be recorded in accordance with the year, month, day, venue, name of the chairman, method of resolution, essentials of the proceedings and voting results (including statistical weights). When directors and supervisors are elected, they shall be disclosed. The number of votes for each candidate. During the existence of the company, it should be kept permanently.

Article 16

External announcement

- (1) The number of shares acquired by the solicitor and the number of shares represented by the proxy shall be clearly disclosed in the shareholders meeting in a statistical table prepared by the company in accordance with the prescribed format on the day of the shareholders meeting.
- (2) The resolutions of the shareholders' meeting, if there is any material information stipulated by laws and regulations, Taiwan Stock Exchange Co., Ltd. (Republic of China Securities OTC Trading Center), the company shall transmit the content to the public within the specified time. Information Observatory.

Article 17

Maintenance of meeting order

- (1) The executives handling the shareholders' meeting shall wear identification cards or armbands.
- (2) The chairman may direct pickets or security personnel to assist in maintaining order at the venue. When the pickets or security personnel are present to assist in maintaining order, they should wear an armband or identification card with the word "picket".
- (3) If the venue is equipped with amplifying equipment, the chairman may stop the shareholders from speaking with the equipment provided by the company.

- (4) If a shareholder violates the rules of procedure and does not obey the chairman's corrections, and hinders the progress of the meeting and fails to comply, the chairman may direct the pickets or security personnel to ask them to leave the venue.

Article 18

rest, sequel

- (1) When the meeting is in progress, the chairman may announce a break at his discretion. In the event of force majeure, the chairman may decide to suspend the meeting temporarily, and announce the time for the continuation of the meeting as the case may be.
- (2) The agenda of the shareholders' meeting is before the conclusion of the discussion (including interim motions), and the venue for the meeting cannot continue to be used at that time, and the shareholders' meeting may decide to find another venue to continue the meeting.
- (3) The shareholders meeting may, in accordance with the provisions of Article 182 of the Company Law, decide to postpone or renew the meeting within five days.

Article 19

These Rules shall come into force after being approved by the shareholders' meeting, and the same shall apply to amendments.

Franbo Lines Corp.

Articles of Incorporation

Chapter 1 General Provisions

Article 1: The company is organized in accordance with the provisions of the Company Law and named as Zhengde Shipping Co., Ltd.

Article 2: The business of the company is as follows:

1. G401011 Shipping Agency.
2. I199990 Other consultancy services.
3. In addition to the licensed business, ZZ99999 may operate businesses that are not prohibited or restricted by law.
4. G402011 Shipping contract shipping industry.

Article 3: The company shall set up its head office in Kaohsiung City, and may establish branch offices at home and abroad with the resolution of the board of directors when necessary.

Article 4: The company can guarantee external guarantees, and the relevant endorsement guarantee matters shall be implemented in accordance with the provisions of the "Endorsement Guarantee Operation Procedures". .

Article 4-1: The company's funds may be loaned to others in accordance with the provisions of the exclusion clause in Article 15 of the Company Act. The matters relating to the loan of funds shall be implemented in accordance with the provisions of the "Operational Procedures for Lending Funds to Others". All matters will be handled in accordance with relevant laws and regulations.

Article 5: The company may invest abroad, and its total investment may not exceed the limit of 40% of the paid-in share capital in Article 13 of the Company Law. The investment amount is authorized by the board of directors to decide.

Chapter II Shares

Article 6: The total capital of the company is NT\$3,500,000,000 divided into 350,000,000 shares of NT\$10 per share, of which unissued shares are authorized to be issued by the board of directors.

Article 7: The company's shares are generally registered, signed or stamped by more than 3 directors, and issued after obtaining a legal visa. The shares issued by the company are exempt from printing stock certificates, but registration should be made with the securities centralized custodian institution.

Article 8: The change of name of shareholders shall not be done within 60 days before the ordinary shareholders' meeting, within 30 days before the extraordinary shareholders' meeting, or within 5 days before the base date of the company's decision to distribute dividends, bonuses or other benefits.

Chapter III Shareholders' Meeting

Article 9: The shareholders' meeting is divided into two types: regular meeting and extraordinary meeting. Regular meetings shall be convened at least once a year, and shall be convened by the board of directors within six months after the end of each fiscal year; extraordinary meetings shall be convened according to law when necessary.

Article 10: If a shareholder is unable to attend the shareholders' meeting for any reason, he may, in accordance with the provisions of Article 177 of the Company Act, issue a power of attorney issued by the company stating the scope of authorization to entrust an agent to attend. In addition to the provisions of Article 177 of the Company Act, the regulations for shareholders to attend the general meeting of shareholders after the public offering of the company's shares shall be handled in accordance with the "Regulations on the Use of Power of Attorney for Public Offering Companies to Attend General Meetings of Shareholders" promulgated by the competent authority.

Article 11: Unless otherwise stipulated by relevant laws and regulations, the shareholders of the company have

one vote per share.

Article 12: Unless otherwise provided by the Company Law, resolutions of the shareholders' meeting shall be attended by shareholders representing more than half of the total number of issued shares, and shall be implemented with the consent of more than half of the voting rights of the shareholders present.

Article 12-1: After the public offering of the company's stock, if the company intends to cancel the public offering, it shall be handled in accordance with the Company Law and relevant laws and regulations, and this provision shall not be changed during the listing (listing or opening) period.

Chapter IV Directors and Audit Committee

Article 13: The company has 7 to 9 directors with a term of 3 years. The election of directors adopts the candidate nomination system stipulated in Article 192-1 of the Company Law. re-elected. The total number of shares held by all directors shall not be less than a certain percentage of the total issued shares of the company, and the percentage shall be determined by the competent authority.

Among the number of directors in the preceding paragraph, the number of independent directors shall not be less than two, and shall not be less than one-fifth of the number of directors. Independent directors adopt the candidate nomination system, and the shareholders' meeting shall select and appoint independent directors from the list of candidates for independent directors. The professional qualifications, shareholding, part-time restrictions, nomination and appointment methods, and other matters to be complied with for independent directors shall be governed by the relevant regulations of the securities regulatory authority.

Article 13-1: The company may authorize the board of directors to fully handle the indemnity responsibilities that the directors are legally obligated to undertake during the term of office for the execution of business scope, purchase liability insurance, and the amount of insurance and insurance related matters.

Article 13-2: The Company shall set up an audit committee in accordance with the relevant provisions of the Securities and Exchange Act, consisting of all independent directors, with no less than three members, one of whom shall be the convener, and formulate rules for the exercise of its powers. The composition, functions and powers, rules of procedure and other matters to be complied with by the audit committee of the company shall be handled in accordance with the relevant regulations of the securities regulatory authority.

From the date of establishment of the Audit Committee, the functions and powers that should be exercised by supervisors in accordance with the Company Law, the Securities and Exchange Law and other laws and regulations shall be mutatis mutandis to the Audit Committee.

Article 14: The board of directors shall be organized by the directors. More than two-thirds of the directors shall be present, and more than half of the directors present shall agree to elect one person to be the chairman of the board of directors to represent the company externally. According to the regulations, one person may be elected in the same way as the chairman of the board of directors. Vice Chairman.

Article 15: When the chairman asks for leave or is unable to perform his functions and powers for some reason, his agency shall handle it in accordance with the provisions of Article 208 of the Company Law. When a director is unable to attend the board meeting for some reason, he may issue a power of attorney stating the scope of authorization of the reasons for the convening, and entrust the attending director to act as his proxy, but one person is limited to being entrusted by one person. .

The board of directors may conduct video conferences, and directors who participate in the conference by video conference are deemed to be present in person.

Article 15-1: The convening of the board of directors of the company shall be convened, and the reasons shall be specified, and the directors shall be notified seven days in advance. However, in the event of an emergency, they may be called at any time. The convening of the board of directors of the Company shall be notified to all directors in writing, by e-mail or by fax.

Article 16: The remuneration of directors shall be determined by the Board of Directors in accordance with the recommendation of the Compensation and Remuneration Committee.

Chapter 5 Managers

Article 17: The company may have several managers, whose appointment, dismissal and remuneration shall be handled in accordance with the provisions of Article 29 of the Company Law.

Chapter VI Accounting

Article 18: At the end of each fiscal year, the board of directors shall prepare the following lists and submit them to the general meeting of shareholders for recognition in accordance with the law.

1. Business report.
2. Financial Statements.
3. Proposal for surplus distribution or loss appropriation.

Article 19: The company shall distribute no less than 1% of the remuneration to employees and no more than 5% of the remuneration of directors for the current year's profit. However, if the company still has accumulated losses, it should make up for it.

Employee remuneration may be in stock or cash, and the recipients of stock or cash may include employees of subordinate companies who meet certain conditions.

The profit status of the current year referred to in Paragraph 1 refers to the profit before tax deducting the distribution of employee remuneration and directors' remuneration in the current year.

The distribution of remuneration to employees and directors shall be implemented by the board of directors with the attendance of more than two-thirds of the directors and a resolution approved by more than half of the directors present, and reported to the general meeting of shareholders.

Article 20: If the company has a surplus after the annual final accounts, in addition to paying the profit-making enterprise income tax according to law and making up for previous annual losses, if there is still a balance, 10% of the statutory surplus reserve should be set aside first, but the statutory surplus reserve has been When the total capital is reached, this limit is not applicable. After the special surplus reserve is set aside or reversed according to the law or the regulations of the competent authority, and the undistributed surplus at the beginning of the same period is the accumulated distributable surplus, the board of directors shall formulate a surplus distribution proposal and submit it to the shareholders' meeting for resolution. assign it.

In order to continuously expand the scale of operation, enhance the competitiveness, and meet the company's long-term business development, future capital needs and long-term financial planning, the dividend distribution policy is mainly based on stock dividends and matching cash dividends, of which cash dividends shall not be less than 10% of the total dividends distributed. %.

The distribution of dividends and bonuses is based on the proportion of shares held by each shareholder. When the company has no surplus, it shall not distribute dividends and bonuses.

Chapter 7 Supplementary Provisions

Article 21: Matters not stipulated in this Articles of Association shall be handled in accordance with the provisions of the Company Law.

Article 22: The Articles of Association shall be implemented after being approved by the shareholders' meeting, and the same shall apply to amendments.

Article 23: This Articles of Association was concluded on September 22, 1998, the first amendment was on November 30, 1989, the second amendment was on April 24, 207, and the third amendment was on April 24, 2007 On August 1, the 4th amendment was made on January 15, 2008. The fifth amendment was made on December 26, 2008. The 6th amendment was made on November 6, 2009. The 7th amendment was made on March 25, 2010. The 8th amendment was made on June 29, 2010. The 9th amendment was made on June 27, 2011. The 10th amendment was made on June 28, 2012. The 11th amendment was made on June 27, 2013. The 12th amendment was made on June 26, 2014. The 13th amendment was made on June 25, 2005. The 14th amendment was made on June 28, 2016. The 15th amendment was made on June 23, 2007. The 16th amendment was made on May 29, 2019.

Shareholdings of All Directors

I. According to the provisions of Article 26 of the Securities and Exchange Act, the quorum of directors and the number of shares are as follows:

The number of ordinary shares issued by the company is 298,880,577 shares.

The minimum number of shares held by all directors is 12,000,000 shares.

II. As of April 1, 2024, the closing date of the 2024 general meeting of shareholders, the number of shares held by all directors is as follows:

Title	Name	Current Shareholding	
		Shares	%
Chairman	Prosperity Investment and Consulting Co., Ltd. Representative: Pang Chuan, Tsai	48,038,398	16.07
Director	Prosperity Investment and Consulting Co., Ltd. Representative: Ching-Chuang, Tsai	48,038,398	16.07
	Chun Yu, Lo	7,064,590	2.36
	Yi-Wen, Shen	258,535	0.09
Independent Director	Shu-Yang, Yen	-	-
	Tian-Ming, Wu,	-	-
	Rong-Qin, Liu	190,568	0.06
	Shih-Chuan, Lin (note)	-	-

Note: As of April 1, 2024, the number of shares held by all directors was 55,361,523 shares (independent directors are not included in the number of shares held by all directors).