Franbo Lines Corp.

Meeting Minutes for the 2024 Annual Shareholders' Meeting

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

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

Convening method: Physical shareholders' meeting

Total number of outstanding shares: 298,880,577 shares

Total shares represented by presence of shareholders: 180,210,772 shares (60.29%)

Directors present: Tsai Pang Chuan
Tsai Ching Chuang Director
Lo,Chun-Yu
Shen,Yi-Wen
Yen, Shu-Yang (Independent Director)
Wu,Tien-Ming(Independent Director)
Liu,Jung-Chin(Independent Director)

In attentance： Kuo-Hua Wang(CPA)

Chairperson: Tsai Pang Chuan

Recorder: Kevin Cheng

Meeting Commencement Announced:

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

Chairman's Address: (Omitted)

1. **Report Items**

(1) Business Report of the year 2023. (**Attachment 1**)

(2) Audit Committee's Review Report of the year 2023. (**Attachment 4**)

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

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

(5) 2023 Earnings Distribution of Cash Dividend. (Omitted)

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

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

2. 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 2I and Attachment 3** of this handbook.

Resolution:

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

Voting Results: Shares present at the time of voting:180,210,772 votes.

Voting Results			% of the represented share present
Votes in favor	164,741,439 votes	(electronic votes 70,224,892 votes)	91.41%
Votes against	50,085 votes	(electronic votes50,085 votes)	0.02%
Invalid Votes	0 votes		0.00%
Votes abstained / Not Voted	15,419,248 votes	(electronic votes15,366,105 votes)	8.55%

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.
2023 Earnings distribution table

Unit:NT$

Item	Amount
Ratained earnings in the bengining of 2023	$ 1,179,858,554
Add: Net profit after tax for the year 2023	424,401,483
Subtract: Setting aside 10% legal reserve	(42,440,148)
Earnings available for distribution by the end of the fiscal year	1,561,819,889
Distribution Items	
Shareholders' dibidends – Cash (NT$0.5 per share) (Note)	(148,786,175)
Undistributed earnings by the end of 2023	$ 1,413,033,714

(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:

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

Voting Results: Shares present at the time of voting:180,210,772 votes.

Voting Results			% of the represented share present
Votes in favor	164,745,448 votes	(electronic votes70,228,901 votes)	91.41%
Votes against	60,272 votes	(electronic votes 60,272 votes)	0.03%
Invalid Votes	0 votes		0.00%
Votes abstained / Not Voted	15,405,052 votes	(electronic votes 15,351,909 votes)	8.54%

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 amendment, please refer to **(Attachment 5)**.

(2) Discussion requested.

Resolution:

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

Voting Results: Shares present at the time of voting:180,210,772 votes.

Voting Results			% of the represented share present
Votes in favor	164,746,756 votes	(electronic votes 70,230,209 votes)	91.41%
Votes against	61,764 votes	(electronic votes 61,764 votes)	0.03%
Invalid Votes	0 votes		0.00%
Votes abstained / Not Voted	15,402,252 votes	(electronic votes 15,349,109 votes)	8.54%

3. Extempore Motion: None.

4. Meeting Adjourned

(The minutes of this shareholders' meeting only state the key points of the meeting; the content and procedures of the meeting are still subject to the audio and video records of the meeting)

(No shareholders asked questions about any of the proposals at this shareholders' meeting)

Attachment 1

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 AMOUNT	%	December 31, 2022 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 AMOUNT	%	December 31, 2022 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)

	Items	Notes	Year ended December 31 2023 AMOUNT	2023 %	2022 AMOUNT	2022 %
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
2022												
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		$ 2,391,567	$ 1,071,622	$ 5	$ 30,399	$ 5,973	$ 64,268	$ 263,295	$ 1,403,289	$ 106,407	$ -	$ 5,336,825
2023												
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		$ 2,924,827	$ 1,359,817	$ 5	$ 26,839	$ 5,973	$ 192,260	$ -	$ 1,604,259	$ 88,804	($ 4)	$ 6,202,780

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)

	Notes	Year ended December 31 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)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
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
CASH FLOWS FROM FINANCING ACTIVITIES			
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

<u>Description</u>

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 AMOUNT	%	December 31, 2022 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 AMOUNT	%	December 31, 2022 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	6(23)				
9750	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 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		
	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	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity
2022												
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		$ 2,391,567	$ 1,071,622	$ 5	$ 30,399	$ 5,973	$ 64,268	$ 263,295	$ 1,403,289	$ 106,407	$ -	$ 5,336,825
2023												
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)	(4)	(17,607)
Total comprehensive income		-	-	-	-	-	-	-	424,402	(17,603)	(4)	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		$ 2,924,827	$ 1,359,817	$ 5	$ 26,839	$ 5,973	$ 192,260	$ -	$ 1,604,259	$ 88,804	($ 4)	$ 6,202,780

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)

	Notes	Year ended December 31 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 taxs 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)
Disgorgement 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.

Attachment 4

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

Attachment 5

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	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… 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.	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… 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.**	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