Stock code: 2641

Franbo Lines Corp.

2023 Annual Report

URLs at which this annual report can be found
http://mops.twse.com.tw/
http://www.franbo.com.tw/

Date of publication: April 30, 2024

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Address: 6F, No. 6, Section 1, Zhongxiao West Road, Zhongzheng District, Taipei City
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IV. Certified Public Accountants (CPAs) for financial statement for most recent fiscal year
CPAs: Wang, Kuo-Hua; Liao, A-Shen
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Phone: (07) 237-3116 / Internationally: +886 (7) 237-3116
Website: http://www.pwc.com.tw

V. Name of any exchange where the Company's securities are traded offshore, and method by which to access information on said offshore securities: None.

VI. Company website: http://www.franbo.com.tw

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I. Letter to Shareholders

Dear shareholders, ladies and gentlemen:

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: Tsai, Pang-Chuan

President: Tsai, Ching-Chuang

Accounting Director: Wilson Lin

II. Company Profile

1. Date established: September 29, 1998

2. Company history:

Month/year	Events
September 1998	The Company was duly established with the name of "Longshun Shipping Agency Co., Ltd.", and paid-in capital of NT$10,000,000. Business: Shipping agent.
December 1999	Company name changed and registered as "Franbo Shipping Agency Co., Ltd."
August 2007	Company registered changes in capital increase, and added a business service: Other Consulting Services, "All business activities that are not prohibited or restricted by law, except those that are subject to special approval".
February 2009	The company name was changed and registered as "Franbo Lines Corp.", and the business service "Vessel Carrier" was added.
April 2009	The Company registered a capital increase change, increasing paid-in capital to NT$150,000,000.
May 2009	Purchased the *New Lucky VI* as a self-owned ship, registered in the Republic of China (Taiwan); the Company thus entered the shipping industry. The Company is a shipping direct-line operator with a License for Waterway Transport Across the Taiwan Strait issued by the ministries of transport on both sides of the Strait. In addition, Certificate of Vessel Operation Across the Taiwan Strait was issued to the ship *New Lucky VI*, allowing the vessel to directly sail across the Strait.
April 2010	The Company registered changes in business, adding the service "ocean freight forwarder". Acquired the New Lucky Lines S.A. (Panama), or "New Lucky (Panama)", as a 100% holding subsidiary by means of share conversion. The Company simultaneously obtained indirect 100% control rights of three sub-subsidiaries: Franbo Way S.A., Franbo Shipping S.A., and Franbo Transportation S.A. The Company also obtained two ships: *New Lucky II* and *Franbo Progress*. The Company registered the changes, and increased the capital amount to NT$718,398,220.
May 2010	The Company a capital increase registration change, increasing paid-in capital to NT$800,000,000. Established Uni-Morality Lines Ltd., or "HK Uni-Morality", in Hong Kong as a 100% holding subsidiary of the Company.
June 2010	Registered the changes in capital increase, and increased paid-in capital to NT$880,000,000; through reinvestment, established three 100% holding sub-subsidiaries in Hong Kong: Franbo Justice Line Ltd., or "HK Franbo Justice"; Franbo Lucky Line Ltd., or "HK Franbo Lucky"; and Franbo Loyalty Line Ltd., or "HK Franbo Loyalty".
July 2010	*New Lucky III*, newly purchased by sub-subsidiary HK Franbo Justice, put into operation.
August 2010	*New Lucky V*, newly purchased by sub-subsidiary HK Franbo Lucky, put into operation.

September 2010	*Franbo Prospect*, newly built for sub-subsidiary Hong Kong Transportation S.A., put into operation.
November 2010	The Company registered a capital increase change, increasing paid-in capital to NT$950,000,000.
April 2011	Reinvestment Franbo Wind S.A. was established in Panama as a 100% holding sub-subsidiary of the Company.
June 2011	Certificate of Vessel Operation Across the Taiwan Strait issued by issued by the ministries of transport on both sides of the Strait, approving the ships *New Lucky III* and *New Lucky V* to directly sail across the Strait.
July 2011	*Franbo Wind*, newly purchased by sub-subsidiary Franbo Wind S.A., put into operation. This ship is a 46,000 DWT handymax vessel, thus increasing Franbo's intercontinental and ocean-going transport capacity and setting a new milestone in Franbo's global deployment.
	In order to rejuvenate the fleet and enhance its competitiveness, sub-subsidiary Franbo Way S.A. disposed of and sold the ship *New Lucky II*.
	New Lucky VII, newly built for sub-subsidiary HK Franbo Loyalty, put into operation.
September 2011	Approved by the Financial Supervisory Commission's Securities and Futures Bureau as a public company.
November 2011	Subsidiary New Lucky Lines S.A. invested in Franbo Sagacity S.A., making it a 100% holding sub-subsidiary.
December 2011	Approved by the Taipei Exchange to register as an emerging stock, December 19, 2011.
February 2012	Company address changed to: 3F, No. 31 Haibian Road, Lingya District, Kaohsiung City, Taiwan.
June 2012	*Marine Emerald*, newly purchased by sub-subsidiary Franbo Charity S.A., put into operation.
October 2014	Stock is listed on TPEx; cash capital increase of NT$120,000,000 is handled in conjunction with public underwriting before TPEx initial listing; paid-in capital after the capital increase is NT$1,070,000,000.
	Signed a contract with Exeno Yamamizu Corporation of Japan to construct three new ships, and signed a long-term charter for 10 years.
November 2014	*New Lucky*, newly purchased by sub-subsidiary Franbo Courage S.A., put into operation.
	Subsidiary New Lucky Lines S.A. increases original 45% investment shareholding of TW Hornbill Line S.A., making it a 100% holding sub-subsidiary.
January 2015	Cash capital increase of NT$125,000,000, for paid-in capital after capital increase of NT$1,195,000,000; issuance of first secured convertible corporate bonds, totaling NT$250,000,000; issuance of second unsecured convertible corporate bonds, totaling NT$100,000,000.
March 2015	Sub-subsidiaries Franbo Logos S.A. and Franbo Logic S.A. sign a US$32,000,000 joint credit contract with a financial institution.
July 2015	In order to rejuvenate the fleet and enhance competitiveness, the Company disposed of and sold the ship *New Lucky VI*.

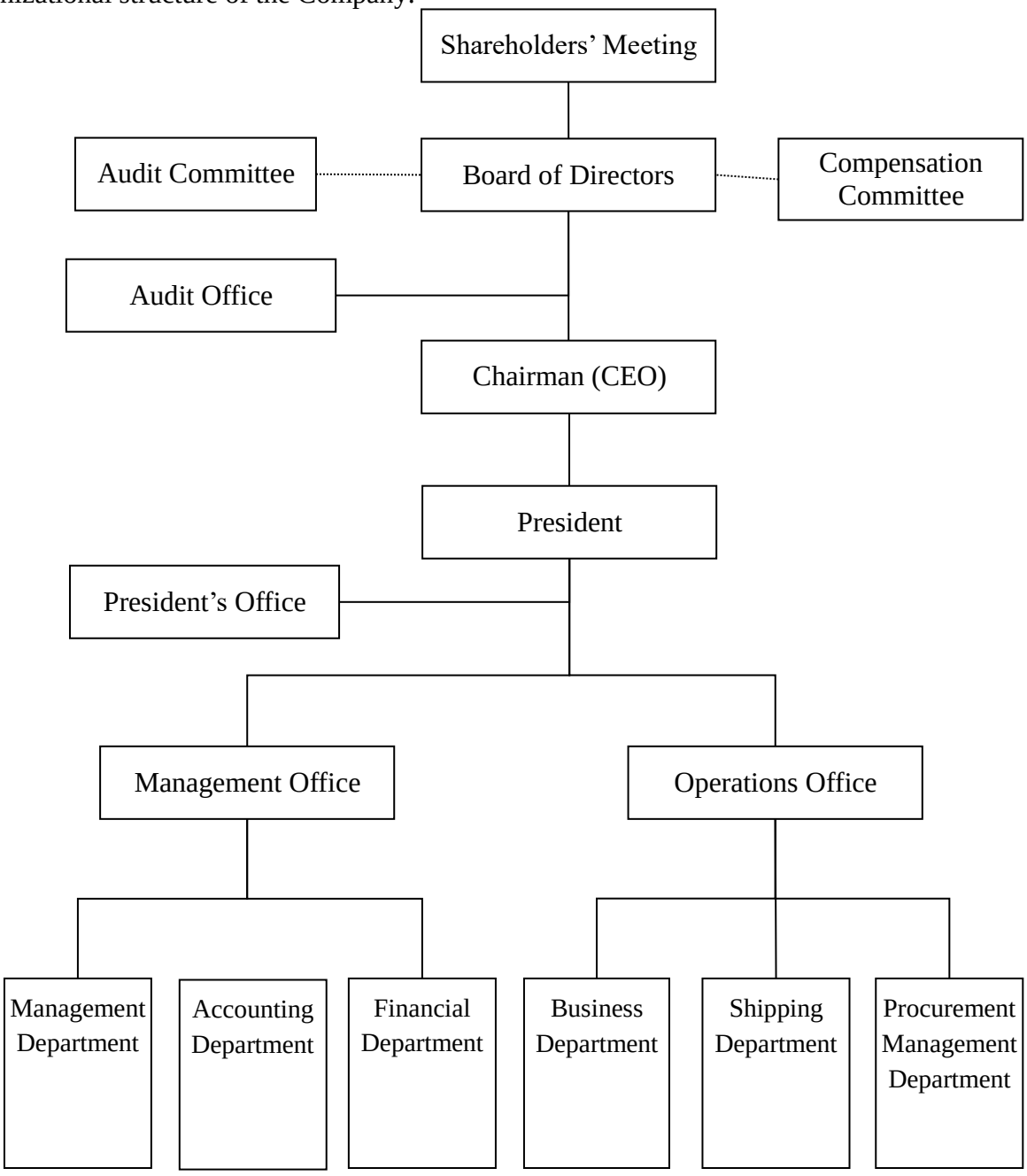
September 2015	*Thorco Logos*, newly built for sub-subsidiary Franbo Logos S.A., put into operation.
January 2016	*Thorco Logic*, newly built for sub-subsidiary Franbo Logic S.A., put into operation.
April 2016	*Thorco Lohas*, newly built for sub-subsidiary Franbo Lohas S.A., put into operation.
June 2016	Cash capital increase of NT$300,000,000, for post-increase paid-in capital of NT$1,495,000,000.
November 2016	Convertible corporate bonds transferred to share capital of NT$34,514,000, for paid-in capital increase to NT$1,529,952,000.
April 2017	Capital increase of NT$300,000,000, and convertible corporate bond transfer into share capital of NT$20,163,000; post-increase paid-in capital is NT$1,850,115,000.
November 2017	*Sinoway VI*, newly purchased by sub-subsidiary Franbo Wind S.A., put into operation.
November 2017	Issuance of third secured convertible corporate bonds, totaling NT$250,000,000; issuance of fourth unsecured convertible corporate bonds, totaling NT$300,000,000.
December 2017	Sub-subsidiary Franbo Wind S.A. disposed of the ship *Franbo Wind*. Sub-subsidiary Franbo Lucky Line Ltd disposed of the ship *New Lucky V*.
January 2018	*STL Harvest*, newly purchased by sub-subsidiary Franbo Sagacity S.A., put into operation.
March 2018	Sub-subsidiary Franbo Justice Line Ltd disposed of the ship *New Lucky III*.
April 2018	*Medi Bangkok*, newly purchased by sub-subsidiary Franbo Way Ltd., put into operation.
May 2018	*Hayama Star*, newly purchased by sub-subsidiary Franbo Uprightness Corporation, put into operation.
July 2018	Capital reduction of NT$393,087,000, and transfer of convertible corporate bonds to share capital of NT$54,218,000; and post-change paid-in capital was NT$1,511,246,000.
April 2019	*Lauren Ocean*, newly purchased by sub-subsidiary Franbo Sino Ltd., put into operation.
November 2019	*Sinoway ACT*, newly purchased by sub-subsidiary Franbo Ocean Ltd., put into operation.
June 2020	*Fairwind Legion*, newly purchased by sub-subsidiary Franbo Legion Ltd., put into operation.
August 2020	Surplus transferred to capital increase of NT$15,112,000, resulting in a total paid-in capital of NT$1,526,358,000. Sub-subsidiary Franbo Courage S.A. disposed of the ship *New Lucky*.
November 2020	Subsidiary Uni-Morality Lines Ltd. increases its original 40% investment shareholding in Dexin Shipping S.A., making it a 100% holding sub-subsidiary. Subsidiary New Lucky Lines S.A. increases its original 20% investment shareholding in FB Pioneer Limited, making it a 100% holding sub-subsidiary. Issued 2020's first domestic secured ordinary corporate bonds, totaling NT$400,000,000.
January 2021	Subsidiary New Lucky Lines S.A. increases original 34% holding in FB Navigation

	Limited to make it a 100% holding sub-subsidiary.
August 2021	Cash capital increase of NT$360,000,000, for post-increase paid-in capital of NT$1,886,358,000.
	Franbo Legacy, newly purchased by sub-subsidiary Legacy Ltd., put into operation.
October 2021	Sub-subsidiary Franbo Charity S.A. disposed of the ship *Marine Emerald*.
December 2021	*Imari*, newly purchased by sub-subsidiary Franbo Bright Ltd., put into operation.
March 2022	Sub-subsidiary Franbo Wind S.A. disposed of the ship *Sinoway VI*.
April 2022	Sub-subsidiary Dexin Shipping S.A. disposed of the ship *New Age*.
July 2022	Sub-subsidiary Franbo Ocean Limited disposed of the ship *Sinoway Act*.
September 2022	Sub-subsidiary Franbo Uprightness Corp. disposed of the ship *Hayama Star*.
	Sub-subsidiary TW Hornbill Line S.A. disposed of the ship *Marine Hornbill*.
	Managed a cash capital increase of NT$500,000,000 and issued the fifth domestic unsecured convertible corporate bond, totaling NT$600,000,000; post-increase paid-in capital was NT$2,386,358,000.
March 2023	*Franbo Ace*, newly built for sub-subsidiary Franbo ACE Limited, put into operation.
April 2023	*Merganser*, newly built for sub-subsidiary Franbo ART Limited, put into operation.
September 2023	Managed a cash capital increase of NT$300,000,000 and issued the sixth domestic unsecured convertible corporate bond, totaling NT$400,000,000. Convertible corporate bonds were also transferred to share capital of NT$13,947,000, for post-increase paid-in capital of NT$2,700,305,000.
	Sub-subsidiary Franbo Sino Ltd. disposed of the ship *Lauren Ocean*.
	Norvic Houston, newly built for sub-subsidiary Franbo Cosmos Limited, put into operation.
	Yong Jin, newly built for sub-subsidiary Franbo Wind S.A., put into operation.
November 2023	*Norvic Singapore*, newly built for sub-subsidiary Franbo Century Limited, put into operation.
January 2024	Sub-subsidiary Franbo Sagacity S.A. disposed of the ship *STL Harvest***.**
April 2024	Convertible corporate bonds transferred to share capital of NT$275,418,000, for post-increase paid-in capital of NT$2,975,723,000.

III. Corporate Governance Report

1. Organizational system

(1) Organizational structure of the Company:



(2) Business of main departments:

Department	Main duties
Audit Office	1. Audit of compliance with group policies and operating procedures by departments. 2. Internal audit matters of each major cycle operation of the internal control system. 3. Other assigned and special audit matters.
President's Office	1. Routine management of the Company. 2. Project improvement, promotion, and audits. 3. Promotion and management of standardization and institutionalization. 4. Matters assigned by the President.
Management Office	1. Formulation and guidance of annual policy. 2. Functional management of Accounting Department and Management Department; command and supervision of their employees. 3. Control accounting statement preparation and the accounting system. 4. Control the Company's funds and stock affairs. 5. Control the Company's organizational system. 6. Control administrative resources. 7. Manage the Company's procurement. 8. Management of legal insurance contract. 9. Handle and track legal proposals. 10. Review the provisions of the Company's external contracts, and provide legal advice. 11. Collect maritime affairs judicial precedents, and review the Company's related contracts, so as to avoid similar incidents; manage the Company's legal cases. 12. Management of other administrative affairs.
Operations Office	1. Formulation and guidance of annual operation targets. 2. Business performance analysis, strategic planning, and economic and market information collection and analysis. 3. Functional management of Management Department, Shipping Department, and Procurement Management Department; command and supervision of their employees. 4. Control ship operation. 5. Control ship transportation. 6. Control ship repair, maintenance, and material/part supply to maintain vessel seaworthiness. 7. Management of other shipping affairs.
Management Department	1. Organizational development, departmental responsibilities, staffing planning, and human resources system, management, and development matters. (Shore-side Management) 2. Employee selection, appointment/dismissal, transfer, attendance, travel, remuneration, benefits, insurance, and other personnel administrative operations. 3. Plan and compile hierarchical responsibilities, job authorizations, and approval authority. 4. General management matters such as office equipment or assets, consumables, internal safety, internal management, etc. 5. Related management such as information system development, maintenance, and security. 6. Management of the Company's corporate seals. 7. Managing announcements and documents, such as the Company's external document sending/receiving, internal systems, work processes, etc. 8. Management, selection, appointment, dismissal, and relocation of ship crew. 9. Salaries, food, health insurance, and claim settlements for crew members.

	10. Ship funding accounting audits and accounting. 11. Other administrative affairs.
Accounting Department	1. Design and revise the accounting system. 2. Accounting management of operating income and expenditure. 3. Compile and approve budgets and final accounts. 4. Prepare and examine accounting vouchers; register and safekeep account books. 5. Prepare financial statements, financial analysis and recommendations. 6. Plan and pay taxes. 7. Other related accounting matters.
Financial Department	1. Adjustment and management of funds. 2. Issuance and custody of the Company's stocks and bonds. 3. Cashier and custody matters. 4. Custody of bills and negotiable securities. 5. Raise, negotiate, and use long-term and short-term funds. 6. Control and manage debts and payments on principal and interest. 7. Register establishment and changes of Company subsidiaries. 8. Prepare and provide notifications on Board of Directors and the Shareholders' Meeting agendas, minutes, and proposal resolutions. 9. Other related financial and stock matters.
Business Department	1. Formulate, promote, review, optimize, and improve management systems (including safety management system, preservation management system and environmental protection management system), so that both ships and shore can implement management systems to achieve the effective system of ship safety, human safety, cargo safety and environmental safety. 2. Define and promote annual business objectives: Purchasing and construction of ships, replacement of old ships, and other long-term and short-term planning analysis and development investment related to shipping. 3. Business development and customer marketing management. 4. Customer credit management. 5. Statistics of ship operating records, analysis, and reporting of profit differences. 6. Research and contract making of operation related operations such as ship freight forwarding operation, ship chartering-out operation, ship chartering-in operation or re-chartering operation. 7. Execute ship operation plans: Proper operation of contract signing operation, transport operation, and collection operation. 8. Port agent designation, contact, and coordination, cost accounting, cargo transport, loading and unloading and other operations coordination; Verification of ship fuel oil and fresh water supplies. 9. Handling customer complaints. 10. Shore-side management of ship cargo loading planning, cargo stowage and binding, loading stability, and voyage planning supervision.
Procurement Management Department	1. Apply for regular ship stores and spare parts. 2. Effectively establish and update data information collection and supplier database for the Company's suppliers of equipment, ship-end maintenance services, stores/spare parts, fuel oil, etc. 3. Carry out reasonable inquiry (comparison) of prices; negotiate overall reasonable purchase prices and service conditions for goods and labor procurement, depending on department purchase applications.

Shipping Department	1. Plan and implement regular/irregular/new examinations, inspection, etc. in accordance with the ship's country of nationality, Classification Society, and IMO. 2. Formulate, plan, and implement dock repairs, repairs underway, and other irregular maintenance work. 3. Ship maintenance plan arrangement and implementation control. Analysis, monitoring, guidance, and management of performance data related to the functions of machines and tools in ship operation. 4. Apply as required for ship spare parts, repair reviews, self-repairs, repairs underway, and dock repairs. 5. Regular existing materials and parts, oil material cleaning and registration and waste disposal. Manage inventory inspection and report of assets and inventory. 6. Formulate consumption standards for ship materials, parts, and fuels, and verification and statistics of claim and consumption. Inventory implementation and management of ship materials and oil products. 7. Manage ships on the basis of seaworthiness documents such as inspection, certificates, and reports from ships' flag of nationality, Classification Society, and IMO, and the validity of certificates, certifications or approval documents obtained due to operational needs. 8. Formulate systems and implement them in accordance with the provisions of international maritime conventions, regulations, and decrees. 9. Implement shore-side and ship-side audits, safety education and training, and enhance safety skills of shore and ship personnel, including safety and environmental protection. 10. Review how to improve the Company's management system and enhance the implementation of ship management from audits, external inspections and accidents. 11. Supervise safe navigation of fleet ships, guide navigation technology, and comply with all aspects of navigation laws and regulations. 12. Formulate crew work bonus standards; review crew work bonus applications. 13. Do ship class determination, ship condition inspection, and ship receiving for newly-built and purchased ships. 14. Other matters related to ship public works technology, maintenance supervision, and other public works. 15. Handle contract non-conformities for post-purchase contract implementation payment audits.

2. Profiles of Directors, Supervisors, President, Vice President, Assistant Manager, Heads of departments and branches

(1) Profiles of Directors and Supervisors:

1. Names, Academic Qualification, Work Experience, Shareholding held and Nature of Directors and Supervisors

April 1, 2024; Unit: shares

Title	Nationality or place of registration	Name	Gender Age	Election (Appointment) Date	Term of Office	Initial Election Date	Shares at Election		Current shareholding		Current shareholding held by spouse & minor children		Shareholding held through nominees		Main experiences (education background)	Position(s) held concurrently in the company and/or in any other company	Other heads, Directors or Supervisors who have spouses or relatives within the second degree of kinship			Note
							Number of shares	Shareholding proportion	Number of shares	Shareholding proportion	Number of shares	Shareholding proportion	Number of shares (shares)	Shareholding proportion			Title	Name	Relationship	
Chairman	ROC	Prosperity Investment and Consulting Co., Ltd.	Not applicable	June 1, 2023	3 years	Nov. 6, 2009	41,020,836	17.11	48,038,398	16.07	–	–	–	–	College of Management, Cheng Shiu University	Note 1	–	–	–	Note 3
		Representative: Tsai, Pang-Chuan	Male 71—80	June 1, 2023	3 years	Nov. 6, 2009	98,986	0.04	37,000	0.01	84,523	0.03	–	–			Director Operations Office Vice President	Tsai, Ching-Chuang Tsai, Ping-Jui	Father and son Father and son	
Director	ROC	Prosperity Investment and Consulting Co., Ltd.	Not applicable	June 1, 2023	3 years	Nov. 6, 2009	41,020,836	17.11	48,038,398	16.07	–	–	–	–	Department of Economics, University of Toronto, Canada	Note 2	–	–	–	Note 3
		Representative: Tsai, Ching-Chuang	Male 41—50	June 1, 2023	3 years	Nov. 6, 2009	5,088,786	2.12	5,437,786	1.82	135,587	0.06	–	–			Chairman Operations Office Vice President	Tsai, Pang-Chuan Tsai, Ping-Jui	Father and son Brothers	
Director	ROC	Lo, Chun-Yu	Male 41—50	June 1, 2023	3 years	Jan. 15, 2008	6,839,429	2.85	7,064,590	2.36	–	–	–	–	Department of Electrical Engineering, National Chung Hsing University	Director of Ever Steel Enterprise Co., Ltd.	–	–	–	
Director	ROC	Shen, Yi-Wen	Female 61—70	June 1, 2023	3 years	June 23, 2017	275,945	0.12	258,535	0.09	–	–	–	–	Graduated from a trade school	Director General of Kaohsiung Disabled Services Association	–	–	–	
Independent Director	ROC	Yen, Shu-Yang	Female 41—50	June 1, 2023	3 years	June 1, 2023	–	–	–	–	–	–	–	–	Master of Business Administration/Laws, American University, USA	Attorney-in-Charge of Kaohsiung Office, Asian Pacific Int'l Patent & Trademark Office	–	–	–	Note 4
Independent Director	ROC	Wu, Tien-Ming	Male 71—80	June 1, 2023	3 years	May 28, 2020	358,430	0.15	190,568	0.06	–	–	–	–	Department of Shipping & Transportation Management, National Taiwan Ocean University Chairman of Kaohsiung Marine Shipservice Corp.	Chairman of Morgan Shipping Agency Corp. Director of Kaohsiung Marine Shipservice Corp. Director of Kaochun Logistics & Stevedoring Co., Ltd. President of Allegro Shipping Agency Corp.	–	–	–	
Independent Director	ROC	Liu, Jung-Chin	Male 61—70	June 1, 2023	3 years	June 23, 2017	–	–	–	–	–	–	–	–	Department of Accounting, Chinese Culture University Partner CPAs of Chien Hsing Accounting Firm	Certified Public Accountants of Chien Sheng Finance and Taxation Joint Accounting Firm Independent Director of Univacco Technology Inc.	–	–	–	
Independent Director	ROC	Lin, Shih-Chuan	Male 41—50	June 1, 2023	3 years	June 1, 2023	–	–	–	–	–	–	–	–	Master of Information Engineering, Lamar University, USA	President of Ming Tzong Harng Trading Co., Ltd. President of Ming Quo Enterprise Co., Ltd.	–	–	–	Note 4
Independent Director	ROC	Tai, Chih-Tsung	Male 51—60	May 28, 2020	3 years	Nov. 23, 2011	–	–	–	–	–	–	–	–	PhD of Department of Business Administration, National Chung Cheng University	Director of Industrial Strategy Development Center, College of Management, Cheng Shiu University	–	–	–	Note 4

Note 1: Chairman of Franbo Asset Management Co., Ltd., Director of FWF Shipping Limited , New Lucky Lines S.A., Franbo Shipping S.A., Franbo Transportation S.A., Franbo Wind S.A., Franbo Sagacity S.A., Franbo Charity S.A., TW Hornbill Line S.A, Franbo Logos S.A., Franbo Logic S.A., Franbo Lohas S.A., Franbo Way Limited, Franbo Uprightness Corporation, Franbo Sino Limited, Franbo Ocean Limited, Franbo Legion Limited, FB Pioneer Limited, FB Navigation Limited, Uni-Morality Lines Limited, Dexin Shipping S.A., BCTS Capital Inc., Franbo Courage S.A., Franbo Legacy Ltd., Franbo Bright Ltd., Franbo Ace Ltd., Franbo Art Ltd., Franbo Cosmos Ltd., Franbo Century Ltd., Franbo Brave Ltd., Franbo Bravo Ltd.

Note 2: President of the Company, Chairman of FB Propriety Construction and Development Co., Ltd., FB Justice Construction and Development Co., Ltd., FB Integrity Real Estate Development Co., Ltd. and Prosperity Investment and Consulting Co., Ltd.; Director of FWF Shipping Limited, New Lucky Lines S.A., Franbo Shipping S.A., Franbo Transportation S.A., Franbo Wind S.A., Franbo Sagacity S.A., Franbo Charity S.A., TW Hornbill Line S.A, Franbo Logos S.A., Franbo Logic S.A., Franbo Lohas S.A., Prevalent Creation Corp., Franbo Way Limited, Franbo Uprightness Corporation, Franbo Sino Limited, Franbo Ocean Limited, Franbo Legion Limited, FB Pioneer Limited, FB Navigation Limited, Dexin Shipping S.A., BCTS Capital Inc., BCI Loyalty Inc., Franbo Legacy Ltd., Franbo Bright Ltd., Franbo Ace Ltd., Franbo Art Ltd., Franbo Cosmos Ltd., Franbo Century Ltd., Franbo Brave Ltd., Franbo Bravo Ltd., Franbo Monica Shipping Ltd., Franbo Wealth Shipping Ltd.

Note 3: The Company's chairman Mr. Tsai, Pang-Chuan and the president Mr. Tsai, Ching-Chuang are first-degree relatives. This helps improve the effectiveness and efficiency of operations as well as the power of decision execution. The number of independent directors was increased during the re-election of directors at the 2023 shareholders' meeting; more than half of the directors do not concurrently serve as employees or managers, so as to enhance the functions of the Board of Directors and strengthen the supervisory function.

Note 4: Independent director Tai, Chih-Tsung left office when his term expired on June 1, 2023; new independent director Yen, Shu-Yang and new independent director Lin, Shih-Chuan took office on June 1, 2023.

2. Major juridical person shareholders

April 1, 2024

Name of institutional shareholders	Major juridical person shareholders
Prosperity Investment and Consulting Co., Ltd.	Tsai, Ching-Chuang 25.00%, Tsai, Ping-Jui 25.00%, Tsai, Pang-Chuan 21.57%, Tsai Wu, Hsin-Hsiang 21.57%, Hsieh, Wan-Chih 3.43%, Chen, Yen-Cheng 3.43%

3. Major juridical person shareholders whose major shareholders are themselves juridical persons: Does not apply.

4. Director and Supervisor qualifications and independence status:

(1) Disclosure of Director and Supervisor qualifications, and information on independence of Independent Directors:

Criterion / Name	Qualifications and experience (Note 2)	Independence status (Note 3)	Number of other public companies in which independent director concurrently serves
Tsai, Pang-Chuan (Note 1)	1. College of Management, Cheng Shiu University 2. Chairman of Franbo Lines Corp. 3. Has five years or more of work experience in commerce or as required for the Company's business as well as professional qualifications.	None	-
Tsai, Ching-Chuang (Note 1)	1. Department of Economics, University of Toronto, Canada 2. Director of Franbo Lines Corp., President of Franbo Lines Corp. 3. Has five years or more of work experience in commerce or as required for the Company's business as well as professional qualifications.	None	-
Shen, Yi-Wen	1. Director General of Kaohsiung Disabled Services Association 2. Has five years or more of work experience in commerce or as required for the Company's business as well as professional qualifications.	Compliance with independence	-
Lo, Chun-Yu	1. Department of Electrical Engineering, National Chung Hsing University 2. Director of Ever Steel Enterprise Co., Ltd. 3. Has five or more years of work experience in commerce or as required for the Company's business as well as professional qualifications.	None	-
Yen, Shu-Yang Independent Director	1. Master of Business Administration and Laws, American University, USA 2. Attorney-in-Charge of Kaohsiung Office, Asian Pacific Int'l Patent & Trademark Office 3. Has obtained a lawyer's certificate of the Republic of China with five or more years of work experience in legal affairs or as required for the Company's business as well as professional qualifications. 4. No occurrence of any of the circumstances listed in Article 30 of the Company Act has been identified.	Compliance with independence	1

Wu, Tien-Ming Independent Director	1. Department of Shipping & Transportation Management, National Taiwan Ocean University 2. Currently serves as Chairman of Morgan Shipping Agency Corp.; Director of Kaochun Logistics & Stevedoring Co., Ltd.; President of Allegro Shipping Agency Corp. 3. Former Managing director of Kaohsiung Marine Shipservice Corp. 4. Has five or more years of work experience in commerce or as required for the Company's business as well as professional qualifications. 5. No occurrence of any of the circumstances listed in Article 30 of the Company Act has been identified.	Compliance with independence	-
Liu, Jung-Chin Independent Director	1. Department of Accounting, Chinese Culture University 2. Currently serves as Certified Public Accountants of Chien Sheng Finance and Taxation Joint Accounting Firm 4. Former Partner CPAs of Chien Hsing Accounting Firm 3. Has obtained an accountant's certificate from the National Senior Professional and Technical Examinations for Certified Public Accountants with five or more years of work experience in commerce, accounting or as required for the Company's business as well as professional qualifications.	Compliance with independence	1
Lin, Shih-Chuan Independent Director	1. Master of Information Engineering, Lamar University, USA 2. President of Ming Tzong Harng Trading Co., Ltd. 3. President of Ming Quo Enterprise Co., Ltd. 4. Has five or more years of work experience in commerce or as required for the Company's business as well as professional qualifications. 5. No occurrence of any of the circumstances listed in Article 30 of the Company Act has been identified.	Compliance with independence	-
Independent Director: Tai, Chih-Tsung (Note 4)	1. PhD of Department of Business Administration, National Chung Cheng University 2. Director of Industrial Strategy Development Center, College of Management, Cheng Shiu University 3. Has five or more years of experience as a lecturer or above of the department of accounting or related subjects in a public or private college or university, and work experience as required for the Company's business as well as professional qualifications. 4. No occurrence of any of the circumstances listed in Article 30 of the Company Act has been identified.	Compliance with independence	-

Note 1: Director of Representative of Prosperity Investment and Consulting Co., Ltd.

Note 2: Qualifications and experience: State the professional qualifications and experience of individual Directors and Supervisors and, in the case of Audit Committee members with accounting or financial expertise, their accounting or financial background and work experience, and whether the provisions of Article 30 of the Company Act are absent.

Note 3: State the Compensation Committee members' compliance with independence, including but not limited to whether he or she, his/her spouse, and relatives in the second-degree relationship act as Directors, Supervisors, or employees of the Company or its affiliated enterprise; number and proportion of shares of the Company not held by him or her, his/her spouse, relatives in the second-degree relationship (or in others' name); whether he/she acts as a Director, Supervisor or employee of the Company that has a specific relationship with the Company (with reference to Subparagraph 5-8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); the amount of compensation obtained for providing business, legal, financial, accounting, and other services for the Company or its affiliated enterprise in the past two years.

Note 4: Independent director Tai, Chih-Tsung left office when his term expired on June 1, 2023.

(2) Diversity and independence of the Board of Directors:

A. Diversification of the Board of Directors: State the diversification policies, objectives, and achievements of the Board of Directors. The diversity policy includes but is not

limited to the selection criteria of Directors, the qualifications and experience of the Board of Directors, the composition or proportion of gender, age, nationality, and culture, etc., and states the specific objectives of the Company and the achievement of the above policies.

● Diversity policy:

In order to strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, the nomination and selection of board members of the Company are based on the Company's Articles of Incorporation and the Guidelines for the Election of Directors, adopting a candidate nomination system. In addition to evaluating the academic background, work experience and qualifications of each candidate, we also take into account the opinions of stakeholders so as to ensure the diversity and independence of board members. We also formulate appropriate diversity policies based on its own operations, operating types and development needs, which preferably includes but is not limited to two major aspects of basic conditions and values (gender, age, nationality, culture, ethnic group, etc.) as well as professional knowledge and skills (law, accounting, industry, finance, marketing or technology, etc.).

● Specific management objectives:

The Company's Board of Directors guides the Company's strategies, supervises the management, and is responsible to the Company and shareholders. All operations and arrangements of its corporate governance system play the role of ensuring that the Board of Directors exercises its powers in accordance with laws and regulations, the Company's Articles of Incorporation, or the resolutions of the shareholders' meeting. At least one fifth of the Board of Directors members shall be represented by experts. The directors of the Company all have the necessary knowledge, skills, literacy, as well as industrial decision-making and management capabilities to perform duties. The Company also continues to arrange diversified continuing education courses for board members to improve their decision-making quality and enhance supervisory skills, thereby strengthening the functions of the Board of Directors. In addition, the Company also pays attention to gender equality in the composition of the Board of Directors, with the goal of having at least one female director, thus accounting for 20% or more of the total board seats.

● The current implementation status of diversity among board members is as follows:

The Company's Board of Directors consists of 8 directors, including 4 non-independent directors and 4 independent directors, among which there are 2 female directors and 2 expert directors, and all the 8 directors are nationals of the Republic of China. The Company's Board of Directors as a whole possesses: Operational judgment, accounting, and financial analysis, business management, crisis management, industry knowledge, international market outlook, leadership, decision-making and other capabilities. The board members also have industrial experience and professional capabilities: 4 directors in transportation management, 1 director with experience in the steel industry, 7 directors in finance and banking, 1 director in service and marketing, 4 directors in professional legal affairs, 1 director in professional accounting / finance, and 8 directors in risk management. The implementation status is as follows:

Diversified core	Basic composition						Industrial experience					Professional ability		
	Nationality	Gender	Having employee		Age	Term and seniority of Independent Directors	Shipping	Iron and steel	Accounting	Service and	Lecturer in	Legal affairs	Accounting	Risk

Name of Director				41-50	51-60	61-70	71-80	Less	3-9 years								
Prosperity Investment and Consulting Co., Ltd. Representative: Tsai, Pang-Chuan	ROC	Male	✓				✓			✓		○					○
Prosperity Investment and Consulting Co., Ltd. Representative: Tsai, Ching-Chuang	ROC	Male	✓	✓						✓		○			○		○
Shen, Yi-Wen	ROC	Female				✓							✓				○
Lo, Chun-Yu	ROC	Male		✓							✓	○					○
Independent Director: Yen, Shu-Yang	ROC	Female		✓					✓			○			✓		✓
Independent Director: Wu, Tien-Ming	ROC	Male					✓		✓	✓		○					○
Independent Director: Liu, Jung-Chin	ROC	Male				✓			✓			✓			✓	✓	✓
Independent Director: Lin, Shih-Chuan	ROC	Male		✓				✓		✓		○					○
Independent Director: Tai, Chih-Tsung(Note 2)	ROC	Male			✓				✓			✓		✓	○		✓

Note 1: ✓ indicates “possesses this ability”; ○ indicates “partially possesses this ability”.
Note 2: Independent director Tai, Chih-Tsung left office when his term expired on June 1, 2023.

B. Independence of the Board of Directors: State the number and proportion of Independent Directors, and the independence of the Board of Directors, and provide reasons to indicate whether there are no circumstances in Paragraph 3 and Paragraph 4, Prevision 3 of Article 26 in the Securities and Exchange Act, including the spouse relationship or the second-degree relationship between the Directors, Supervisors or Directors and Supervisors:

(A) Among the 8 members of the Board of Directors, 4 independent directors account for 50%, and 4 general directors account for 50%. Except Chairman Tsai, Pang-Chuan and director Tsai, Ching-Chuang, who have kinship within the second degree, all other directors (including independent directors) have no circumstances such as Paragraph 3 and 4 of Article 26-3 of the Securities and Exchange Act.

(B) The Company’s chairman Mr. Tsai, Pang-Chuan and the president Mr. Tsai, Ching-Chuang are first-degree relatives, which helps improve the effectiveness and efficiency of operations as well as the power of decision execution. The number of independent directors has been increased during the re-election of directors at the 2023 shareholders’ meeting, and more than half of the directors do not concurrently serve as employees or managers, so as to enhance the functions of the Board of Directors and strengthen the supervisory function.

(2) Profile of President, Vice President, Assistant Manager, Heads of departments and branches

April 1, 2024

Title	Nationality	Name	Gender	Election (Appointment) Date	Shareholding		Shareholding held by spouse & minor children		Shareholding held through nominees		Main experiences (education background)	Position(s) held concurrently in any other company	Managers who have spouses or relatives in the second-degree relationship			Note
					Number of shares (shares)	Shareholding proportion	Number of shares (shares)	Shareholding proportion	Number of shares (shares)	Shareholding proportion			Title	Name	Relationship	
President	ROC	Tsai, Ching-Chuang	Male	2019/03/08	5,437,786	1.82	135,587	0.05	–	–	Department of Economics, University of Toronto	Note 1	Chairman Vice President of Operations Office	Tsai, Pang-Chuan Tsai, Ping-Jui	Father and son Brothers	Note 2
Vice President of Management Office	ROC	Wilson Lin	Male	2021/10/01	4,748	0.00	–	–	–	–	Department of Accounting, Soochow University TYCOONS GROUP ENTERPRISE CO., LTD. Vice President	–	–	–	–	None
Vice President of Operations Office	ROC	Tsai, Ping-Jui	Male	2021/04/01	1,685,862	0.56	131,981	0.04	–	–	Department of National Law, Shanghai Maritime University	Note 3	Chairman President	Tsai, Pang-Chuan Tsai, Ching-Chuang	Father and son Brothers	None
Assistant Manager of President's Office	ROC	Jacky Hsieh	Male	2024/03/07	–	–	–	–	–	–	Graduate School of Shipping & Transportation Management, National Taiwan Ocean University, Special Assistant of President, Tainan Enterprise Co., Ltd.	–	–	–	–	None

Note 1: Chairman of FB Propriety Construction and Development Co., Ltd., FB Justice Construction and Development Co., Ltd., FB Integrity Real Estate Development Co., Ltd. and Prosperity Investment and Consulting Co., Ltd.; Director of FWF Shipping Limited, New Lucky Lines S.A., Franbo Shipping S.A., Franbo Transportation S.A., Franbo Wind S.A., Franbo Sagacity S.A., Franbo Charity S.A., TW Hornbill Line S.A, Franbo Logos S.A., Franbo Logic S.A., Franbo Lohas S.A., Prevalent Creation Corp., Franbo Way Limited, Franbo Uprightness Corporation, Franbo Sino Limited, Franbo Ocean Limited, Franbo Legion Limited, FB Pioneer Limited, FB Navigation Limited, Dexin Shipping S.A., BCTS Capital Inc., BCI Loyalty Inc., Franbo Legacy Ltd., Franbo Bright Ltd., Franbo Ace Ltd., Franbo Art Ltd., Franbo Cosmos Ltd., Franbo Century Ltd., Franbo Brave Ltd., Franbo Bravo Ltd., Franbo Monica Shipping Ltd., Franbo Wealth Shipping Ltd.

Note 2: The Company's chairman Mr. Tsai, Pang-Chuan and the president Mr. Tsai, Ching-Chuang are first-degree relatives, which helps improve the effectiveness and efficiency of operations as well as the power of decision execution. The number of independent directors was increased during the re-election of directors at the 2023 shareholders' meeting; more than half of the directors do not concurrently serve as employees or managers, so as to enhance the functions of the Board of Directors and strengthen the supervisory function.

Note 3: Director of FWF Shipping Limited; New Lucky Lines S.A.; Franbo Shipping S.A.; Franbo Transportation S.A.; Franbo Wind S.A.; Franbo Sagacity S.A.; Franbo Charity S.A.; TW Hornbill Line S.A; Franbo Logos S.A.; Franbo Logic S.A.; Franbo Lohas S.A.; Franbo Way Limited; Franbo Uprightness Corporation; Franbo Sino Limited; Franbo Ocean Limited; Franbo Legion Limited; FB Pioneer Limited; FB Navigation Limited; Dexin Shipping S.A.; BCTS Capital Inc. Franbo Legacy Ltd.; Franbo Bright Ltd.; Franbo Ace Ltd.; Franbo Art Ltd; Franbo Cosmos Ltd.; Franbo Century Ltd.; Franbo Brave Ltd.; Franbo Bravo Ltd. ; Franbo Monica Shipping Ltd.; Franbo Wealth Shipping Ltd.

3. Remuneration paid to the Directors, Supervisors, President and Vice Presidents in the most recent year:

(1) Remuneration paid to Director (including Independent Director), Supervisor, President and Vice President in 2023

1. Remuneration to Directors (Including independent directors)

Unit: NT$1,000

Title	Name	Remuneration to directors (Note)								Sum of A, B, C and D; and proportion of net income after tax		Remuneration received by directors for concurrent service as employee								Sum of A, B, C, D, E, F and G; and proportion to Net income after tax		Remuneration received from invested companies other than Company subsidiaries or parent company
		Base compensation (A)		Retirement pay and pension (B)		Director profit-sharing compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)						
																The Company		All companies mentioned in the financial statements				
		The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	Cash	Stock	Cash	Stock	The Company	All companies mentioned in the financial statements	
Chairman	Representative of Prosperity Investment and Consulting Co., Ltd.: Tsai, Pang-Chuan	120	120	-	-	1,121	1,121	21	21	0.30%	0.30%	2,733	2,733	-	-	531	-	531	-	1.07%	1.07%	-
Director	Representative of Prosperity Investment and Consulting Co., Ltd.: Tsai, Ching-Chuang	120	120	-	-	1,121	1,121	21	21	0.30%	0.30%	2,295	2,295	103	103	425	-	425	-	0.96%	0.96%	-
Director	Shen, Yi-Wen	120	120	-	-	560.5	560.5	21	21	0.17%	0.17%	-	-	-	-	-	-	-	-	0.17%	0.17%	-
Director	Lo, Chun-Yu	120	120	-	-	560.5	560.5	21	21	0.17%	0.17%	-	-	-	-	-	-	-	-	0.17%	0.17%	-
Independent Director	Yen, Shu-Yang	70	70	-	-	265.5	265.5	24	24	0.08%	0.08%	-	-	-	-	-	-	-	-	0.08%	0.08%	-
Independent Director	Wu, Tien-Ming	120	120	-	-	560.5	560.5	39	39	0.17%	0.17%	-	-	-	-	-	-	-	-	0.17%	0.17%	-
Independent Director	Liu, Jung-Chin	120	120	-	-	560.5	560.5	39	39	0.17%	0.17%	-	-	-	-	-	-	-	-	0.17%	0.17%	-
Independent Director	Lin, Shih-Chuan	70	70	-	-	265.5	265.5	12	12	0.08%	0.08%	-	-	-	-	-	-	-	-	0.08%	0.08%	-
Independent Director	Tai, Chih-Tsung (note)	50	50	-	-	295.0	295.0	12	12	0.08%	0.08%	-	-	-	-	-	-	-	-	0.08%	0.08%	-

1. State the remuneration policy, system, standard, and structure of Independent Directors, and describe the remuneration amount in accordance with the responsibilities, risks, investment time and other factors:
According to the Articles of Incorporation of the Company and the method for payment of Directors' remuneration, the monthly remuneration of Director is stipulated to be NT$10,000 and the Directors' remuneration is determined by the Board of Directors after evaluating the operating performance and the results of Directors' performance evaluation for the current year.
2. Apart from the disclosure of the form above, the remuneration the Directors obtained by providing services for all the companies listed on the financial report in the most recent year at the parent Company/ all the companies/ reinvested business listed on the financial report: None.

Note: Independent director Tai, Chih-Tsung left office when his term expired on June 1, 2023.

Classification of Remuneration paid to Directors

Classification of Remuneration paid to directors	Director name(s)			
	Sum of the 4 Remunerations (A+B+C+D)		Sum of the 7 Remunerations ((A+B+C+D+E+F+G)	
	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements
Less than NT$1,000,000	Lo, Chun-Yu; Shen, Yi-Wen; Tai, Chih-Tsung; Wu, Tien-Ming; Liu, Jung-Chin; Yen, Shu-Yang; Lin, Shih-Chuan	Same as left	Lo, Chun-Yu; Shen, Yi-Wen; Tai, Chih-Tsung; Wu, Tien-Ming; Liu, Jung-Chin; Yen, Shu-Yang; Lin, Shih-Chuan	Same as left
At least NT$1,000,000 to less than NT$2,000,000	Prosperity Investment and Consulting Co., Ltd. Representative: Tsai, Pang-Chuan; Tsai, Ching-Chuang	Same as left	—	—
At least NT$2,000,000 to less than NT$3,500,000	—	—	—	—
At least NT$3,500,000 to less than NT$5,000,000	—	—	Prosperity Investment and Consulting Co., Ltd. Representative: Tsai, Pang-Chuan; Tsai, Ching-Chuang	Same as left
At least NT$5,000,000 to less than NT$10,000,000	—	—	—	—
At least NT$10,000,000 to less than NT$15,000,000	—	—	—	—
At least NT$15,000,000 to less than NT$30,000,000	—	—	—	—
At least NT$30,000,000 to less than NT$50,000,000	—	—	—	—
At least NT$50,000,000 to less than NT$100,000,000	—	—	—	—
NT$100,000,000 or more	—	—	—	—
Total	9 persons	9 persons	9 persons	9 persons

2. Supervisor remuneration: Not applicable.

3. Remuneration paid to the President and Vice Presidents:

Unit: NT$1,000

Title	Name	Salary (A)		Retirement pay and pension (B)		Rewards, and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A, B, C and D; and proportion of net income after tax (%)		Remuneration received from an invested company other than the Company's subsidiary or parent company
		The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company		All companies mentioned in the financial statements		The Company	All companies mentioned in the financial statements	
								Cash	Stock	Cash	Stock			
President	Tsai, Ching-Chuang	4,648	4,648	278	278	1,433	1,433	1,062	-	1062	-	7,421 1.75%	7,421 1.75%	-
Vice President	Wilson Lin													
Vice President	Tsai, Ping-Jui													

Classification of Remuneration paid to President and Vice Presidents

Classification of Remuneration paid to President and Vice Presidents	President and Vice President names	
	The Company	All companies mentioned in the financial statements
Less than NT$1,000,000	—	—
At least NT$1,000,000 to less than NT$2,000,000	—	—
At least NT$2,000,000 to less than NT$3,500,000	Wilson Lin; Tsai, Ping-Jui; Tsai, Ching-Chuang	Wilson Lin; Tsai, Ping-Jui; Tsai, Ching-Chuang
At least NT$3,500,000 to less than NT$5,000,000	—	—
At least NT$5,000,000 to less than NT$10,000,000	—	—
At least NT$10,000,000 to less than NT$15,000,000	—	—
At least NT$15,000,000 to less than NT$30,000,000	—	—
At least NT$30,000,000 to less than NT$50,000,000	—	—
At least NT$50,000,000 to less than NT$100,000,000	—	—
NT$100,000,000 or more	—	—
Total	3 persons	3 persons

4. Names of managerial officers with remuneration as employees and payment status:

Unit: NT$1,000

Title	Name	Stock	Cash	Total	Proportion to net profit after tax (%)
CEO	Tsai, Pang-Chuan	—	1,593	1,593	0.38%
President	Tsai, Ching-Chuang				
Vice President	Wilson Lin				
Vice President	Tsai, Ping-Jui				

(2) Analysis of the proportion of the total amount of compensation paid to directors, supervisors, president, and vice President of our Company and all companies in the consolidated financial statements in the past two years to the net profit after tax of parent company only or individual financial reports, and explanation of the policies, standards, and combinations for payment of compensation, the procedures for setting compensation, and the correlation with business performance and future risks:

1. Analysis of the proportion of total remuneration paid to the Company's directors, supervisors, president, and vice presidents in the consolidated financial statements in the last two years in the net profit after tax:

Unit: NT$1,000

Title	2022				2023			
	Total remuneration		As proportion of post-tax net profit (%)		Total remuneration		As proportion of post-tax net profit (%)	
	The Company	All companies mentioned in consolidated financial statements	The Company	All companies mentioned in consolidated financial statements	The Company	All companies mentioned in consolidated financial statements	The Company	All companies mentioned in consolidated financial statements
Director	21,481	21,481	1.67%	1.67%	12,516	12,516	2.95%	2.95%
President and vice presidents	8,946	8,946	0.70%	0.70%	7,421	7,421	1.75%	1.75%
Total	30,427	30,427	2.37%	2.37%	19,937	19,937	4.70%	4.70%

2. The policy, standard, and combination of remuneration, the procedure for setting remuneration and its relevance to operating performance and future risks:

(1) Policy, standard, and combination of payment of remuneration:

A. Directors receive monthly fixed remuneration in accordance with the resolution of the Board of Directors, and director remuneration is distributed based on the profit status of the year not exceeding 5% thereof in accordance with the Company's Articles of Incorporation.

B. The CEO and the President shall pay salaries and staff remuneration in accordance with the remuneration approved by the Board of Directors.

C. The salary of the Vice President is paid in accordance with the salary structure standard of the Company, and the salary of employees is based on the overall operating performance of the Company.

(2) Procedures for fixing remuneration:

The remuneration of directors and managers shall be assessed and determined periodically by the Remuneration Committee of the Company and submitted to the Board of Directors for approval.

(3) Relevance to business performance:

A. The Company's individual directors' participation level and contribution to value in the Company's operations are determined based on the director's personal performance and the self-evaluation results of the director's performance (including but not limited to the items of director's attendance rate, continuing education, participation level in operations, interaction with the management team, promotion of sustainable development, and the implementation of corporate governance).

B. Bonuses and remuneration to the CEO, president, and managers are evaluated and determined in accordance with the "Performance Evaluation Guidelines for Directors and Managers", covering the Company's operating performance results and individual performance results, including financial indicators (company revenue, net profit before tax, EPS, etc.) and non-financial indicators (the practice of the Company's core values, leadership, and management skills, operational management skills, continuing education, participation in sustainable management or other events with special contribution, etc.) and other key performance indicators to serve as the reference items for determining variable compensation.

(4) Relevance to future risks:

Important decisions made by the management of the Company will be made after considering different risk factors. The performance of these important decisions will be reflected in the profit situation of the Company, and then related to the salary of the management class; That is to say, the remuneration of directors, chairman, president, and vice presidents of the Company is related to the control performance and development trend of future risks of the industry, and the remuneration system is reviewed at any time in accordance with actual operating conditions and relevant laws and regulations.

4. Governance and operation of the Company

(1) Operation of the board of directors

1. The Board of Directors held meeting (A) 7 times in 2023, and the attendance of Directors and Supervisors is as follows:

Title	Name	Actual number of attendance (B)	Attend through proxy	Attendance rate (%) (B/A)	Remarks
Chairman	Prosperity Investment and Consulting Co., Ltd. Representative: Tsai, Pang-Chuan	7	0	100%	None
Director	Prosperity Investment and Consulting Co., Ltd. Representative: Tsai, Ching-Chuang	7	0	100%	None
Director	Lo, Chun-Yu	7	0	100%	None
Director	Shen, Yi-Wen	6	1	86%	None
Independent Director	Wu, Tien-Ming	7	0	100%	None
Independent Director	Liu, Jung-Chin	7	0	100%	None
Independent Director	Yen, Shu-Yang	5	0	100%	Newly appointed on June 1, 2023.
Independent Director	Lin, Shih-Chuan	4	1	80%	Newly appointed on June 1, 2023.
Independent Director	Tai, Chih-Tsung	2	0	100%	Left office when term expired on June 1, 2023.

Other matters to be recorded:

1. If the operation of the Board of Directors is under any of the following circumstances, the date and period of the Board of Directors' meeting, the proposal content, the opinions of all independent directors and the Company's handling of the opinions of the independent directors shall be stated:

   (1) Items listed in Article 14-3 of the Securities and Exchange Act: The Company has set up an Audit Committee, and the provisions of Article 14-3 of the Securities and Exchange Act are not applicable. For relevant information, refer to the operation of the Audit Committee in this annual report.

   (2) Except for the previously mentioned matters, other resolutions adopted by the Board of Directors that were objected by independent directors or on which independent directors reserved their opinions and that were recorded and declared in writing: The Company has no board resolutions to or of which independent directors object or have reserved opinions.

2. For executive circumstances for avoidance of Director from interested proposals, the name of the Director, the proposal content, reasons for avoidance from interested proposals, and the circumstances of participating in voting shall be stated:

Board meeting dates	Content of motions	Name of directors	Reasons for recusal and participation in the voting
2023/03/03	Discussion on the distribution of employee remuneration and director remuneration in 2022	Director Tsai, Pang-Chuan Director Tsai, Ching-Chuang	Recused themselves from voting on motion due to conflict of interest
2023/05/04	Discussion on the distribution of talent retention bonuses for managers in the first half of 2023		
2023/08/03	Discussion on the list of managers and the amount of the subscription for new shares through cash capital increase in 2023		
2023/11/08	Distribution of retention bonuses for managers in the second half of 2023		
2023/12/20	Discussion on estimated distribution of year-end		

	bonuses for managers		

3. TWSE/TPEx-Listed Companies shall disclose information such as the assessment cycle and period, assessment scope, method, and assessment content of the Board of Directors' self (or peers) assessment, and fill in the implementation of the Board of Directors' assessment:

Assessment cycle	Assessment period	Assessment scope	Assessment method	Assessment content
Implemented once a year	For Board of Directors Evaluation of the performance of January 1, 2023 - December 31, 2023	Operation of the Board of Directors	The deliberation unit of the Board of Directors collects relevant information for evaluation	1. Involvement in Company operations 2. Improving decision quality of Board of Directors 3. Composition and structure of the Board of Directors, 4. Election and continuing education of Directors 5. Internal control Overall average was 4.7
Implemented once a year	Evaluation of the performance of January 1, 2023 - December 31, 2023	Performance of individual Directors	Self-assessment by Directors	1. Involvement in Company operations 2. Mastery of the Company's objectives and tasks 3. Awareness of Directors' responsibilities 4. Internal relationship management and communication 5. Major and continuing education of Directors 6. Internal control Overall average was 4.8
Implemented once a year	Audit Committee evaluated the performance of January 1, 2023 - December 31, 2023	Auditor Committee	Self-assessment by Directors	1. Involvement in Company operations 2. Responsibilities awareness of functional committees 3. Improve the decision quality of Functional Committees 4. Composition and member selection of the Audit Committee 5. Internal control Overall average was 4.9
Implemented once a year	For Compensation Committee Evaluation of the performance of January 1, 2023 - December 31, 2023	Compensation Committee	Self-assessment by Directors	1. Involvement in Company operations 2. Responsibilities awareness of functional committees 3. Improve the decision quality of Functional Committees 4. Composition and member selection of the Compensation Committee 5. Internal control Overall average was 5.0

The results of this assessment have been submitted to the Board of Directors on March 7, 2024.

4. Objectives of strengthening the functions of the Board of Directors in the current year and the most recent year (such as setting up an Audit Committee, improving information transparency, etc.) and assessment of its implementation:

(1) The Company has an Audit Committee and a Compensation Committee comprising four independent directors to enhance the functions of the Board of Directors and to update relevant laws and regulations on corporate governance, which are disclosed at the Public Information Observatory.

(2) In order to diversify the legal liability risks of Directors, during the term of office of Directors, the

Company purchases Directors' liability insurance in accordance with their business scope and legal liability, and reviews the contents of the insurance policy every time to complete the renewal conditions.

(3) The Company was listed as an TWSE/TPEx-Listed Company in the 9th Corporate Governance Evaluation 36%-50%, showing normal performance in corporate governance.

(2) The operation of the Audit Committee or the participation of supervisors in the operation of the Board of Directors:

The Audit Committee of the Company is composed of 4 independent directors. The purpose of the Audit Committee is to assist the Board of Directors in the performance of its oversight of the quality and integrity of the Company in the implementation of the relevant accounting, auditing, financial reporting processes and financial controls.

The Audit Committee held six meetings in 2023, and the items under consideration mainly included:

- Auditing of financial statements and accounting policies and procedures.
- Internal control system and related policies and procedures.
- Significant asset transactions.
- Significant capital loan and endorsement guarantee.
- Whether there are related party transactions and possible conflicts of interest between managers and directors.
- Compliance with regulations and laws.
- Risk management of the Company.
- Qualifications, independence, and performance evaluation of certified public accountant.
- Appointment and remuneration of certified public accountant.
- The performance of the duties of the Audit Committee.

1. Review Financial Report:

The Board of Directors of the Company has prepared individual financial statements and consolidated financial statements, operating report and earnings distribution proposal for the year of 2023, in which the financial statements (including consolidated financial statements) for the year of 2023 have been audited by Certified Public Accountants Wang, Kuo-Hua Accountants and Liao, A-shen of PwC Taiwan and financial report is issued. After examination by the Audit Committee, there is no discrepancy between the lists made by the Board of Directors.

2. Assess the effectiveness of the internal control system:

The Audit Committee evaluated the effectiveness of the Company's internal control system policies and procedures (including financial, operational, risk management, information security, outsourcing, and compliance with laws and regulations controls) and reviewed the Company's audit department and Certified Public Accountant, as well as management's periodic reports, and concluded that the Company's risk management and internal control systems are effective and that the Company has adopted the necessary control mechanisms to monitor and correct infraction.

3. Implementation of proposals related to the appointment of certified public accountant:

Time of Audit Committee's meeting	Proposal content	Remarks
December 20, 2023	Proposal of the certified public accountant's independence evaluation.	

4. Operation of the Audit Committee

A total of 6 (A) Audit Committee meetings were held in 2023. The attendance of independent directors is as follows:

Title	Name	Actual number of attendance (B)	Attend through proxy	Attendance rate (%) (B/A)	Remarks
Independent Director	Liu, Jung-Chin	6	-	100%	
Independent Director	Wu, Tien-Ming	6	-	100%	
Independent Director	Yen, Shu-Yang	4	-	100%	Newly appointed on June 1, 2023.
Independent Director	Lin, Shih-Chuan	4	-	100%	Newly appointed on June 1, 2023.
Independent Director	Tai, Chih-Tsung	2	-	100%	Left office when term expired on June 1, 2023.

Other matters to be recorded:

1. If the Audit Committee operates under any of the following circumstances, the following shall be stated: the date and period of the Audit Committee meeting, the proposal content, the content of items which independent directors react against, reserve opinions on or have major recommendations on, the results of the Audit Committee's resolutions and the Company's handling of the Audit Committee's opinions:
   (1) The matters listed in Paragraph 5, Article 14 of the Securities and Exchange Act.
   (2) Except for the previously mentioned matters, other matters that have not been approved by the Audit Committee but have been approved by more than two-thirds of all directors of Board of Directors.

Audit Committee meeting date	Session	Content of motions and follow-up processing	Matters set forth in §14-5 of the Securities and Exchange Act	Matters not approved by the Audit Committee but resolved by the Board of Directors with the consent of two thirds or more of all the directors
2023/03/03	1st session of 2023	■ Distribution of employee remuneration and director remuneration for 2022. ■ Final accounting books and statements for 2022. ■ Earnings distribution for 2022. ■ Determination on the ex-dividend base date for the Company's distribution of shareholder dividends in 2023, as well as the suspension of conversion period for convertible corporate bonds and other related matters. ■ The subsidiary's greenhouse gas emission inventory and planning of the verification schedule. ■ Determination on the base date for the issuance of new shares converted from the Company's fifth domestic unsecured convertible corporate bonds.	✓	None

		■ Review of the Company's 2022 Effectiveness Assessment of the Internal Control System and the Internal Control System Statement. ■ Partial revisions and newly added provisions of the Company's guidelines and procedures. ■ Revision of the Endorsement and Guarantee Operating Procedures. ■ Revision of the Operating Procedures for Lending Funds to Others. ■ Revision of the Operating Procedures for Lending Funds to Others by the subsidiary Franbo Asset Management Co., Ltd.		
2023/03/03	1st session of 2023	■ Retroactive recognition of the interim earnings distribution by the subsidiary Uni-Morality Lines Limited. ■ Earnings distribution and loss appropriation of the Group's wholly-owned subsidiaries and sub-subsidiaries in 2022. ■ Capital reduction by the sub-subsidiary Dexin Shipping S.A. ■ Capital reduction by the subsidiary New Lucky Lines S.A. ■ Cancellation of lending limits by the subsidiaries and sub-subsidiaries. ■ Newly added lending limits by the subsidiaries and sub-subsidiaries. ■ The Company's newly added investment in the 100%-owned subsidiary Franbo Asset Management Co., Ltd. in the amount of NT$150,000,000. ■ The sub-subsidiary FB Propriety Construction and Development Co., Ltd. purchased additional land surrounding Lingzhou Section, Lingya District of Kaohsiung City for the dangerous and old buildings investment project, and re-evaluated the planning. ■ The Company's subsidiary Franbo Asset Management Co., Ltd. re-invested in the establishment of a new company to invest in the land development project of Datong Section, Luzhu District of Kaohsiung City. ■ Pre-approval of non-assurance services provided by certified public accountants, their firms and affiliates with the firms to the Company and its subsidiaries.		
2023/05/04	2nd session of 2023	■ Consolidated financial report for the first quarter of 2023. ■ Undertaking the issuance of new shares through cash capital increase, and the issuance of the sixth domestic unsecured convertible corporate bonds to raise funds. ■ Distribution of talent retention bonuses for managers for the first half of 2023. ■ Partial revisions of the internal control system. ■ Determination on the base date for the issuance of new shares converted from the Company's fifth domestic unsecured convertible corporate bonds. ■ Capital reduction by the subsidiary New Lucky Lines S.A. ■ The subsidiary New Lucky Lines S.A. re-invested in its wholly-owned sub-subsidiary for the sub-subsidiary to purchase the ship. ■ The subsidiary's cancellation of lending limits. ■ Newly added lending limits by the subsidiaries and sub-subsidiaries.	✓	None

		■ The interim cash capital reduction by the sub-subsidiaries Franbo ACE Limited and Franbo ART Limited. ■ The sub-subsidiary FB Integrity Real Estate Development Co., Ltd. invested in the land development project of Bao'an Section, Luzhu District of Kaohsiung City. ■ Change in the amount of equity investment in the Company and its subsidiaries.		
2023/07/07	3rd session of 2023	■ Change in the sub-subsidiary's application to Mega International Commercial Bank for ship financing loan. ■ Lowering the endorsement and guarantee limit for ship financing loans to the sub-subsidiaries Franbo Ace Limited and Franbo Art Limited. ■ The sub-subsidiary Franbo Sino Limited's disposal of its ship Lauren Ocean. ■ Change in the land development project of Datong Section, Luzhu District of Kaohsiung City by the sub-subsidiary FB Integrity Real Estate Development Co., Ltd. ■ The subsidiary's cancellation of lending limits. ■ The sub-subsidiary's newly added lending limits.	✓	None
2023/08/03	4th session of 2023	■ Consolidated financial report for the second quarter of 2023. ■ The list of managers and the amount of the subscription for new shares through cash capital increase in 2023. ■ Partial revisions of the guidelines and procedures. ■ Determination on the base date for the issuance of new shares converted from the Company's fifth domestic unsecured convertible corporate bonds. ■ Capital reduction by the subsidiary New Lucky Lines S.A. ■ Newly added lending limits by the subsidiaries and sub-subsidiaries. ■ Adjustment in the equity structure of the sub-subsidiary Franbo Wind S.A. ■ Change in the shareholding structure of the invested sub-subsidiary Franbo Wind S.A. ■ Change in the land development project for Ziqiang Section, Hunei District of Kaohsiung City by the sub-subsidiary Cheng Yi Construction Development Company.	✓	None
2023/11/08	5th session of 2023	■ Consolidated financial report for the third quarter of 2023. ■ Cash capital increase of the sub-subsidiary Franbo Century Limited. ■ Capital reduction of the subsidiary FWF Shipping Limited. ■ Cancellation of lending limits by the Company, the subsidiaries and sub-subsidiaries. ■ Newly added lending limits by the Company, the subsidiaries and sub-subsidiaries. ■ Distribution of talent retention bonuses for managers in the second half of 2023.	✓	None
2023/12/20	6th session of 2023	■ Discussion on the 2024 operating plan. ■ Discussion on the 2024 audit plan. ■ Independence assessment of attesting accountants. ■ The sub-subsidiary Franbo Sagacity S.A.'s disposal of its ship STL Harvest.	✓	None

			■ The sub-subsidiary's handling of interim earnings distribution, cash capital reduction and closing of the deposit account. ■ The sub-subsidiary Franbo Uprightness Corp.'s handling of the liquidation operations. ■ The sub-subsidiary TW Hornbill Line S.A's handling of the interim earnings distribution. ■ The sub-subsidiary Franbo Cosmos Limited 's handling of the interim capital reduction. ■ The subsidiary New Lucky Lines S.A. 's undertaking of an interim capital reduction. ■ The subsidiary FWF Shipping Limited's purchase of the equity in Franbo Transportation S.A. – the 100%-reinvested sub-subsidiary of New Lucky Lines S.A. ■ Cancellation of lending limits by the subsidiaries and sub-subsidiaries. ■ Newly added lending limits by the subsidiaries and sub-subsidiaries. ■ Estimated distribution of year-end bonuses for managers in 2023.		
2024/03/07	1st session of 2024	■ Distribution of employee remuneration and director remuneration for 2023. ■ Final accounting books and statements for 2023. ■ Earnings distribution for 2023. ■ Determination on the base date for the issuance of new shares converted from the Company's fifth domestic unsecured convertible corporate bonds. ■ Review of the Company's 2023 Effectiveness Assessment of the Internal Control System and the Internal Control System Statement. ■ Revision of the Company's Articles of Incorporation. ■ Partial revisions and newly added provisions of the Company's guidelines and procedures. ■ Earnings distribution and loss appropriation of the Group's wholly-owned subsidiaries and sub-subsidiaries in 2023. ■ Capital increase of the sub-subsidiary Franbo Bright Limited. ■ Revision of the Articles of Incorporation and capital increase of the subsidiary Franbo Asset Management Co., Ltd. ■ Revision of the Articles of Incorporation and cash capital increase of the sub-subsidiary FB Propriety Construction and Development Co., Ltd. ■ The sub-subsidiary proposed an improvement plan due to its lending of funds exceeding the limit. ■ Cancellation of lending limits by the Company, the subsidiaries and sub-subsidiaries. ■ Newly added lending limits by the subsidiaries and sub-subsidiaries. ■ The subsidiary re-invested in the establishment of a sub-subsidiary. ■ Changes in the organization of the ESG Sustainability and Greenhouse Gas Inventory Committee and the establishment of the Risk Management Committee (including the TCFD task force).	✓	None

2. For the implementation status of an independent director recusing him/herself from motions with conflicts of interest, state clearly the name of the independent director, the content of the motion, the reasons for his/her recusal and his/her participation in the voting: There are no circumstances of conflicts of interest in the Company's independent directors where they should recuse themselves from the motion concerned.

3. Communication status (should include the Company's finance, business status, significant matters being communicated on, the communication methods and results, etc.) between independent directors and internal audit supervisors as well as accountants:

Depending on the needs of the agenda content, the Company invites certified public accountants to attend the Audit Committee meeting to conduct a consultation and provide professional opinions on issues relating to financial accounting. It also provides communication channels between independent directors and certified public accountants for independent directors to consult a consultation at any time.

Communication status between independent directors and internal audit supervisors:

The Company's internal audit unit submits a photocopy of the audit report to each independent director for review every month. The audit supervisor also participates in the quarterly board meeting reporting on the content of audit work, and prepares a report on audit matters to be submitted to each independent director.

In 2023 and as of the date of publication of the annual report, the excerpts of the main communication matters at separate meetings between the independent directors and the audit supervisor are as follows:

Date of board meeting	Communication content	Suggestions and results
2023/03/03	1. Report on the audit implementation for the fourth quarter of 2022 and the first quarter of 2023. 2. Report on the 2022 internal control self-assessment results report 3. 2022 Internal Control System Statement. 4. Explaining the Company's policies and procedures related to the revision of internal controls. 5. Explaining the latest regulatory changes and their impact on Franbo Lines. 6. Explaining the regulatory changes in the most recent year, among which the capital amount exceeds NT$2 billion, and matters that should be handled in 2023.	1. Passed as proposed after deliberation. 2. Passed as proposed after deliberation. 3. Passed as proposed after deliberation. 4. Passed as proposed after deliberation. 5. Acknowledged with consent. 6. Acknowledged with consent.
2023/08/03	1. Report on the audit implementation for the first and second quarters of 2023 as well as the audit deficiencies improvement tracking report for the first and second quarters. 2. Explaining the regulatory changes and their impact on Franbo Lines. 3. Explaining the regulatory changes in the most recent year, among which the capital amount exceeds NT$2 billion, and matters that should be handled in 2023.	1 Passed as proposed after deliberation. 2. Acknowledged with consent. 3. Acknowledged with consent.
2023/12/20	1. Report on the audit implementation for the third and fourth quarters of 2023. 2. Explaining the 2024 audit plan based on the risk assessment results. 3. Explaining the regulatory changes and their impact on Franbo Lines. 4. Explaining the regulatory changes in the most recent year, among which the capital amount exceeds NT$2 billion, and matters that should be handled in 2023	1. Passed as proposed after deliberation. 2. Passed as proposed after deliberation. 3. Acknowledged with consent. 4. Acknowledged with consent.

2024/03/07	1. Report on the audit implementations for the fourth quarter of 2023 and first quarter of 2024 as well as the audit deficiencies improvement tracking report for the fourth quarter of 2023. 2. Report on the 2023 internal control self-assessment results 3. Report on the 2023 internal control system statement. 4. Explaining the Company's policies and procedures related to the revision of the internal controls. 5. Explaining the quarterly tracking of the implementation progress of the Company's and its subsidiaries' Greenhouse Gas Inventory and Verification Schedule Planning and the 2023 ESG Report Work Schedule Planning on the consolidated financial reports. 6. Explaining the latest regulatory changes and their impact on Franbo Lines.	1. Passed as proposed after deliberation. 2. Passed as proposed after deliberation. 3. Passed as proposed after deliberation. 4. Passed as proposed after deliberation. 5. Acknowledged with consent. 6. Acknowledged with consent.

(3) Implementation Status of Corporate Governance as required for company, and deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof

Evaluation item	Implementation Status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
1. Does the Company formulate and disclose the code of practice on corporate governance in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	✓		On December 24, 2021, the Board of Directors of the Company approved the Code of Corporate Governance Practices in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and disclosed it on the Company's website and the Market Observation Post System.	No significant differences
2. The Company's shareholding structure and shareholders' equity				
(1) Does the Company establish internal operating procedures for handling shareholders' suggestions, doubts, disputes, and litigation matters, and implement them in accordance with the procedures?	✓		(1) The Company has set up a spokesperson, a deputy spokesperson and a unit for stock affairs to handle issues such as Shareholders' proposals or disputes.	No significant differences
(2) Does the Company obtain a list of the major Shareholders and the ultimate controllers of the major shareholders who effectively control the Company?	✓		(2) The Company shall keep track of the shareholdings of Directors, Managers and major Shareholders holding more than 10% of the shares, and shall report changes in their shareholdings on a regular basis in accordance with the law.	No significant differences
(3) Does the Company establish and implement a risk control and firewall mechanism with its related companies?	✓		(3) The Company's Board of Directors audits the operating procedures between the Company and its affiliates, and the audit unit implements internal control measures to ensure risk control and compliance with laws and regulations.	No significant differences
(4) Does the Company establish internal regulations to prohibit insiders from trading securities using unpublished information in the market?	✓		(4) The Company has established the Procedures for Internal Handling of Material Information and Prevention of Insider Trading to ensure that all employees, Managers and Directors follow the procedures for handling and controlling material financial and business information of the Company to avoid the possibility of inadvertent violations and insider trading.	No significant differences

3. Composition and responsibilities of the Board of Directors (1) Does the Board of Directors formulate a diversity policy, and specific management objectives and implement them with respect to the composition of its members?	✓		(1) Diversification policy and implementation: 1. Diversification policy: Please refer to the Board Diversity and Independence information on Page 15 of this annual report for information on the diversity and independence of the Board of Directors and its implementation. 2. Specific management objectives: The Company's Board of Directors guides the Company's strategies, supervises the management, and is responsible to the Company and shareholders. All operations and arrangements of its corporate governance system play the role of ensuring that the Board of Directors exercises its powers in accordance with laws and regulations, the Company's Articles of Incorporation, or the resolutions of the shareholders' meeting. At least one fifth of the Board of Directors members shall be represented by experts. The directors of the Company all have the necessary knowledge, skills, literacy, as well as industrial decision-making and management capabilities to perform duties. The Company also continues to arrange diversified continuing education courses for board members to improve their decision-making quality and enhance supervisory skills, thereby strengthening the functions of the Board of Directors. In addition, the Company also pays attention to gender equality in the composition of the Board of Directors, with the goal of having at least one female director accounting for 20% or more of the total board seats. 3. Implementation of diversity among board members: The Company's Board of Directors consists of 8 directors, including 4 non-independent directors and 4 independent directors, among which there are 2 female directors and 2 expert directors, and all the 8 directors are nationals of the Republic of China. The Company's Board of Directors as a whole has possessed: operational judgment, accounting, and financial analysis, business management, crisis management, industry knowledge, international market outlook, leadership, decision-	No significant differences

			making and other capabilities; the board members also have industrial experience and professional capabilities: 4 directors in transportation management, 1 director with experience in the steel industry, 7 directors in finance and banking, 1 director in service and marketing, 4 directors in professional legal affairs, 1 director in professional accounting / finance, and 8 directors in risk management. The policy that diversity should be considered in the composition of the Board of Directors stipulated in the Company's Corporate Governance Code has been implemented. 4. The Board of Directors' policy on diversity of membership and its implementation is disclosed on the Company's website and the Market Observation Post System, and is explained on Pages 15-16.	No significant differences
(2) Does the Company voluntarily set up functional committees other than the Compensation Committee and Audit Committee in accordance with the law?		✓	(2) Except for the establishment of the Salary and Compensation Committee in accordance with the law and the voluntary establishment of the Audit Committee on June 23, 2017, the rest of the Company's corporate governance operations are under the responsibility of each department in accordance with its duties, and no other functional committees have been established and will be evaluated for establishment in the future as necessary.	No significant differences
(3) Does the Company establish measures for assessing the performance of the board of directors and its assessment way, and conduct performance assessment annually and regularly, and submit the results of the performance assessment to the board of directors and take them as reference for individual directors' compensation and nomination for reappointment?	✓		(3) The Company's Board of Directors approved the Board of Directors' Performance Evaluation Method, and the main performance evaluations include the following: 1. Involvement in Company operations 2. Improving decision quality of Board of Directors 3. Composition and structure of the Board of Directors, 4. Election and continuing education of Directors 5. Internal control In order to implement the corporate governance, the performance evaluation report of the Board of Directors, individual directors and functional staff has been completed in the first quarter of 2024 in accordance with the Performance Evaluation of the Board of Directors established by the Company. Please refer to Pages 22-24 for the details of the Board of Directors' evaluation for 2023.	

(4) Does the Company regularly assess the independence of the certified public accountants?	✓		(4) The Company's Accounting Department regularly evaluates the independence of the certified public accountant once a year and submits the results to the Audit Committee on December 20, 2023 and the Board of Directors on December 20, 2023 for consideration and approval. The Accounting Department of the Company assessed that the PwC Taiwan certified public accountants, Wang, Kuo-Hua and Liao, A-Shen, met the Company's independence assessment standards and the accounting firm issued a statement of independence.	No significant differences
4. Does the TWSE/TPEx-Listed Company allocate a competent and appropriate number of corporate governance personnel, and designate a head of corporate governance to be responsible for matters related to corporate governance (including but not limited to providing data required by directors and Supervisors to carry out business, assisting directors and Supervisors in complying with laws and regulations, handling matters related to meetings of the board of directors and shareholders in accordance with the law, and preparing minutes of meetings of the board of directors and shareholders)?	✓		Approved by resolution of the Company's Board of Directors' meeting on November 4, 2022, the Accounting and Financial Head, Wilson Lin, as the Head of Corporate Governance. In addition, the Company arranges a Corporate Governance Officer in the Finance Department, who is not only responsible for the convening of meetings of the Board of Directors, functional committees and ordinary shareholders' meetings and prepares minutes in accordance with regulations, but also assists directors in their appointment and continuing education, provides information necessary for directors to perform their duties, and assists directors in complying with laws and regulations.	No significant differences
5. Does the Company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholder section on the company's website, and properly respond to important corporate social responsibility issues concerned by stakeholders?	✓		The Company arranges a spokesperson and a proxy spokesperson, and provides e-mail addresses and telephone numbers to establish communication channels with stakeholders. The Company has set up a stakeholder area on its website, and has appropriately responded to important Corporate Social Responsibility issues concerned by stakeholders.	No significant differences
6. Does the Company appoint a professional stock affairs agency to handle the affairs of the shareholders' meeting?	✓		The Company appointed a stock affairs agency, the department of stock affairs in Grand Fortune Securities Co., Ltd., to act for the Company on different stock matters.	No significant differences
7. Information disclosure (1) Does the Company set up a website to disclose financial business and corporate governance information?	✓		(1) The Company's website is http://www.franbo.com.tw/, which regularly discloses the Company's relevant information and annual reports, and a spokesperson releases material information to the public in accordance with the law.	No significant differences No significant differences

(2) Does the Company adopt other methods of information disclosure (such as setting up an English website, appointing a person to be responsible for the collection and disclosure of the Company's information, implementing the spokesperson system, and posting information about the conference call on the Company's website, etc.)?	✓		(2) The Company has established a spokesperson system in accordance with the regulations, and has designated personnel responsible for the collection and disclosure of corporate information on the Market Observation Post System and the Company's website.	
(3) Does the Company announce and report the annual financial report within two months after the end of the fiscal year, and announce and report the financial reports of the first, second, and third quarters and the operation of each month in advance before the specified time limit?	✓		(3) The Company files its annual financial report within the prescribed time limit, announces, and files the first, second, and third quarter financial reports as well as monthly revenue in advance before the prescribed time limit. For the aforementioned information, refer to the Market Observation Post System.	Although the Company did not announce and file the annual financial report within two months after the end of the fiscal year in advance, it completed all the relevant filings within the time limit in compliance with the law and regulations.
8. Does the Company have other important information that is helpful to understand the operation of corporate governance (including but not limited to the rights and interests of employees, employee care, investor relations, supplier relations, the rights of stakeholders, the further education of directors and Supervisors, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, the purchase of liability insurance by the Company for directors and Supervisors, etc.)?	✓		(1) Employee rights and employee care: The Company establishes work rules and personnel regulations in accordance with government labor laws and regulations. To ensure the protection of employees' rights and interests, in addition to enhancing the welfare of employees, the Company also provides employees with additional group insurance coverage, strengthens the establishment of interactive communication and provides multiple channels for complaints. (2) Investor relations and supplier relations: 1. We disclose sufficient information through the Market Observation Post System and the Company's website for investors to fully understand the Company's operations, and communicate with investors through shareholders' meetings and spokespersons. 2. We establish partnerships with suppliers based on the principle of equality and mutual benefit to establish a stable supply chain. (3) Rights of interested parties: 1. Responsibility to customers: The Company provides safe and high quality services, values customer opinions, and takes immediate measures to address customer complaints to meet customer needs. 2. Shareholder responsibility: The Company's goal is to fully protect the rights of shareholders. (4) Directors' further education:	No significant differences

			The Company complies with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies stipulated by Taiwan Stock Exchange Corporation. Please refer to page 38 for the relevant status of further education. (5) Implementation of risk management policies and risk measurement standards: The Company focuses on its own business and establishes operational regulations and internal control systems to reduce risks, in accordance with laws and regulations and based on business activities, and holds a Board of Directors meeting at least once a quarter to supervise the Company's operations and risk management. Information on risk management is disclosed on pages 241–246. (6) Implementation of the Customer Policy: The Company's goal is to provide safe and high quality ship safety management by complying with the relevant regulations of IMO and Flag State's government to implement ship safety, security, and environmental management. (7) The Company's purchase of liability insurance for directors and managers: The Company has taken out liability insurance for directors during their term of office for their legal liability in the scope of their performance of duties in order to reduce and disperse the risk of significant damage to the Company and shareholders due to errors or negligence by directors. The contents of the liability insurance are also notified of to the Company's directors. The Company has renewed the liability insurance for directors and managers in April 2023, with an insurance amount of US$750,000. It was reported to the Board of Directors on May 4, 2023, and relevant information was announced on the Market Observation Post System.	
9. State the improvement of the corporate governance in accordance with assessment results released by the Corporate Governance Center of the Taiwan Stock Exchange in the most recent year, and put forward priorities and measures for those that have not been improved. The Corporate Governance Assessment is an important item in the Enhanced Corporate Governance Blueprint, and the Corporate Governance Center has been conducting a comprehensive assessment of all listed companies since 2014. The Company ranked 36%-50% of the TWSE/TPEx-Listed companies in the 9th Corporate Governance Assessment, indicating that it is performing normally in corporate governance.				

Directors' further education for the year 2023:

The term of office of the current directors: June 1, 2023 —May 31, 2026

Title	Name	Date for further education	Organizer	Course name	Further education hours	Whether the further education meets the requirements or not
Corporate Director Representative	Tsai, Pang-Chuan	July 26, 2023	Accounting Research and Development Foundation	Sustainable Development Action Plan for TWSE/TPEx Listed Companies Related ESG Information Disclosure Trends and Norms	3	Yes
		December 15, 2023	Corporate Organization Association	Regulatory Compliance Practices of Board of Directors, Legal Responsibilities of Directors and Supervisors, and Case Studies	3	Yes
Corporate Director Representative	Tsai, Ching-Chuang	November 7, 2023	Taiwan Securities Association	Discussion on Common Deficiencies in Review of Financial Statements and Related Regulatory Practices	3	Yes
		November 2, 2023	Taiwan Academy of Banking and Finance	Corporate Governance and Corporate Sustainability Workshop	3	Yes
Director	Lo, Chun-Yu	May 22, 2023	Taiwan Stock Exchange	2023 Advocacy Meeting on Sustainable Development Action Plan for TWSE/TPEx Listed Companies	3	Yes
		November 7, 2023	Taiwan Securities Association	Discussion on Common Deficiencies in Review of Financial Statements and Related Regulatory Practices	3	Yes
Director	Shen, Yi-Wen	May 22, 2023	Taiwan Stock Exchange	2023 Advocacy Meeting on Sustainable Development Action Plan for TWSE/TPEx Listed Companies	3	Yes
		November 7, 2023	Taiwan Securities Association	Discussion on Common Deficiencies in Review of Financial Statements and Related Regulatory Practices	3	Yes
Independent Director	Yen, Shu-Yang	April 12, 2023	Taiwan Academy of Banking and Finance	Corporate Governance Lecture	3	
		May 11, 2023	Taiwan Corporate Governance Association	Important Issues and Practical Sharing on Industrial and Commercial Regulations	3	Yes
		May 22, 2023	Taiwan Stock Exchange	Advocacy Meeting on Sustainable Development Action Plan for TWSE/TPEx Listed Companies	3	Yes
		November 2, 2023	Taiwan Academy of Banking and Finance	Corporate Governance and Corporate Sustainability Workshop	3	Yes
Independent Director	Wu, Tien-Ming	August 24, 2023	Taipei Exchange	Advocacy and Briefing on Insider Equity in TPEx Regular/Emerging Listed Companies	3	Yes
		November 7, 2023	Taiwan Securities Association	Discussion on Common Deficiencies in Review of Financial Statements and Related Regulatory Practices	3	Yes

Independent Director	Liu, Jung-Chin	May 24, 2023	Taiwan Corporate Governance Association	Material Information Disclosure and Insider Trading Prevention	3	Yes
		November 9, 2023	Taiwan Corporate Governance Association	What Directors Should Know About Geostrategy and Sustainability Disclosure Standards	3	
Independent Director	Lin, Shih-Chuan	July 26, 2023	Accounting Research and Development Foundation	Sustainable Development Action Plan for TWSE/TPEx Listed Companies Related ESG Information Disclosure Trends and Norms	3	Yes
		August 24, 2023	Taipei Exchange	Advocacy and Briefing on Insider Equity in TPEx Regular/Emerging Listed Companies	3	Yes
		November 2, 2023	Taiwan Academy of Banking and Finance	Corporate Governance and Corporate Sustainability Workshop	3	Yes
		November 25, 2023	Accounting Research and Development Foundation	Establishing ESG Sustainability Strategies to Enhance Competitiveness	3	Yes

(4) Composition, duties, and operations of the Compensation Committee:

1. Information on the members of the Compensation Committee:

Identity level / Conditions / Name		Professional qualification and experience	Independence	The number of public offering companies which he/she concurrently works for as a member of the Compensation Committee
Independent Director (Convener)	Yen, Shu-Yang(Reappointed on June 1, 2023.)	Note	Note	1
Independent Director	Wu, Tien-Ming	Note	Note	-
Independent Director	Liu, Jung-Chin	Note	Note	1
Independent Director(Convener)	Tai, Chih-Tsung(Left office when term expired on June 1, 2023.)	Note	Note	-

Note : Please refer to page 14 for relevant information on Information Disclosure of Directors' Qualifications and Independent Directors' Independence.

2. Operation of the Compensation Committee:

(1) The Compensation Committee of the Company consists of 3 members.

(2) Operation basis: In accordance with the organizational regulations of the Compensation Committee, the relevant information is immediately reported on the information reporting website designated by the competent authority.

(3) The current term of the members: June 1, 2023 to May 31, 2026, and the Compensation Committee met (A) five times in the most recent year (2022), with the following attendance of members:

Title	Name	Actual number of attendance (B)	Attend through proxy	Attendance rate (%)(B/A)	Remarks
Convener	Yen, Shu-Yang (Reappointed on June 1, 2023.)	3	0	100%	Scope of functions: 1. Formulate and regularly review performance evaluation of directors and managers as well as the policies, systems, standards, and structures of salary and remuneration. 2. Regularly evaluate and determine the salary and remuneration of directors and managers.
Convener	Tai, Chih-Tsung (Left office when term expired on June 1, 2023.)	2	0	100%	
Member	Wu, Tien-Ming	5	0	100%	
Member	Liu, Jung-Chin	5	0	100%	

Other matters to be recorded:

1. If the board of directors does not adopt or amend the recommendations of the Compensation Committee, the date and period of meeting of the board of directors, the content of the proposal, the results of the resolution of the board of directors, and the Company's handling of the opinions of the Compensation Committee shall be stated (if the compensation passed by the board of directors is superior to that suggested by Compensation Committee, the differences and reasons shall be stated): None.
2. If the resolutions adopted by the Compensation Committee are objected to by the members or on which the members reserve their opinions and that are recorded and declared in writing, the date and period of the Compensation Committee meeting, the content of the proposal, the opinions of all members and the handling of the opinions of members shall be stated: None.

(4) The Compensation Committee operates as follows:

Date of the meeting	Proposal content	Resolution results	The Company's Handling of the Compensation Committee's Opinions
2023/02/20	1. Evaluation standards for performance evaluation of directors and managers, the policies, systems, standards, and structures of salary and remuneration, as well as the relevancy and reasonableness for 2022. 2. Review of performance evaluation indicators of the Company's Board of Directors. 3. Distribution of the Company's employee remuneration and director remuneration for 2022.	Approved by all members of the Compensation Committee.	Approved by all directors attending the Board of Directors' Meeting on March 3, 2023.
2023/04/19	1. Remuneration distribution plan for employees (including managers) and directors in 2022. 2. Distribution of talent retention bonuses for managers in the first half of 2023.	Approved by all members of the Compensation Committee.	Approved by all directors attending the Board of Directors' Meeting on May 4, 2023.
2023/07/21	1. List of managers and the amount of the subscription for new shares through cash capital increase in 2023 2. Salary guidelines (revised), the salary adjustment plan for employees with seniority of 25 years (newly added) are applicable to all employees, including managers.	Approved by all members of the Compensation Committee.	Approved by all directors attending the Board of Directors' Meeting on Aug. 3, 2023.
2023/10/24	Distribution of talent retention bonuses for managers in the second half of 2023.	Approved by all members of the Compensation Committee.	Approved by all directors attending the Board of Directors' Meeting on Nov. 8,

			2023.
2023/12/06	Estimated distribution of year-end bonuses for managers in 2023.	Approved by all members of the Compensation Committee.	Approved by all directors attending the Board of Directors' Meeting on Dec. 20, 20223.
2024/02/26	1. Evaluation standards for performance evaluation of directors and managers, the policies, systems, standards, and structures of salary and remuneration, as well as the relevancy and reasonableness for 2023. 2. Review of performance evaluation indicators of the Company's Board of Directors. 3. Distribution of the Company's employee remuneration and director remuneration for 2023. 4. Promotion and compensation for the director of the Company's president's office. 5. Distribution of talent retention bonuses for managers in the first half of 2024.	Approved by all members of the Compensation Committee.	Approved by all directors attending the Board of Directors' Meeting on Mar. 7, 2024.

(5) Implementation status of the promotion of sustainable development, deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof:

Evaluation item	Operation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
1. Has the Company established a governance framework to advocate sustainable development and set up a dedicated (concurrently) unit, which is headed by a senior executive at the authorization of the Board and is supervised by the Board, to advocate sustainable development?	✓		The Company established the Sustainable Development Committee in December 2021. The chairman serves as the chief commissioner, and the president and two vice presidents serve as the secretaries-general. The management department is in charge of promoting a dedicated unit for sustainable development, which was approved by the Board of Directors on March 4, 2022; and reported on the work progress report for 2023 to the Board of Directors and the Sustainable Development Committee on December 20, 2023, the content of which includes climate-related financial disclosures (TCFD), stakeholder communication and major topics, greenhouse gas inventory implementation progress, risk management implementation status, etc. Due to needs for implementation, the organizational structure of the Sustainable Development Committee was changed and was submitted to the Board of Directors for approval on March 7, 2024; a total of 3 advocacy and education training sessions relating to ESG sustainable development and greenhouse gas inventory were held in 2023.	No significant differences
2. Does the Company conduct risk assessment on environmental, social, and corporate governance issues related to the Company's operations, and has the Company established the relevant risk management policies or strategies based on the materiality principle?		✓	The Company has established the Risk Management Committee in March 2024, with the president serving as the chief commissioner; the organizational structure is divided into four groups: regulatory risk, operating risk, environmental risk (including TCFD), and financial risk. Each unit identified a total of 13 existing or potential risks based on operational, financial, social, environmental, and corporate governance operational risks. Through risk measurement, risk response, risk monitoring, information, and communication, management risks and mitigation	No significant differences

			response strategies were proposed and submitted to the Sustainable Development Committee for review to serve as the Company's risk management in 2023.	
3. Environmental Issues (1) Has the Company established an appropriate environmental management system in accordance with its industrial characteristics?	✓		(1) The Company and the entire fleet are implementing measures to prevent environmental pollution in accordance with the ISM code and MARPOL regulations. Establishment of pollution prevention systems in each ship, including air pollution, water pollution, oil pollution and waste management systems, to strictly implement environmental protection policies. The relevant environmental management policies are publicly disclosed in the Franbo Sustainability Report.	In 2023, the Company began to write our first Franbo Lines ESG Sustainability Report in accordance with the Financial Supervisory Commission's Corporate Governance 3.0 and disclosed the relevant measures taken by the shipping industry in response to the marine environmental protection requirements of the International Maritime Organization (IMO) as well as GRI 302 and GRI305 energy and emission environmental management. No significant difference
(2) Has the Company made effort to enhance the efficient use of energy and used regenerated materials that have a low impact on the environment?	✓		(2) The Shipping Department of the Company shall be responsible for establishing or revising regulations in line with the maintenance of the marine environment, and the personnel of the relevant departments shall implement measures related to environmental management, such as waste oil recovery and discharge of waste oil into the sea after separation, in order to reduce the negative impact on the environment. The possibility of pollution in the office is low, and employees follow the rules to turn off lights and air conditioning to effectively save energy, promote e-business to effectively reduce the use of paper and related consumables, remind employees to use non-disposable eating utensils and implement waste separation and recycling.	

(3) Has the Company assessed the potential current and future risks and opportunities from climate change for the Company, and has the Company taken countermeasures to address the issues?	✓		(3) The Group is in the maritime transportation industry, and the Company's offices will control the temperature of the air conditioners in accordance with the seasonal changes to reduce unnecessary waste of resources. The Company's fleet follows the (Ship Energy Efficiency Management Plan, SEEMP) issued by the IMO to optimize speed for different voyages in order to reduce energy consumption costs and environmental pollution for our customers.	No significant differences
(4) Has the Company compiled statistics on greenhouse gas emissions, water consumption, and total volume of waste materials for the past two years, and has the Company formulated policies for energy conservation and carbon reduction, greenhouse gas reduction, water use reduction, and other waste management?	✓		(4) The Company completed the 2023 greenhouse gas emissions inventory and drafted the inventory report on Jan. 30, 2024. Our fleet adopts energy-saving and carbon-reducing measures, such as regular maintenance of main and auxiliary engines in accordance with SEEMP regulations and keeping track of the operation records of the machines to maintain the best fuel-efficient situation, as well as implementing relevant pollution reduction measures in accordance with the International Convention for the Prevention of Pollution from Ships and the regulations of port countries. The 2023 ESG Sustainability Report has disclosed the greenhouse gas emissions, water consumption and total weight of waste of the Company and each fleet in the past two years, with the formulated policies for energy conservation and carbon reduction, greenhouse gas reduction, water use reduction or other waste management.	No significant differences

4. Social issues (1) Has the Company established related management policy and procedure in accordance with applicable legal rules and international conventions on human rights?	✓		(1) In accordance with labor laws and regulations and the principles of respect for international human rights conventions, the Company protects its employees and employment policies without differential treatment, and provides pensions in accordance with the law to facilitate communication between employers and employees. All of the above measures have been established and implemented with appropriate management practices and procedures.	No significant differences
(2) Has the Company established and implemented reasonable employee benefit measures (including compensation, leave, and other benefits), and are operational performance and results appropriately reflected in employee compensation?	✓		(2) The Company follows the Labor Standards Act and relevant laws and regulations to establish salary and welfare measures for employees, and establishes an Employee Welfare Committee to handle welfare matters. The Articles of Incorporation of the Company stipulate that the Company shall distribute employee remuneration based on a profit margin of not less than 1% for the current year, and timely reflect business performance and share surplus results with colleagues.	No significant differences

(3) Has the Company provided a safe and healthy work environment for employees, and provided education on labor safety and health regularly?	✓		(3) The Company regularly inspects fire and sanitation equipment, provides employees with annual health check benefits, and holds labor safety and health education and training to implement a safe and healthy working environment for employees. In response to the Sexual Harassment Prevention Act, in addition to strengthening publicity, relevant complaint channels are also provided. We conduct ship firefighting and first aid training drills on board the fleet every year in accordance with the plan, and conduct audits of the ship's working environment. Safety and health education lectures are also conducted before crew members go on board the ship.	No significant differences
(4) Has the Company established the training program for the effective planning of career development for employees?	✓		(4) The Company attaches great importance to the growth and development of employees. In order to enable employees to enrich their professional quality and develop their own potential, it provides diversified education and training courses, and regularly holds internal education and training courses and promotional matters, such as the Company's code of conduct for honest operation, corporate governance profile and exchange scoring guidelines, the law and insurance topics of the proposal about Ever Given stranding, maritime regulations discussion - environmental protection chapter and other related courses, as well as irregular external professional training.	No significant differences
(5) Does the Company comply with relevant regulations and international standards on issues regarding customer health and safety, customer privacy, marketing, and labeling of its products and services, and make policies and complaint procedures to protect consumer rights?	✓		(5) The Company attaches great importance to customers' opinions. Besides daily contact and individual visits, it also provides contact windows and e-mail addresses on the Company's website to provide customers with channels for asking questions, complaints or suggestions. In addition, the Company and fleet comply with the standards of the Safety Management System (ISM), Maritime Labor Convention (MLC), and International Ship and Port Facility Security Code (ISPS). All have been certified by the Classification Society. All affiliated ships also have the IOPP International Oil Pollution Prevention Certificate issued by the	No significant differences

(6) Does the Company have a supplier management policy, which requires suppliers to comply with relevant regulations on environmental protection, occupational safety and health, labor rights and other issues, and how they are implemented?	✓		Classification Association, which complies with the International Maritime Organization (IMO) standards. (6) The Company attaches great importance to the protection of the environment and social human rights. It also selects suppliers with the same integrity as the Company and regularly evaluates their suitability. In 2023, the Company required all suppliers to sign a Supplier Social Responsibility Commitment Letter requiring suppliers to jointly implement environmental protection, human rights and sustainable development of resource recycling so as to fulfill their social responsibilities, promote the sustainable development of the supply chain; it especially formulated the Supplier Management Policy for all suppliers to comply with the Company's honesty policy and related requirements. Suppliers seek the most reasonable price quotation to provide the best quality and the best service so as to achieve the goal of the Company and suppliers working together to enhance corporate social responsibility. However, if a supplier breaches corporate social responsibilities where the circumstances are serious, the Company will terminate cooperation with the supplier and will not renew the contract. For detailed implementation status of suppliers, refer to the Sound Supply Chain chapter of Franbo Lines' 2023 Sustainability Report.	No significant differences
5. Does the Company prepare reports by referring to internationally applicable reporting standards or guidelines to disclose non-financial information about the Company, for example, sustainable report? Is the above report assured or guaranteed by the third-party verification unit?		✓	On December 24, 2021, the Board of Directors of the Company approved the formulation of the Code of Practice on Sustainable Development in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, which was disclosed on the Company's website and Market Observation Post System, and on March 4, 2022, the Board of Directors approved the formulation of the Operation Method for Preparing and Declaring Sustainable Report. We have compiled the Franbo Lines ESG Sustainability Report beginning in 2022 in accordance with regulations to disclose the Company's non-financial information based on	In the first quarter of 2022, the Company established a Committee for Promoting Sustainable Development, which was prepared the sustainable report in accordance with the Rules Governing the Preparation and Filing of Sustainability Reports.

			the relevant requirements of GRI 2021 and by reference to SASB and TCFD. Currently, the report has not been assured by a third-party verification unit.	

6. If the Company prepares its own Code of Sustainable Development in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, state the difference between its operation and the Code prepared:

On December 24, 2021, the Board of Directors of the Company approved the formulation of the Code of Practice on Sustainable Development in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, which was disclosed on the Company's website and Market Observation Post System, and on March 4, 2022, the Board of Directors approved the formulation of the Operation Method for Preparing and Declaring Sustainable Report.

7. Other important information contributing to understanding implementation for sustainable development:

The Company attaches great importance to promoting sustainable development and actively cooperates with the environmental protection clauses such as MARPOL and SOLAS proposed by the International Maritime Organization (IMO). Our ships have obtained the Shipboard Oil Pollution Emergency Plan (SOPEP), financial guarantees, and licenses for non-oil tanker ships. In accordance with the provisions of 2001's International Convention on Civil Liability for Bunker Oil Pollution Damage, we have obtained the Fuel Convention certificate issued by the contracting party, all are equipped with equipment for preventing and controlling oil, sewage, and air pollution in accordance with the MARPOL73/78/93 Convention, and the safe emission of nitrogen oxides (NOx) meets international environmental standards.

(6) The Company's performance of ethical corporate management and measures adopted:

Evaluation item	Operation Status			Differences from Ethical Corporate Management Best Practice Principles of TWSE/TPEx-Listed Companies and reasons
	Yes	No	Summary	
1. Establishment of ethical corporate management policies and programs				
(1) Does the Company formulate the ethical corporate management policy approved by the Board of Directors, and clearly indicate the policies and practices of ethical corporate management in regulations and foreign documents, and do the Board of Directors and senior management actively implement commitments of the business policies?	✓		(1) The Company has formulated the Code of Ethical Conduct for Directors and Managers and the Code of Ethics for Employees by the Board of Directors on December 31, 2010, and the Ethical Corporate Management Best Practice Principles of the Company by the Shareholders' Meeting on June 27, 2013. The Company's ethical corporate management policy has been disclosed in internal regulations, publications, and the Company's website.	No significant differences
(2) Does the Company establish an assessment mechanism for the risk of dishonest behavior, regularly analyze and assess the business activities with a high risk of dishonest behavior within the scope of business, and formulate a plan to prevent dishonest behavior, i.e. the preventive measures at least involving the behavior under Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	✓		(2) The Company has established Work Rules and the Ethical Corporate Management Best Practice Principles of the Company that explicitly prohibit dishonest behaviors such as bribery and accepting bribes, providing or receiving unreasonable gifts, entertainment or improper benefits, providing illegal political donations, engaging in unfair competition, etc., regulate the relevant operation process, and adopt preventive measures and education to implement the ethical corporate management policy.	No significant differences
(3) Does the Company stipulate the operating procedures, behavior guidelines, disciplinary, and appeal system in the prevention of dishonest behavior plan, and implement them, and regularly review the revised above plan?	✓		(3) The Company explicitly prohibits the provision or receipt of improper benefits and related handling procedures in the Work Rules and the Ethical Corporate Management Best Practice Principles of the Company.	No significant differences
2. Implement ethical corporate management				
(1) Does the Company evaluate the integrity records of its trading partners and specify the terms of integrity behavior in the contracts signed with them?	✓		(1) Before creating a business relationship, evaluate the legality of the target party and whether there are records of dishonest behavior. In addition, the Company's Work Rules and the Ethical Corporate Management Best Practice Principles of the Company clearly regulate the prevention plan and handling	No significant differences

Evaluation item	Operation Status			Differences from Ethical Corporate Management Best Practice Principles of TWSE/TPEx-Listed Companies and reasons
	Yes	No	Summary	
			process of Prohibiting Bribery and Accepting Bribery, Prohibiting Unreasonable Gifts, Entertainment or Other Unfair Interests, and implement the integrity and self-discipline concept of operating employees through internal regulations.	
(2) Does the Company establish a dedicated unit under the Board of Directors to promote corporate ethical corporate management, and regularly (at least once a year) report to the Board of Directors on its ethical corporate management policies, prevention of dishonest behavior plans, and monitoring of operations?	✓		(2) The management department of the Company is responsible for the formulation and supervision of the prevention plan for corporate ethical corporate management policies. On December 23, 2022, the Board of Directors reported on its ethical corporate management policies and prevention plan for dishonest behavior, as well as the supervision and operation situation.	No significant differences
(3) Does the Company formulate policies to prevent conflicts of interest, provide appropriate channels of statement and implement them?	✓		(3) The Company's Work Rules and the Ethical Corporate Management Best Practice Principles of the Company clearly regulate the clause of interest avoidance. When employees encounter conflicts of interest in the operation of their business, they shall report to their Immediate Supervisor.	No significant differences
(4) Does the Company establish an effective accounting system and internal control system for the implementation of ethical corporate management, and does the internal audit unit formulate the relevant audit plans in accordance with the assessment results of the risk of dishonest behavior, and check the compliance of the plan to prevent dishonest behavior, or entrust a certified public accountant to perform the audit?	✓		(4) Our accounting system is based on the Company as the main entity, in accordance with the Company Act, Securities and Exchange Act, Business Account Act, standards for preparing financial reports of securities issuers, international accounting standards, and relevant laws and regulations, and taking into account the nature of the Company's business, organizational structure, and actual needs; The internal control system is formulated in accordance with the Guidelines for Handling the Creation of the Internal Control Systems by Public Companies and has been implemented and operated. The Audit Office also regularly audits compliance with accounting and internal control systems and reports to the Board of Directors.	No significant differences
(5) Does the Company regularly hold internal and external education and training on ethical corporate management?	✓		(5) The Company has implemented the Work Rules and the Ethical Corporate Management Best Practice Principles of the Company, and held an education and training course on ethical corporate management issues on November 29, 2023	No significant differences

Evaluation item	Operation Status			Differences from Ethical Corporate Management Best Practice Principles of TWSE/TPEx-Listed Companies and reasons
	Yes	No	Summary	
			to promote the Company's ethical corporate management philosophy and establish a corporate culture for employees.	
3. The operation of the Company's whistleblowing system.				
(1) Does the Company establish specific whistleblowing and reward systems, set up a convenient denouncing channel, and assign appropriate handling personnel to the whistleblown object?	✓		(1) The Company has established a whistleblowing and disciplinary system in the Work Rules and announced it to all employees. Management Department has set up an independent whistleblowing email box (hrm@franbo.com.tw), which is handled by dedicated personnel in accordance with the whistleblowing system process, but there have been no whistleblowing proposals from 2023 to the date of publication of the annual report.	No significant differences
(2) Does the Company establish standard procedures and relevant confidentiality mechanisms for investigating and handling whistleblowing matters?	✓		(2) The procedures of the Company's opinion communication and response stipulate that the relevant Supervisors have the responsibility of keeping confidential the parties involved, which has been specified in the Ethical Corporate Management Best Practice Principles of the Company and submitted to the Board of Directors for approval.	No significant differences
(3) Does the Company take measures to protect the whistleblower from improper disposal due to whistleblowing?	✓		(3) The whistleblowers in the Company's whistleblowing process are kept confidential and will not be subject to disciplinary action due to whistleblowing.	No significant differences
4. Enhancing Information Disclosure Does the Company disclose the content of its ethical corporate management code and promote its effectiveness on its website and Market Observation Post System?	✓		The Company's Ethical Corporate Management Best Practice Principles of the Company and other regulations are disclosed in the corporate governance section and company website of the Market Observation Post System.	No significant differences
5. If the Company has its own code of good faith operation in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, state the differences of its operation from the Code prepared: No difference				
6. Other important information that helps to understand the integrity operation of the Company: (such as the Company's review and amendment of its code of ethical corporate management) 1. The Company shall comply with the Company Act, Securities and Exchange Act, Business Account Act, regulations related to listing on TWSE, or other laws and regulations related to business conduct, as the basis for implementing honest business operations. 2. The Rules of Procedure for Board of Directors of the Company establish a system for avoiding the interests of Directors. For proposals listed by Directors that have an				

Evaluation item	Operation Status			Differences from Ethical Corporate Management Best Practice Principles of TWSE/TPEx-Listed Companies and reasons
	Yes	No	Summary	
interest in themselves or the legal persons they represent, which may harm the interests of the Company, they may state their opinions and answer questions, and shall not participate in discussions and voting. They shall also avoid discussions and voting, and shall not exercise their voting rights on behalf of other Directors. 3. In order to establish a good internal mechanism for handling and disclosing major information, avoid improper disclosure of information, and ensure the consistency and accuracy of the Company's information published to the outside world, we have established the Operation Procedures for Internal Major Information Processing and Prevention of Insider Trading Management, Code of Ethical Conduct for Directors and Managers, and Code of Ethics for Employees, which clearly state the identities of Directors, Managers, employees, and other relevant personnel Individuals with professional or control relationships who have access to significant internal information of the Company shall not disclose such information to others, nor shall they inquire or collect non-public internal information of the Company that is not related to their personal positions from individuals with significant internal information of the Company. They shall also not disclose to others any significant internal information of the Company that they have not been aware of as a result of the execution of their business. 4. The Company appointed PwC Taiwan to audit and certify the Company's financial reports and announce financial and business information at the Market Observation Post System to enhance operational transparency.				

(7) If the Company has established a corporate governance code and related regulations, it shall disclose its inquiry methods:

The Company has formulated the Franbo Lines Corp. Corporate Governance Code, which has been posted on the Company's website at the following path: Homepage > Investor Zone > Corporate Governance > Corporate Governance Practical Code for shareholders' inquiry. In addition, on the Company's website and the corporate governance zone of the Market Observation Post System, there are also disclosures of the rules of procedure for shareholders' meetings, the rules of procedure for the Board of Directors meetings, director selection procedures, as well as the Company's code of ethical corporate management, ethical code of conduct, material inside information operating procedures, acquisition or disposal of assets handling procedures, operating procedures for lending funds to others, operating procedures for endorsement and guarantees, and other relevant corporate governance regulations.

(8) Other important information sufficient to enhance the understanding of the operation of corporate governance may be disclosed together: None.

(9) Implementation of the internal control system

1. Internal control statement:

Franbo Lines Corp.

Internal Control System Statement

Date: March 7, 2024

Based on the results of self-assessment, the Company's internal control system for the year 2023 is hereby declared as follows:

1. The Company is aware that the establishment, implementation, and maintenance of the internal control systems are the responsibility of our Board of Directors and Managers, and the Company has established this system. Its purpose is to provide reasonable assurance for the achievement of operational effectiveness and efficiency (including profitability, performance, and ensuring asset safety), reliability, timeliness, transparency of reporting, and compliance with relevant regulations and laws.
2. The internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide reasonable assurance for the achievement of the above three objectives; Moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self-monitoring mechanism, and once any deficiencies are identified, we will take corrective action.
3. The Company evaluates the effectiveness of the internal control system design and implementation based on the Regulations Governing Establishment of Internal Control Systems by Public Companies (below, the "Governing Regulations"). The internal control system judgment items used in the Governing Regulations are divided into five components based on the process of management control: 1. control environment, 2. risk assessment, 3. control operations, 4. information and communication, and 5. supervision operations Each constituent element also includes several items. Please refer to the Governing Regulations for the aforementioned items.
4. The Company has adopted the above internal control system to judge the item and evaluate the effectiveness of the design and implementation of the internal control system
5. Based on the evaluation results of the preceding paragraph, the Company believes that the internal control system (including supervision and management of subsidiaries) as of December 31, 2023, including the understanding of the effectiveness of operations and the degree to which efficiency goals have been achieved, the reliability, timeliness, transparency of reporting, and compliance with relevant standards and laws and regulations, as well as the design and implementation of the internal control system, are effective and can reasonably ensure the achievement of the above goals.
6. This statement will become the main content of the Company's annual report and prospectus, and will be publicly disclosed. If the above publicly disclosed content contains any false or concealed information, it will involve legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This statement was approved by the Board of Directors of the Company on March 7, 2024. Among the eight directors present, none of them held any objections and all agreed to the content of this statement.

Franbo Lines Corp. [with seal]

Chairman: Tsai, Pang-Chuan [with seal]

President: Tsai, Ching-Chuang [with seal]

2. If a certified public accountant is entrusted with reviewing the internal control, the certified public accountant's review report shall be disclosed: None.

(10) In the most recent year and up to the date of publication of the annual report, the Company and its internal personnel have been punished in accordance with the law. The Company has punished its internal personnel for violating the provisions of the internal control system, and the main deficiencies and improvements: No such situation exists.

(11) Important resolutions of the Shareholders' Meeting and the Board of Directors in the most recent year and up to the date of publication of the annual report:

■Important resolutions and implementation of the Shareholders' Meeting

The 2023 ordinary shareholders' meeting of the Company was held on June 1, 2023 in our conference room (3F, No. 31, Haibian Road, Lingya District, Kaohsiung City). The important resolutions and implementation status are as follows:

<table>
<tr><th colspan="2">Item</th><th>Important resolutions</th><th>Implementation status</th></tr>
<tr><td rowspan="2">Acknowledgment matters</td><td>1</td><td>The Company's 2022 business report and final accounting books and statements</td><td>This motion was passed as proposed by vote.</td></tr>
<tr><td>2</td><td>The Company's 2022 earnings distribution; and the Board of Directors resolved on March 3, 2023 to set April 28, 2023 as the dividend distribution date.</td><td>The Company's distributable surplus is NT$1,538,593,714. A cash dividend of NT$358,735,160 was distributed, with a distribution of NT$1.5 per share. This motion was passed as proposed by vote.</td></tr>
<tr><td rowspan="4">Discussion and election matters</td><td>1</td><td>Discussion on the revision of the Company's "Endorsement and Guarantee Operating Procedures"</td><td>This motion was passed as proposed by vote.</td></tr>
<tr><td>2</td><td>Discussion on the revision of the Company's "Operating Procedures for Lending Funds to Others"</td><td>This motion was passed as proposed by vote.</td></tr>
<tr><td>3</td><td>Comprehensive re-election of directors
<table>
<tr><th>Position of the elect</th><th>Name of the elect</th><th>Number of voting rights won</th></tr>
<tr><td>Director</td><td>Prosperity Investment and Consulting Co., Ltd. Representative: Tsai, Pang-Chuan</td><td>193,217,817</td></tr>
<tr><td>Director</td><td>Prosperity Investment and Consulting Co., Ltd. Representative: Tsai, Ching-Chuang</td><td>191,545,069</td></tr>
<tr><td>Director</td><td>Lo, Chun-Yu</td><td>191,513,089</td></tr>
<tr><td>Director</td><td>Shen, Yi-Wen</td><td>191,505,074</td></tr>
<tr><td>Independent Director</td><td>Liu, Jung-Chin</td><td>67,531,746</td></tr>
<tr><td>Independent Director</td><td>Wu, Tien-Ming</td><td>67,488,854</td></tr>
<tr><td>Independent Director</td><td>Yen, Shu-Yang</td><td>67,242,103</td></tr>
<tr><td>Independent Director</td><td>Lin, Shih-Chuan</td><td>68,008,695</td></tr>
</table></td><td>The shareholders present voted to elect eight directors (including four independent directors).</td></tr>
<tr><td>4</td><td>Discussion on the lifting of the non-compete restriction on the Company's new directors and their representatives</td><td>This motion was passed as proposed by vote.</td></tr>
</table>

■Important resolutions of the Board of Directors

Date	Important resolutions
2023/03/03	1. Report on the investment status for the first quarter of 2023. 2. Report on the 2022 Board of Directors performance evaluation. 3. Report on the 2022 performance evaluation of directors and managers. 4. Report on the quarterly tracking on the implementation progress of the "2022 ESG Report Planning of Work Schedule". 5. Greenhouse gas emission inventory and verification schedule planning and quarterly tracking reports. 6. Distribution of 2022 employee remuneration and director remuneration. 7. 2022 final accounting books and statements. 8. 2022 earnings distribution. 9. Determination on the ex-dividend base date for the Company's distribution of shareholder dividends in 2023, as well as the suspension of conversion period for convertible corporate bonds and other related matters. 10. The subsidiary's greenhouse gas emission inventory and verification schedule planning. 11. Determination on the base date for the issuance of new shares converted from the Company's fifth domestic unsecured convertible corporate bonds. 12. "Effectiveness Assessment of the Internal Control System" and the "Internal Control System Statement" for 2022. 13. Partial revisions and newly added provisions of the Company's guidelines and procedures. 14. Revision of the Endorsement and Guarantee Operating Procedures. 15. Revision of the Operating Procedures for Lending Funds to Others. 16. Revision of the Operating Procedures for Lending Funds to Others of the subsidiary Franbo Asset Management Co., Ltd.
2023/03/03	17. Retroactive recognition of the interim earnings distribution by the subsidiary Uni-Morality Lines Limited. 18. Earnings distribution and loss appropriation of the Group's wholly-owned subsidiaries and sub-subsidiaries in 2022. 19. Capital reduction by the sub-subsidiary Dexin Shipping S.A. 20. Capital reduction by the subsidiary New Lucky Lines S.A. 21. Cancellation of lending limits by the subsidiaries and sub-subsidiaries. 22. Newly added lending limits by the subsidiaries and sub-subsidiaries. 23. The Company's newly added investment in the 100%-owned subsidiary Franbo Asset Management Co., Ltd. in the amount of NT$150,000,000 24. The sub-subsidiary FB Propriety Construction and Development Co., Ltd. purchased additional land surrounding Lingzhou Section, Lingya District of Kaohsiung City for the dangerous and old buildings investment project, and re-evaluated the planning. 25. The Company's subsidiary Franbo Asset Management Co., Ltd. plans to re-invest in the establishment of a new company in order to invest in the land development project of Datong Section, Luzhu District of Kaohsiung City. 26. Pre-approval of non-assurance services provided by certified public accountants, their firms and affiliates with the firms to the Company and its subsidiaries. 27. Comprehensive re-election of directors. 28. Nomination and resolution of the candidate list of directors (including independent directors). 29. Lifting of the non-compete restriction of the Company's new directors and their representatives. 30. Convening the 2023 regular shareholders' meeting and related matters. 31. The subsidiary's financing and borrowing from financial institutions.

	32. The Company's application for short-term loan limits and the contract renewal to financial institutions.
2023/05/04	1. Consolidated financial report for the first quarter of 2023. 2. Undertaking the issuance of new shares through cash capital increase, and the issuance of the sixth domestic unsecured convertible corporate bonds to raise funds. 3. Distribution of talent retention bonuses for managers for the first half of 2023. 4. Partial revisions of the Company's internal control system. 5. Determination on the base date for the issuance of new shares converted from the Company's fifth domestic unsecured convertible corporate bonds. 6. Capital reduction by the subsidiary New Lucky Lines S.A. 7. The subsidiary New Lucky Lines S.A. re-invested in its wholly-owned sub-subsidiary for the sub-subsidiary to purchase the ship by tender. 8. The subsidiary's cancellation of lending limits. 9. Newly added lending limits by the subsidiaries and sub-subsidiaries. 10. The interim cash capital reduction by the sub-subsidiaries Franbo ACE Limited and Franbo ART Limited. 11. The sub-subsidiary FB Integrity Real Estate Development Co., Ltd. invested in the land development project of Bao'an Section, Luzhu District of Kaohsiung City. 12. Changes in the amount of equity investment in the Company and its subsidiaries. 13. The Company's application for renewal of short-term loan limits to financial institutions.
2023/06/01	1. Election of the chairman for the current term of the Board of Directors in response to the comprehensive re-election of directors. 2. Appointment of commissioners of the fifth Salary and Remuneration Committee in response to the comprehensive re-election of directors.
2023/07/07	1. Change in the sub-subsidiary's application to Mega International Commercial Bank for ship financing loan. 2. Lowering the endorsement and guarantee limit for ship financing loans to the sub-subsidiaries Franbo Ace Limited and Franbo Art Limited. 3. The sub-subsidiary Franbo Sino Limited's disposal of its ship Lauren Ocean. 4. Change in the land development project of Datong Section, Luzhu District of Kaohsiung City by the sub-subsidiary FB Integrity Real Estate Development Co., Ltd. 5. The sub-subsidiary FB Integrity Real Estate Development Co., Ltd. applied to a financial institution for a land financing and borrowing with the investment subject matter of Datong Section, Luzhu District of Kaohsiung City. 6. The subsidiary's cancellation of lending limits. 7. The sub-subsidiary's newly added lending limits.
2023/08/03	1. Consolidated financial report for the second quarter of 2023. 2. The list of managers and the amount of the subscription for new shares through cash capital increase in 2023. 3. Partial revisions of the Company's guidelines and procedures. 4. Determination on the base date for the issuance of new shares converted from the Company's fifth domestic unsecured convertible corporate bonds. 5. Capital reduction by the subsidiary New Lucky Lines S.A. 6. Newly added lending limits by the subsidiaries and sub-subsidiaries. 7. Adjustment in the equity structure of the sub-subsidiary Franbo Wind S.A. 8. The proposal to change the shareholding structure of the invested sub-subsidiary Franbo Wind S.A. is submitted for review. 9. Change in the land development project for Ziqiang Section, Hunei District of Kaohsiung City by the sub-subsidiary Cheng Yi Construction Development Company. 10. The Company's application for renewal of short-term loan limits to financial institutions.
2023/11/08	1. Consolidated financial statements for the third quarter of 2023. 2. Cash capital increase of the sub-subsidiary Franbo Century Limited 3. Capital reduction by the subsidiary FWF Shipping Limited.

<table>
<tr><td></td><td>4. Cancellation of lending limits by the subsidiaries and sub-subsidiaries.</td></tr>
<tr><td>2023/11/08</td><td>5. Newly added lending limits by the subsidiaries and sub-subsidiaries.
6. Distribution of talent retention bonuses for managers for the second half of 2023.
7. The Company’s application for renewal of short-term loan limits to financial institutions.</td></tr>
<tr><td>2023/12/20</td><td>1. Discussion on the 2024 operating plan.
2. Discussion on the 2024 audit plan.
3. Independence assessment of the attesting accountants.
<table>
<tr><th>Independence</th><th>Yes</th><th>No</th><th>Remark</th></tr>
<tr><td>1. Is it true that the attesting certified public account has not served as a director of the Company or its affiliates?</td><td>✓</td><td></td><td></td></tr>
<tr><td>2. Is it true that the attesting certified public account has not been a shareholder of the Company or its affiliates?</td><td>✓</td><td></td><td></td></tr>
<tr><td>3. Is it true that the attesting certified public account has not been paid the salary by the Company or its affiliates?</td><td>✓</td><td></td><td></td></tr>
<tr><td>4. Is it true that the attesting certified public account has confirmed that the united accounting firm to which he/she belongs has complied with the independence standards.</td><td>✓</td><td></td><td></td></tr>
<tr><td>5. Is it true that the co-practicing certified public account of the united accounting firm to which the attesting certified public account belongs has not served as a director or manager of the Company or held a position that has a significant impact on the audit case within one year after his/her leaving from office?</td><td>✓</td><td></td><td></td></tr>
<tr><td>6. Is it true that the attesting certified public account has not provided audit services to the Company for seven consecutive years.</td><td>✓</td><td></td><td></td></tr>
<tr><td>7. Is it true that the attesting certified public account has complied with the independence standards of Accountant Professional Ethics Bulletin No. 10.</td><td>✓</td><td></td><td></td></tr>
<tr><td>8. Other reference materials: Audit Quality Indicators (AQIs)</td><td>✓</td><td></td><td></td></tr>
</table>
4. The sub-subsidiary Franbo Sagacity S.A.’s disposal of its ship STL Harvest.
5. The sub-subsidiary’s handling of interim earnings distribution, cash capital reduction and closing of the deposit account.
6. The sub-subsidiary Franbo Uprightness Corp.’s handling of the liquidation operations.
7. The sub-subsidiary TW Hornbill Line S.A’s handling of the interim earnings distribution.
8. The sub-subsidiary Franbo Cosmos Limited ‘s handling of the interim capital reduction.
9. The subsidiary New Lucky Lines S.A. ‘s undertaking of an interim capital reduction.
10. The subsidiary FWF Shipping Limited’s purchase of the equity in Franbo Transportation S.A. – the 100%-reinvested sub-subsidiary of New Lucky Lines S.A.
11. Cancellation of lending limits by the subsidiaries and sub-subsidiaries.
12. Newly added lending limits by the subsidiaries and sub-subsidiaries.
13. Estimated distribution of year-end bonuses for managers in 2023. (proposed by the Remuneration Committee)
14. Report on the implementation of 2022 ESG Sustainability Report and major issues in 2023.
15. Revision of the greenhouse gas inventory schedule planning chart (parent company).
16. The Company’s application to financial institutions for the renewal of short-term loan limits and new loan limits.
17. The sub-subsidiary’s application to the ship financing bank for early repayment of the loan.</td></tr>
</table>

2024/03/07	1. Distribution of employee remuneration and director remuneration for 2023. (proposed by the Remuneration Committee) 2. Final accounting books and statements for 2023. 3. Earnings distribution for 2023. 4. Determination on the base date for the issuance of new shares converted from the Company's domestic unsecured convertible corporate bonds. 5. The Company's 2023 Effectiveness Assessment of the Internal Control System and the Internal Control System Statement. 6. Revision of the Company's Articles of Incorporation. 7. Partial revisions and newly added provisions of the Company's guidelines and procedures. 8. Earnings distribution and loss appropriation of the Group's wholly-owned subsidiaries and sub-subsidiaries in 2023. 9. Capital increase of the sub-subsidiary Franbo Bright Limited. 10. Revision of the Articles of Incorporation and capital increase of the subsidiary Franbo Asset Management Co., Ltd. 11. Revision of the Articles of Incorporation and cash capital increase of the sub-subsidiary FB Propriety Construction and Development Co., Ltd. 12. The sub-subsidiary proposed an improvement plan due to its lending of funds exceeding the limit. 13. Cancellation of lending limits by the Company, the subsidiaries and sub-subsidiaries. 14. Newly added lending limits by the subsidiaries and sub-subsidiaries. 15. The subsidiary re-invested in the establishment of a sub-subsidiary. 16. Changes in the organization of the ESG Sustainability and Greenhouse Gas Inventory Committee and the establishment of the Risk Management Committee (including the TCFD task force). 17. Distribution of talent retention bonuses for managers for the first half of 2024. 18. Promotion and compensation for the director of the Company's president's office. 19. The Company's convening the 2024 regular shareholders' meeting and related matters.

(12) In the most recent year and up to the date of publication of the annual report, if the directors or supervisors had different opinions on the important resolutions adopted by the board of directors, which were recorded and declared in writing, the main contents of such important resolutions: None.

(13) In the most recent year and up to the date of publication of the annual report, a summary of resignations and dismissals of individuals related to financial reporting (including chairman, president, accounting Supervisor, financial supervisor, internal audit supervisor, and R&D supervisor): None.

5. Certified public accountant (CPA) fee information:

Amount: NT$1,000

Name of accounting firm	Name of certified public accountant	Audit period of certified public accountant	Audit fee	Non-audit fee	Total	Remarks
PwC Taiwan	Wang, Kuo-Hua Liao, A-Shen	January 1, 2023 - December 31, 2023	2,690	172	2,862	Note

Note : Making filings for the issuance of new shares through cash capital increase in the amount of NT$100,000 as well as the amendment registration, issuance of the sixth domestic unsecured convertible corporate bonds in the amount of NT$60,000, and the comprehensive re-election of directors for 2023 in the amount of NT$12,000.

(1) When the accounting firm is replaced and the audit fees paid for the year of replacement are reduced compared to the audit fees paid for the previous year: It's not applicable.

(2) Audit fees have decreased by more than 10% compared to the previous year: No such situation exists.

6. Change of certified public accountant information: None.

7. The Chairman, President, or Manager responsible for financial or accounting affairs of a company who has worked for a CPA's affiliated firm or affiliated enterprise within the past year: None.

8. Changes in equity transfer and equity pledge of Directors, Supervisors, Managers and shareholders with a shareholding ratio of more than 10% in the most recent year and up to the date of publication of the annual report:

(1) Changes in equity of directors, supervisors, managers, and shareholders holding more than 10% of the shares

Unit: Share

Title	Name	2023		As of April 1, 2024	
		Increase (decrease) in No. of Shares	Increase (decrease) in No. of Pledged Shares	Increase (decrease) in No. of Shares	Increase (decrease) in No. of Pledged Shares
Director	Prosperity Investment and Consulting Co., Ltd.	7,017,562	14,300,000	0	(6,800,000)
	Representative: Tsai, Pang-Chuan	(232,986)	0	0	0
	Representative: Tsai, Ching-Chuang	216,000	0	-	-
Director	Lo, Chun-Yu	63,161	-	-	-
Director	Shen, Yi-Wen	(17,410)	-	-	-
Independent Director	Yen, Shu-Yang (Date assumed: June 1, 2023)	-	-	-	-
Independent Director	Wu, Tien-Ming	(266,862)	-	(72,000)	-
Independent Director	Lin, Shih-Chuan (Date assumed: June 1, 2023)	-	-	-	-
Independent Director	Liu, Jung-Chin	-	-	-	-
Independent Director	Tai, Chih-Tsung (Date resigned: June 1, 2023)	-	-	-	-
President	Tsai, Ching-Chuang	216,000	-	-	-
Vice President	Wilson Lin	(135,751)	-	-	-
Vice President	Tsai, Ping-Jui	689,678	-	(153,000)	-
Assistant Manager	Jacky Hsieh (Date assumed: March 7, 2024)	-	-	-	-
Major shareholders with more than 10%	Prosperity Investment and Consulting Co., Ltd. Responsible person: Tsai, Ching-Chuang	7,017,562	14,300,000	0	(6,800,000)

(2) Related parties that the Directors, Supervisors, Managers, and shareholders holding more than 10% of the shares transferred: none.

(3) Related parties that Directors, Supervisors, Managers, and shareholders with a shareholding ratio exceeding 10% of the pledged equity: none.

9. Information on the relationship between shareholders who hold the top ten shares and are related persons, spouses, or relatives in a second-degree relationship:

April 1, 2024; Unit: share

Name		Own shareholdings		Shares held by spouse & minor children		Total shareholding held through nominees		If there are related parties, spouses, kindred within the 2nd degree of kinship among the top 10 shareholders, give the names and affiliations of such shareholders		Remark
		Number of shares	Shareholding proportion	Number of shares	Shareholding proportion	Number of shares	Shareholding proportion	Name	Relationship	
1	Prosperity Investment and Consulting Co., Ltd.	48,038,398	16.07%	—	—	—	—	Tsai, Ching-Chuang Tsai, Ping-Jui	Chairman Responsible person and relatives in the second-degree relationship, etc.	—
	Representative: Tsai, Ching-Chuang	5,437,786	1.82%	135,587	0.05	—	—	Prosperity Investment and Consulting Co., Ltd. Tsai, Ping-Jui	Chairman Brothers	—
2	Hua Ming Steel Company Limited	8,207,550	2.75%	—	—	—	—	—	—	—
	Representative: Huang, Su-Ying	—	—	—	—	—	—	—	—	—
3	Lo, Chun-Yu	7,064,590	2.36%	—	—	—	—	—	—	—
4	Tsai, Ching-Chuang	5,437,786	1.82%	135,587	0.05	—	—	Prosperity Investment and Consulting Co., Ltd. Tsai, Ping-Jui	Chairman Brothers	—
5	External Account Manager, J.P. Morgan Investment Account -DBS Bank Ltd. under the custody of Citibank (Taiwan)	2,535,000	0.85%	—	—	—	—	—	—	—
6	Investment account of JP Morgan Securities Co., Ltd. under the custody of JP Morgan Chase Bank, N.A., Taipei Branch	2,489,161	0.83%	—	—	—	—	—	—	—
7	Investment account of Merrill Lynch International Corporation under the custody of HSBC	2,485,411	0.83%	—	—	—	—	—	—	—
8	Berkeley Capital SBL/PB investment account under the custody of Citibank (Taiwan)	2,188,587	0.73%	—	—	—	—	—	—	—
9	Tsai, Ping-Jui	1,685,862	0.56%	131,981	0.04	—	—	Prosperity Investment and Consulting Co., Ltd. Tsai, Ching-Chuang	Responsible person and relatives in the second-degree relationship, etc. Brothers	—
10	Société Générale European Option Investment Account under the custody of HSBC (Taiwan)	1,632,000	0.55%	—	—	—	—	—	—	—

10. The number of shares held by the Company, its Directors, Supervisors, Managers, and businesses directly or indirectly controlled by the Company in the same reinvested business, and the combined calculation of the comprehensive shareholding ratio:

March 31, 2024; Unit: Share

Name of reinvestment business	Investment of the Company		Investment of directors, Supervisors, managers, and businesses directly or indirectly controlled		Comprehensive investment	
	Number of shares	Shareholding proportion	Number of shares	Shareholding proportion	Number of shares	Shareholding proportion
New Lucky Lines S.A.	111,565,000	100%	-	-	111,565,000	100%
Uni-Morality Lines Limited	1,000,000	100%	-	-	1,000,000	100%
BCTS Capital Inc.	2,000,000	100%	-	-	2,000,000	100%
FWF Shipping Limited	5,000,000	100%	-	-	5,000,000	100%
Franbo Asset Management Co., Ltd.	62,000,000	100%	-	-	62,000,000	100%

IV. Capital Overview

1. Capital and share

(1) Source of share capital

(1)Sources of share capital

March 31, 2024

Period	Price at issuance (NT$)	Authorized shares capital		Paid-in shares capital		Remarks		
		Number of shares (1,000 shares)	Amount (NT1,000)	Number of shares (1,000 shares)	Amount (NT1,000)	Source of share capital (NT$1,000)	Those who use property other than cash to offset share capital	Other
Sep. 1998	1,000	10	10,000	10	10,000	Establishment of capital	None	September 1998 Established with the approval of the Kaohsiung Municipal Government Construction Bureau
Apr. 2009	10	15,000	150,000	15,000	150,000	Cash capital increase of 140,000	None	April 2, 2009 Kaohsiung City Government No. 09800485330
Apr. 2010	10	100,000	1,000,000	71,840	718,398	Share conversion and capital increase of 568,398	None	April 12, 2010 Ching-Shou-Shang-Tzu No. 09901079270
May 2010	10	100,000	1,000,000	80,000	800,000	Cash capital increase of 81,602	None	May 10, 2010 Ching-Shou-Shang-Tzu No. 09901093190
June 2010	10	100,000	1,000,000	88,000	880,000	Cash capital increase of 80,000	None	June 8, 2010 Ching-Shou-Shang-Tzu No. 09901116190
Nov. 2010	10	100,000	1,000,000	95,000	950,000	Cash capital increase of 70,000	None	November 26, 2010 Ching-Shou-Shang-Tzu No. 09901264250
Oct. 2014	10	150,000	1,500,000	107,000	1,070,000	Cash capital increase of 120,000	None	October 31, 2011 Ching-Shou-Shang-Tzu No. 10301220880
Feb. 2015	10	150,000	1,500,000	119,500	1,195,000	Cash capital increase of 125,000	None	February 5, 2015 Ching-Shou-Shang-Tzu No. 10401019200
Aug. 2015	10	150,000	1,500,000	119,544	1,195,438	Domestic Corporate Bond Conversion 438	None	August 4, 2015 Ching-Shou-Shang-Tzu No. 10401145250
June 2016	10	150,000	1,500,000	149,544	1,495,438	Cash capital increase of 300,000	None	June 1, 2016 Ching-Shou-Shang-Tzu No. 10501115220
Nov. 2016	10	250,000	2,500,000	152,995	1,529,952	Domestic Corporate Bond Conversion 34,514	None	November 22, 2016 Ching-Shou-Shang-Tzu No. 10501271590
Apr. 2017	10	250,000	2,500,000	185,012	1,850,115	Cash capital increase of 300,000 Domestic Corporate Bond Conversion 20,163	None	April 24, 2017 Ching-Shou-Shang-Tzu No. 10601044130
July 2018	10	250,000	2,500,000	151,124	1,511,246	Capital reduction of 393,087 Domestic Corporate Bond Conversion 54,218	None	July 24, 2018 Ching-Shou-Shang-Tzu No. 10701088060
Aug. 2020	10	350,000	3,500,000	152,635	1,526,358	Surplus converted to a capital increase of NT$15,112,000	None	August 11, 2020 Ching-Shou-Shang-Tzu No. 10901150490
Aug. 2021	10	350,000	3,500,000	188,635	1,886,358	Cash capital increase of 360,000	None	August 6, 2021 Ching-Shou-Shang-Tzu No. 11001139820
Sep. 2022	10	350,000	3,500,000	238,635	2,386,358	Cash capital increase of 500,000	None	November 16, 2021 Ching-Shou-Shang-Tzu No. 11101178330
Mar. 2023	10	350,000	3,500,000	239,156	2,391,567	Domestic Corporate Bond Conversion 5,209	None	March 20, 2022 Ching-Shou-Shang-Tzu No. 11230046650
May 2023	**10**	**350,000**	**3,500,000**	**239,698**	**2,396,982**	Domestic Corporate Bond Conversion **5,415**	None	**May 25, 2023** Ching-Shou-Shang-Tzu No. **11230086180**
Aug. 2023	10	350,000	3,500,000	240,031	2,400,305	Domestic Corporate Bond Conversion 3,322	Non	Aug. 25, 2023 Ching-Shou-Shang-Tzu

								No.11230159870
Oct. 2023	10	350,000	3,500,000	270,031	2,700,305	Cash capital increase of 300,000	None	Oct. 3, 2023 Ching-Shou-Shang-Tzu No. 1230189890
Mar. 2024	10	350,000	3,500,000	297,572	2,975,723	Domestic Corporate Bond Conversion 275,418	None	Mar. 29, 2024 Ching-Shou-Shang-Tzu No. 11330051720

(2) Types of shares:

April 1, 2024; Unit: share

Types of shares	Authorized share capital			Remarks
	Outstanding capital stock	Unissued capital stock	Total	
Registered common shares	298,880,577	None	350,000,000	None

Note: The Company passed a resolution at the shareholders' meeting on June 23, 2017 to amend the Articles of Incorporation, with a revised authorized share capital of 350,000,000 shares.

(2) Shareholder structure

April 1, 2024

Shareholder structure Quantity	Government institution	Financial institution	Other corporate entities	Individual	Foreign institutions and foreigners	Total
Number of people (People)	-	1	197	51,575	69	51,842
Number of shares held (Share)	-	200,000	59,497,031	222,097,930	17,085,616	298,880,577
Shareholding proportion (%)	-	0.07%	19.91%	74.31%	5.71%	100.00%

(3) Equity dispersion (value of NT$10 per share)

April 1, 2024

Shareholding grading	Number of shareholders	Number of shares held	Shareholding proportion (%)
1 to 999	18,481	943,588	0.32%
1,000 to 5,000	25,585	54,260,662	18.16%
5,001 to 10,000	4,224	34,013,722	11.38%
10,001 to 15,000	1,208	15,461,266	5.17%
15,001 to 20,000	819	15,348,899	5.14%
20,001 to 30,000	639	16,518,049	5.53%
30,001 to 40,000	228	8,160,889	2.73%
40,001 to 50,000	164	7,734,427	2.59%
50,001 to 100,000	287	20,476,664	6.85%
100,001 to 200,000	124	17,042,626	5.70%
200,001 to 400,000	58	16,741,552	5.60%
400,001 to 600,000	8	3,717,153	1.24%
600,001 to 800,000	3	2,147,265	0.72%
800,001 to1,000,000	1	908,511	0.30%
Above 1,000,001	13	85,405,304	28.57%
Total	51,842	298,880,577	100.00%

(4) List of major shareholders:

Names, shareholding amounts, and proportions of shareholders with a shareholding ratio of 5% or more, or shareholders with a shareholding ratio of the top ten:

April 1, 2024

Share / Name of major shareholders	Number of shares held (Share)	Shareholding proportion (%)
Prosperity Investment and Consulting Co., Ltd.	48,038,398	16.07%
Hua Ming Steel Company Limited	8,207,550	2.75%
Lo, Chun-Yu	7,064,590	2.36%
Tsai, Ching-Chuang	5,437,786	1.82%
DBS Bank Ltd. under the custody of Citibank (Taiwan)	2,535,000	0.85%
Investment account of JP Morgan Securities Co., Ltd. under the custody of JP Morgan Chase Bank, N.A., Taipei Branch	2,489,161	0.83%
Under the custody of HSBC	2,485,411	0.83%
Berkeley Capital SBL/PB investment account under the custody of Citibank (Taiwan)	2,188,587	0.73%
Tsai, Ping-Jui	1,685,862	0.56%
Under the custody of HSBC	1,632,000	0.55%

(5) Market price, net value, earnings per share (EPS), dividends and related information of each share in the last two years

Unit: NT$; 1,000 shares

Items / Year			2022	2023	As of March 31, 2024
Market price per share	Highest		29.95	24.30	22.90
	Lowest		14.25	15.10	18.75
	Average		21.87	18.11	20.39
Net value per share	Before distribution		22.32	21.21	Note 5
	After distribution (Note 1)		22.32	21.21	Note 5
Earnings per share	Weighted average number of shares (before tracing)		205,356	250,992	Note 5
	Earnings per share	Before adjustment	6.23	1.69	Note 5
		After adjustment	6.23	1.69	Note 5
Dividend per share	Cash dividend		1.4966	0.5	—
	Free-Gratis Dividends	Free-Gratis Dividends	—	—	—
		Allotment of capital reserve	—	—	—
	Accumulated unpaid dividend		—	—	—
Analysis of returns on investment	Price-earnings ratio (Note 2)		3.51	10.72	—
	Price-to-dividend ratio (Note 3)		14.61	36.22	—
	Cash dividend yield (Note 4)		6.84%	2.76%	—

Source: Taipei Exchange https://www.tpex.org.tw/web/stock/statistics/monthly/st42.php?l=zh-tw

Note 1: Based on the number of shares issued at the end of the year and filled in in accordance with the distribution situation determined by the Board of Directors or the next annual shareholders' meeting

Note 2: Price-earnings ratio = Average closing price per share for the current year/Earnings per share

Note 3: Price-to-dividend ratio = Average closing price per share for the current year/Cash dividend per share

Note 4: Cash dividend yield =Cash dividend per share/Average closing price per share for the

current year

Note 5: As of the publication date, the consolidated financial statements for the first quarter of 2024 have not yet been issued.

(6) The Company's dividend policy and implementation status

1. The dividend policy stipulated in the Company's Articles of Incorporation:

If the Company has surplus after annual final settlement, in addition to paying profit making enterprise income tax and making up losses in previous years in accordance with law, if there is surplus, 10% of the statutory surplus reserve shall be set aside first, except when the statutory surplus reserve has reached the total capital, and after the special surplus reserve is set aside or reversed in accordance with law or the competent authority's regulations, and the undistributed surplus at the beginning of the same period is the cumulative distributable surplus, the Board of Directors shall have a surplus distribution proposal, Submit a resolution to the shareholders' meeting for distribution.

The earnings distribution referred to in the preceding paragraph may be resolved by a special resolution of the Board of Directors, with the attendance of two-thirds or more of the Directors and a resolution of a majority of the Directors present, to distribute all or part of the dividends and bonuses, capital reserves, or statutory surplus reserves in cash and report to the shareholders' meeting. The provisions of the preceding paragraph that require a resolution of the shareholders' meeting shall not apply.

The Company aims to continuously expand its operating scale, enhance its competitive strength, and cooperate with the Company's long-term business development, future funding needs, and long-term financial planning. The dividend distribution policy is mainly based on stock dividends and matching cash dividends, with cash dividends not less than 10% of the total dividend distribution.

The distribution of dividends and bonuses shall be based on the proportion of shares held by each shareholder. When the Company has no surplus, dividends, and bonuses shall not be distributed.

In response to the spirit of dividend distribution in corporate governance, the Company's Articles of Incorporation will be revised at the regular shareholders' meeting in 2024 to distribute a certain ratio of annual profits. The Company's Articles of Incorporation are proposed to be revised as follows: appropriate adoption of distribution of stock dividends or cash dividends, and the distribution amount shall not be less than 20% of the distributable surplus of the year, of which cash dividends shall not be less than 50% of the total dividends.

2. Dividend distribution status at this shareholders' meeting:

The Company's 2023 earnings distribution proposal was submitted by the Board of Directors on March 7, 2024 which resolved to distribute a cash dividend of NT$148,786,175, with a distribution of NT$0.5 per share. If the dividend distribution subsequently affects the number of outstanding shares due to changes in the Company's share capital resulting in changes in the dividend payout ratio (or payout ratio), the chairman is authorized to handle such matters with full authority in accordance with the Company Act or its relevant laws and regulations.

3. Explanation of significant changes in expected dividend policy: None.

(7) The impact of the free-gratis dividends at this shareholders' meeting on the Company's operating performance and earnings per share: Not applicable.

(8) Remuneration of employees, Directors and Supervisors:

1. The percentage or scope of remuneration for employees and Directors as stated in the Company's Articles of Incorporation:

   The Company shall distribute employee compensation not less than 1% and Director compensation not more than 5% based on the current year's profit situation. But if the Company still has accumulated losses, they shall be compensated.

   Employee compensation may be based on stocks or cash, and the recipients of stocks or cash may include employees of affiliated companies who meet certain conditions.

   The profit situation referred to in the first paragraph refers to the pre tax benefits of the current year before deducting the distribution of employee compensation and Director compensation.

   The distribution of employee and Director remuneration shall be made by a resolution of the Board of Directors with the consent of more than two-thirds of the Directors present and a majority of the attending Directors, and shall be reported to the shareholders' meeting.

2. If there is any difference between the valuation basis of the amount of compensation of employees, Directors and Supervisors, the calculation basis of the number of shares of employee compensation distributed by shares and the actual distribution amount and the valuation amount, then the accounting treatment:

   (1) The basis for the estimation of the remuneration amount of employees, directors, and supervisors in the current period as well as the basis for calculating the number of shares for employee remuneration distributed in stocks: The estimation of the remuneration payable by the Company to employees and directors is calculated based on the Articles of Incorporation of the Company, the Employee Remuneration Management Guidelines and the Director Remuneration Payment Guidelines, as well as taking into account past experience and the amount that may be paid in the future.

   (2) If the actual distribution amount determined by the shareholders' meeting is different from the estimated amount, it will be treated as a change in accounting estimates and will be adjusted in the account in the year of the resolution of the shareholders' meeting.

3. On March 7, 2024, the Board of Directors approved the distribution of remuneration for 2023:

   (1) Amount of employee remuneration and director remuneration distributed in cash or stocks:

   The Board of Directors approved the proposed distribution of cash remuneration in the amount of NT$5,310,000 to employees and the proposed distribution of cash remuneration to directors in the amount of NT$5,310,000.

   (2) The amount of employee remuneration distributed in stocks and its proportion to the sum of the net income after tax and the total employee remuneration in the parent company only or individual financial reports for the current period: None.

4. The actual distribution status of the remuneration for employees, directors, and supervisors in the previous year (2022) (including the number, amount, and stock price of the shares allotted); in case of any differences between the actual amount and the recognized remuneration for employees, directors, and supervisors, state clearly the differences, reasons therefore and the handling thereof:

Unit: NT$

	Estimated amount	Actual allocation amount	Difference
Employee remuneration	13,158,000	13,158,000	None

Employee share remuneration	-	-	None
Director remuneration	13,158,000	13,158,000	None

Note: Based on the 2022 director cash remuneration and employee cash remuneration approved by the Board of Directors in 2023.

(9) Company buyback of shares: There is no such situation.

2. Handling of the Company's bonds (including the overseas Company's bonds):

(1) Handling of corporate bonds:

Type of corporate bond		The 5th domestic unsecured convertible corporate bond	The 6th domestic unsecured convertible corporate bond
Date of issue		July 28, 2022	August 23, 2023
Denomination		NT$100,000 per bond	NT$100,000 per bond
Place of issue and trading		ROC	ROC
Issue price		NT$101	NT$100
Total amount		NT$600,000,000	NT$400,000,000
Interest rate		0%	0%
Period		3 years (2022/07/28-114/07/28)	3 years (2023/08/23-2026/08/23)
Guarantee institution		None	None
Trustee		Bank Sinopac Company Limited	Bank Sinopac Company Limited
Type of corporate bond		The 5th domestic unsecured convertible corporate bond	The 6th domestic unsecured convertible corporate bond
Underwriter		Taichung Bank Securities Co., Ltd.	Taichung Bank Securities Co., Ltd.
Attesting lawyer		Derkai Law Firm Lawyer Chiu, Shi-Fang	Derkai Law Firm Lawyer Chiu, Shi-Fang
Attesting accountant		PwC Taiwan Accountants Wang, Kuo-Hua and Liao, A-Shen	PwC Taiwan Accountants Wang, Kuo-Hua and Liao, A-Shen
Repayment method		Repayable upon maturity in one lump sum in cash in accordance with the face value of the bond	Repayable upon maturity in one lump sum in cash at 103.0301% of the face value of the bond (the real yield of 1%)
Outstanding amount		NT$399,600,000	NT$86,900,000
Redemption or early repayment clause		For details, refer to Article 19 of the Company's Fifth Domestic Unsecured Convertible Corporate Bond Issuance and Conversion Guidelines	For details, refer to Article 19 of the Company's Sixth Domestic Unsecured Convertible Corporate Bond Issuance and Conversion Guidelines
Restrictive clause		None	None
Name of credit rating institution, rating date, corporate bond rating results, etc.		Not applicable	Not applicable
Other rights attached thereto	Amount of ordinary shares, overseas depositary receipts or other securities converted	Not applicable	Not applicable
	Issuance and conversion (exchange or subscription) guidelines	Please refer to page 69 of the fifth domestic unsecured convertible corporate bonds.	Please refer to page 76 of the sixth domestic unsecured convertible corporate bonds.
Possible dilution of equity and impact on existing shareholders' equity		Not applicable	Not applicable
Name of the entrusted custodian institution of the exchange subject matter		Not applicable	Not applicable

Note: Information as of March 31, 2024.

(2) Convert corporate bond information

Unit: NT$

Types of corporate bonds		The 5th unsecured conversion of corporate bonds in Taiwan		The 6th unsecured conversion of corporate bonds in Taiwan	
Items \ Year		2023	As of March 31, 2024	2023	As of March 31, 2024
Conversion of corporate bonds	Highest	134.00	127.00	147.00	139.10
	Lowest	100.00	108.00	100.70	115.55
	Average	110.49	119.80	113.20	128.25
Conversion price		17.86	17.86	16.30	16.30
Issuing (handling) date and conversion price at the time of issuance		Issued on July 28, 2022, the conversion price is NT$19.99.		Issued on Aug. 23, 2023, the conversion price is NT$16.48.	
Fulfillment of conversion obligations		The target of conversion is ordinary shares of the company by issuing new shares		The target of conversion is ordinary shares of the company by issuing new shares	

3. Handling of special shares: None.

4. Handling of overseas depositary receipts: None.

5. Handling of employee share option certificate: None.

6. Handling of new shares with restricted employee rights: None.

7. Handling of issuance of new shares by acquiring and transferring the shares of other companies: None.

Franbo Lines Corp.
Measures for the Fifth Issuance and Conversion of Unsecured Convertible Corporate Bonds in Taiwan

1. Bond name:

   Franbo Lines Corp. (below, the "Company") has issued its fifth unsecured convertible corporate bonds in Taiwan (below, the "convertible corporate bond").

2. Issue date:

   (The same below) July 28, 2022 (below, the "issue date").

3. Total issuance amount, par value per bond and issuing price:

   The par value of each convertible corporate bond is NT$100,000 only, the total number of issued bonds is 6,000, and the total amount of issuance is NT$600 million only; In addition, the convertible corporate bonds are put on public underwriting by competitive auction. The actual issuing price was 101% of the par value, and the actual raised amount was NT$606,431,000.

4. Issuance period:

   The issuance period is three years, starting from July 28, 2022 and expiring on July 28, 2025 (below, the "maturity date").

5. Bond coupon rate:

   The annual coupon rate is 0%.

6. Date and method of principal repayment:

   In addition, the holders of the convertible corporate bonds (below, the "bondholder") convert the bonds into the Company’s common shares in accordance with Article X of the Measures, or they are redeemed by the Company in advance in accordance with Article XIX of the Measures, or purchased and wrote off by the Company from the securities dealer’s business place, the Company shall, within ten business days from the next day after the maturity of the convertible corporate bonds, reimburse the convertible corporate bonds held by bondholders, at par value, in cash in a lump sum. In the event that at the above-mentioned date, the Taipei Securities Centralized Trading Market ceases to operate, it will be postponed to the next business day.

7. Security:

   Convertible corporate bonds are unsecured bonds. Provided that if, after the issuance of this convertible corporate bond, the Company issues or privately places other secured or convertible corporate bonds, this convertible corporate bond will also set up the same level of creditor’s right or security interest in the same order as the secured corporate bond with warrants or convertible corporate bond.

8. Object conversion:

   For the common shares of the Company, the Company will perform the conversion obligation by issuing new shares. The newly issued shares will be allocated and delivered through account books instead of entity printing.

9. Conversion period:

   The bondholders shall have the right to hold the convertible corporate bonds from the next day (October 29, 2022) after the expiration of the three-month period following issuance of the convertible corporate bonds to the maturity date (July 28, 2025), except (I) from the

fifteenth business day before the date on which the Company ceases to allot shares, the date on which the cash dividend ceases to be transferred or the date on which the cash increase share subscription ceases to be transferred, to the base date for assignment of rights, (II) From the base date for handling the capital reduction to the day before the starting trading day of the newly issued stocks for capital reduction, (III) From the date for handling the change of face amount of stocks to the day before the starting trading day of the newly issued stocks, (IV) Except for the period when other common shares of the Company are suspended from transfer in accordance with law, Taiwan Depository Clearing Corporation (below, the "TDCC") may request the share agency of the Company to convert the Company's debt-equity swap into common shares of the Company in accordance with the provisions of Articles 10, 11, 13 and 15 of the Measures at any time through the transfer of the original trading securities trader.

10. Request conversion procedure:

(I) When the bondholder submits in the Application for Conversion/ Redemption/ Repurchase of Convertible Corporate Bond Account Book (with conversion indicated) to the original trading securities trader, the securities trader must then apply to Taiwan Depository & Clearing Corporation (TDCC). After accepting the application, the TDCC shall notify the stock affairs agency of the Company by electronic means. The conversion shall be effective upon delivery and shall not be withdrawn. The conversion formalities shall be completed within five business days after delivery, and the common shares of the Company shall be directly transferred to the TDCC account of the original bondholder.

(II) When overseas Chinese and foreigners convert their convertible corporate bonds into common shares of the Company, they shall all be distributed by TDCC through account book allocation.

11. Conversion price and its adjustment:

(I) The base date of the conversion price of this convertible corporate bond is July 8, 2022. The conversion price of this convertible corporate bond is based on the simple arithmetic average of the closing price of the Company's common shares on the business day, three business days and five business days prior to the base date, and then the base price is multiplied by the conversion premium rate of 102%, then the obtained amount is the conversion price of the convertible corporate bond (calculated to one cent of New Taiwan Dollars, rounded down and rounded up for figures less than one cent). If there are ex-rights or ex-dividends before the base date, the closing price sampled to calculate the conversion price shall be set as the ex-rights or ex-dividend price first; In case of ex-right or ex-interest after the determination of the conversion price and before the actual issue date, they shall be adjusted in accordance with the conversion price adjustment formula in Paragraph (II) or (III) of this Article. In accordance with the above method, the conversion price of this convertible corporate bond is NT$19.99 per share.

(II) After the issuance of the convertible corporate bonds, in addition to issuing different types of negotiable securities with the right to convert or subscribe for common shares, or issuing new shares due to employee remuneration, if there is an increase in the Company's issued (or privately offered) common shares (including but not limited to cash increase, surplus transfer increase, capital reserve transfer increase, the Company's merger or acquisition of new shares issued by other companies' shares, stock split and cash increase to participate in the issuance of overseas depositary receipts, etc.), the Company shall adjust the conversion price of the convertible corporate bonds in accordance with the following formula (calculated to one cent of New Taiwan Dollars, rounded down and rounded up for the figures less than one cent, adjusted downwards, not adjusted upwards), and shall request the Taipei Exchange (below, the "TPEx") for

announcement through letter and make the adjustment on the ex-right base date of new shares issuance (Note 1). If there is an increase in the number of issued common shares due to a change in the par value of shares, the adjustment shall be made on the base date of the replacement of the new shares (or on the date when the full payment is made if there is an actual payment operation).

$$\text{Conversion price after adjustment} = \text{Conversion price before adjustment} \times \frac{\text{Number of issued shares (Note 2)} + (\text{Payment per share (Note 3)} \times \text{Number of new shares issued or privately offered}) / \text{Share price at current time (Note 4)}}{\text{Number of issued shares (Note 2)} + \text{Number of new shares issued or privately offered}}$$

Note 1: If the issuance of new shares through cash capital increase or participating in the issuance of overseas depositary receipts through cash capital increase is handled, and there is no ex-right base date, the adjustment will be made on the date when the full payment of shares is received. In the case of stock splits, it will be adjusted on the base date of the split. In case of a merger or transfer of capital increase, the base date of the merger or transfer shall be adjusted. If private placement is used for cash increase or the increased shares are privately placed negotiable securities, the adjustment shall be made on the delivery date of privately placed negotiable securities. If the issuing price of the updated shares is changed after the ex-right base date for the issuance of new shares by cash increase, the issuing price of the updated new shares and the share price at the current time (the updated issuing price of the new shares after the update is determined by the Board of Directors shall be taken as the updated share price at the current time) shall be adjusted again in accordance with the previous formula. If the conversion price after the adjustment is lower than the conversion price announced before the original ex-right base date, request the TPEx through a letter for re-announcement, and adjust the conversion price.

Note 2: The number of issued shares refers to the total number of issued shares of common shares (including issued and privately offered shares) less the number of hidden shares repurchased by the Company but not yet written off or transferred.

Note 3: If there is no free allotment of shares or stock split, the payment amount will be zero. In the case of a consolidated capital increase and issuance of new shares, the payment amount per share shall be the net value per share calculated on the basis of the latest certified or reviewed financial statements of the eliminated company before the merger base date multiplied by the share conversion ratio. If a new share is issued through the acquisition of shares from another company, the payment amount of each share shall be the net value of each share calculated in the latest financial statements certified or reviewed by the CPA of the transferred other companies multiplied by the share conversion ratio.

Note 4: The formation of the share price at the current time shall be based on the simple arithmetic average of the closing price of common shares calculated at one, three or five business days before the ex-right base date, the base date of pricing, the base date of stock merger or stock split, or the delivery date of privately placed negotiable securities.

Where the par value of shares is changed:

$$\text{Conversion price after adjustment} = \frac{\text{Conversion price before adjustment} \times \text{Number of common shares issued before the change of par value of shares}}{\text{Number of common shares issued after the change of par value of shares}}$$

(3) After the issuance of the convertible corporate bonds, when the Company distributes cash dividends for common shares, the Company shall adjust the conversion price in accordance with the following formula (calculated to one cent of New Taiwan Dollars, rounded down and rounded up for the figures less than one cent, adjusted downwards, not adjusted upwards) on ex-dividend base date, and shall request that the TPEx announce the conversion price after adjustment. The provisions on the reduction of the conversion price do not apply to those who have requested conversion before the ex-dividend base date (excluding). The adjustment formula is as follows:

Conversion price after reduction = conversion price before reduction × (1-ratio of distributed cash dividends for common shares in current price per share (Note))

Note: The current price per share is determined by selecting one among the simple arithmetic averages of the closing prices of the Company's common shares calculated on the first, third, and fifth business days prior to the date on which the cash dividend ceases to be transferred for ex-dividend announcement.

(4) After the issuance of the convertible corporate bonds, when the Company reissues (or privately places) securities with common share conversion rights or share options at a conversion or subscription price lower than the current price per share (Note 1), the Company shall adjust the conversion price of the convertible corporate bonds in accordance with the following formula (calculated to one cent of New Taiwan Dollars, rounded down and rounded up for the figures less than one cent, adjusted downwards, not adjusted upwards), and shall make a written request that TPEx announce such. And the Company shall adjust it on the date of issuance of the aforesaid securities or share options or the date of delivery of the privately placed securities:

$$\text{Conversion price after adjustment} = \text{Conversion price before adjustment} \times \frac{\text{Number of issued shares (Note 2)} + \left(\text{Conversion or subscription price of newly issued (or privately placed) securities or share options} \times \text{Number of shares that can be converted or subscribed for newly issued (or privately placed) securities or share options}\right) \div \text{Current price per share}}{\text{Number of shares issued (note 2) + number of shares that can be convertible or subscribed for newly issued (or privately placed) securities or share options}}$$

Note 1: The current price per share is determined by selecting one among the simple arithmetic averages of the closing prices of the Company's common shares calculated on the first, third, and fifth business days prior to the pricing base date for the re-issued (or privately placed) securities with conversion rights of common shares or share options.

Note 2: The number of issued shares refers to the number of common shares issued and privately placed minus the number of treasury shares repurchased by the Company that have not been canceled or transferred. If treasury shares are used to finance the re-issuance (or private placement) of securities with conversion rights of common shares or share options, the number of shares issued in the adjustment formula shall be reduced by the number of shares that can be converted or subscribed for the newly issued (or privately placed) securities.

(5) After the issuance of the convertible corporate bonds, if the reduction of the number of common shares is not due to the reduction of capital through cancellation of treasury shares, the Company shall calculate the conversion price after adjustment shall be calculated in accordance with the following formula (calculated to one cent of New Taiwan Dollars, rounded down and rounded up for the figures less than one cent, adjusted downwards, not adjusted upwards), and shall make a written request that TPEx announce such. The adjustment shall be made on the base date of the reduction of capital. If the reduction of the number of common shares is due to the change in the par value of the shares, the adjustment shall be made on the base date of the replacement of new shares:

Where the losses are compensated through capital decrease:

$$\text{Conversion price after adjustment} = \frac{\text{Conversion price before adjustment} \times \text{Number of common shares issued before capital reduction (Note)}}{\text{Number of common shares issued after capital reduction}}$$

Where the capital is reduced in the way of cash:

$$\text{Conversion price after adjustment} = (\text{conversion price before adjustment} - \text{cash refunded per share}) \times \frac{\text{Number of common shares issued before capital reduction (Note)}}{\text{Number of common shares issued after capital reduction}}$$

Where the par value of shares is changed:

$$\text{Conversion price after adjustment} = \frac{\text{Conversion price before adjustment} \times \text{Number of common shares issued before the change of par value of shares}}{\text{Number of common shares issued after the change of par value of shares}}$$

Note: The number of issued shares refers to the number of common shares issued (including shares issued and privately placed), minus the number of treasury shares repurchased by the Company that have not been canceled or transferred.

12. The convertible corporate bonds are listed on TPEx and terminated to be listed on TPEx:

    The Company shall apply to TPEx for convertible corporate bonds to be listed on TPEx before issuance date, and terminate being listed on TPEx when the convertible corporate bonds are fully converted into common shares or fully redeemed or repaid by the Company. The above matters will be announced upon the consent of the Company and the TPEx.

13. New shares after conversion, are listed on TPEx:

    The common shares re-issued after conversion of the convertible corporate bonds will be traded on the TPEx from the delivery date. The above matters will be announced upon the consent of the Company and the TPEx. The common shares of the Company are issued in a dematerialized form, and the common shares after conversion are traded on the TPEx in a dematerialized form from the delivery date.

14. Registration of changes in share capital

    Within 15 days after the end of each quarter, the Company shall publicly announce the amount of shares delivered for the conversion of the convertible corporate bonds in the preceding quarter, and shall apply to the competent authority where the Company registers for changes in capital at least once every quarter.

15. Handling of the amount of less than one share during conversion:

    In the event of conversion into common shares of the Company, if there are odd lots of less than one share, the amount of the shares shall be paid in cash by the Company (calculated to one dollar of New Taiwan Dollars, rounded off for the figures less than one dime), in addition to offsetting the expenses allocated by Taiwan Depository & Clearing Corporation.

16. The shares of the Company are redeemed in advance due to the termination of being listed on TPEx

    If the Company's common shares are terminated to be listed on TPEx upon approval of the competent authority, the holders may request the Company to redeem the convertible corporate bonds held by them at par value of bonds.

17. Attribution of convertible annual cash dividends and stock dividends:

    (1) Cash dividend

    1. Holders of the convertible corporate bonds, who request conversion from January 1 of the current year to the 15th business day (excluding) prior to the date on which the Company's cash dividend ceases to be transferred in the current year, may enjoy the cash

dividends in the previous year approved by the resolution of the shareholders' meeting at the current year.

2. The conversion of the convertible corporate bonds shall be suspended, from the 15th business day (including) prior to the date on which the Company's cash dividend ceases to be transferred in the current year to the ex-dividend base date (including) of cash dividends.
3. Holders of the convertible corporate bonds, who request conversion from the day following the ex-dividend base date of cash dividends in the current year to December 31 in the current year (including), shall not enjoy the cash dividends in the previous year approved by the resolution of the shareholders' meeting at the current year, but they may participate in the cash dividends in the current year approved by the resolution of the shareholders' meeting at the next year.

(2) Stock dividend

1. Holders of the convertible corporate bonds, who apply for conversion from January 1 of the current year to the 15th business day (excluding) prior to the date on which the Company's stock dividend ceases to be transferred in the current year, may participate in the stock dividends in the previous year approved by the resolution of the shareholders' meeting at the current year.
2. The conversion of the convertible corporate bonds shall be suspended, from the 15th business day (including) prior to the date on which the Company's stock dividend ceases to be transferred in the current year to the ex-rights base date (including) of stock dividends.
3. Holders of the convertible corporate bonds, who request conversion from the day following the ex-rights base date of stock dividends in the current year to December 31 in the current year (including), shall not enjoy the stock dividends in the previous year approved by the resolution of the shareholders' meeting at the current year, but they may participate in the stock dividends in the current year approved by the resolution of the shareholders' meeting at the next year.

18. Rights and obligations after conversion:

The rights and obligations of the new shares after conversion shall be the same as those of the issued common shares of the Company.

19. The Company's redemption right for the convertible corporate bonds:

(1) From the next day (October 29, 2022) after the expiration of the three-month period following issuance of the convertible corporate bonds to the 40th day (June 18, 2025) prior to the maturity date, if the closing price of the common shares of the Company exceeds the current conversion price by 30% (including) for 30 consecutive business days, the Company may, within the following 30 business days, send by registered mail a Notice of Bond Recovery expiring within 30 days (the aforesaid period starts from the date for sending the letter by the Company, the expiration date of such period is taken as the base date of bond recovery, and the aforesaid period shall not be the period of cessation of conversion under Article 9) to the bondholders (subject to those recorded on list of bondholders on the fifth business day prior to the date for sending the Notice of Bond Recovery; investors who subsequently acquire this convertible corporate bonds due to trading or other reasons shall be notified through announcement). The redemption price is set as the par value of the convertible corporate bonds, and all the bonds are recovered in cash, and a letter is sent to the TPEx for announcement. Upon execution of the recovery request, the Company shall, within five business days after the base date of recovery of the bonds, redeem all the outstanding convertible corporate bonds in cash at the par value of the bonds.

(2) From the next day (October 29, 2022) after the expiration of the three-month period

following issuance of the convertible corporate bonds to the 40th day (June 18, 2025) before the maturity date, if the outstanding balance of the convertible corporate bonds is less than 10% of the total par value originally issued, the Company may, at any time thereafter, send by registered mail a Notice of Bond Recovery expiring within 30 days (the aforesaid period starts from the date for sending the letter by the Company, the expiration date of such period is taken as the base date of bond recovery, and the aforesaid period shall not be the period of cessation of conversion under Article 9) to the bondholders (subject to those recorded on list of bondholders on the fifth business day prior to the date for sending the Notice of Bond Recovery; investors who subsequently acquire this convertible corporate bonds due to trading or other reasons shall be notified through announcement). The redemption price is set as the par value of the convertible corporate bonds, and all the bonds are recovered in cash, and a letter is sent to request the TPEx for announcement. Upon execution of the recovery request, the Company shall, within five business days after the base date of recovery of the bonds, redeem the outstanding convertible corporate bonds in cash at the par value of the bonds.

(3) If the creditor fails to reply in writing to the stock affairs agency of the Company before the bond recovery base date stated in the Notice of Bond Recovery (In the case of sending the notice in person, it will be deemed to be delivered upon being sent to the target place; in the case of sending notice by mail, the postmark date will be deemed to be the delivered date), the Company shall recover the convertible corporate bonds held by the creditor in cash at the par value of bonds within five business days after the bond recovery base date.

(4) If the Company executes the recovery request, the deadline for the bondholder to request conversion shall be the second business day after the termination of being listed on TPEx of the convertible corporate bonds.

20. All of the convertible corporate bonds recovered (including those redeemed from securities dealer's business place), repaid or converted by the Company shall be canceled and shall not be sold or issued again. The conversion rights attached thereto shall be forfeited.

21. The convertible corporate bonds and the common shares issued through conversion are registered. The transfer, registration of changes, pledge, and loss of the bonds shall be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies and the relevant provisions of the Company Act. Other tax matters shall be handled in accordance with the provisions of the tax law at that time.

22. Bank SinoPac Co., Ltd. is the trustee of the bondholders of the convertible corporate bonds, and exercises the powers and responsibilities of checking and supervising the Company's performance of the issuance of the convertible company bonds on behalf of the bondholders. Whether subscribed at the time of issuance or purchased in the interim, all bondholders holding the convertible corporate bonds agree to the provisions of the entrustment agreement between the Company and the trustee, the rights and obligations of the trustee as well as the issuance and conversion method, and entrust the trustee full agency in respect of the entrusted matters. Such entrustment cannot be revoked in the interim, and the contents of the entrustment agreement can be consulted by the bondholder at the Company or the trustee's business place at any time during business hours.

23. The entrustment for the convertible corporate bonds shall be handled by the stock affairs agency of the Company, including the repayment of principal and interest and conversion matters.

24. No physical bonds shall be printed for the issuance of convertible corporate bonds in accordance with Article 8 of the Securities and Exchange Act.

25. Any matters not covered in this Measures for the Issuance and Conversion of the Convertible Corporate Bonds shall be handled in accordance with relevant laws and regulations.

Franbo Lines Corp.
Measures for the Sixth Issuance and Conversion of Unsecured Convertible Corporate Bonds in Taiwan

1. Bond name:

   Franbo Lines Corp. (below, the "Company") has issued its sixth unsecured convertible corporate bonds in Taiwan (below, the "convertible corporate bond").

2. Issue date:

   (The same below) August 23, 2023 (below, the "issue date").

3. Total issuance amount, par value per bond and issuing price:

   The par value of each convertible corporate bond is NT$100,000 only, the total number of issued bonds is 4,000, and the total amount of issuance is NT$400 million only

4. Issuance period:

   The issuance period is three years, starting from August 23, 2023 and expiring on August 23, 2026 (below, the "maturity date").

5. Bond coupon rate:

   The annual coupon rate is 0%.

6. Date and method of principal repayment:

   Except for the holder of this convertible corporate bond (below, the “Bond Holder”) that converts such bonds into ordinary shares of the Company in accordance with Article 10 of these Guidelines, or the Company redeems such bonds early in accordance with Article 19 of these Guidelines, or except for the exercise of the put right in accordance with Article 20 of these Guidelines, or the Company’s repurchase and cancellation through the securities dealer’s business office, the Company shall repay at 103.0301% (the real yield of 1%) of the face value of the bond within ten business days starting from the following day upon maturity of the converted corporate bonds in one lump sum in cash. If the aforementioned date falls on a day when the central securities exchange market in Taipei City is closed, it shall be postponed to the next business day.

7. Security:

   Convertible corporate bonds are unsecured bonds. Provided that if, after the issuance of this convertible corporate bond, the Company issues or privately places other secured or convertible corporate bonds, this convertible corporate bond will also set up the same level of creditor’s right or security interest in the same order as the secured corporate bond with warrants or convertible corporate bond.

8. Object conversion:

   For the common shares of the Company, the Company will perform the conversion obligation by issuing new shares. The newly issued shares will be allocated and delivered through account books instead of entity printing.

9. Conversion period:

   The bondholders shall have the right to hold the convertible corporate bonds from the next day (November 24, 2023) after the expiration of the three-month period following issuance of the convertible corporate bonds to the maturity date (August 23, 2026), except (I) from the fifteenth business day before the date on which the Company ceases to allot shares, the date on which the cash dividend ceases to be transferred or the date on which the cash increase share subscription ceases to be transferred, to the base date for assignment of rights, (II) From the base date for handling the capital reduction to the day before the starting trading day of the newly issued

stocks for capital reduction, (III) From the date for handling the change of face amount of stocks to the day before the starting trading day of the newly issued stocks, (IV) Except for the period when other common shares of the Company are suspended from transfer in accordance with law, Taiwan Depository Clearing Corporation (below, the "TDCC") may request the share agency of the Company to convert the Company's debt-equity swap into common shares of the Company in accordance with the provisions of Articles 10, 11, 13 and 15 of the Measures at any time through the transfer of the original trading securities trader.

10. Request conversion procedure:

(1) When the bondholder submits in the Application for Conversion/Redemption/Repurchase of Convertible Corporate Bond Account Book (with conversion indicated) to the original trading securities trader, the securities trader must then apply to Taiwan Depository & Clearing Corporation (TDCC). After accepting the application, the TDCC shall notify the stock affairs agency of the Company by electronic means. The conversion shall be effective upon delivery and shall not be withdrawn. The conversion formalities shall be completed within five business days after delivery, and the common shares of the Company shall be directly transferred to the TDCC account of the original bondholder.

(2) When overseas Chinese and foreigners convert their convertible corporate bonds into common shares of the Company, they shall all be distributed by TDCC through account book allocation.

11. Conversion price and its adjustment:

(1) The base date of the conversion price of this convertible corporate bond is August 15, 2023. The conversion price of this convertible corporate bond is based on the simple arithmetic average of the closing price of the Company's common shares on the business day, three business days and five business days prior to the base date, and then the base price is multiplied by the conversion premium rate of 105.1%, then the obtained amount is the conversion price of the convertible corporate bond (calculated to one cent of New Taiwan Dollars, rounded down and rounded up for figures less than one cent). If there are ex-rights or ex-dividends before the base date, the closing price sampled to calculate the conversion price shall be set as the ex-rights or ex-dividend price first; In case of ex-right or ex-interest after the determination of the conversion price and before the actual issue date, they shall be adjusted in accordance with the conversion price adjustment formula in Paragraph (II) or (III) of this Article. In accordance with the above method, the conversion price of this convertible corporate bond is NT$**16.48** per share.

(2) After the issuance of the convertible corporate bonds, in addition to issuing different types of negotiable securities with the right to convert or subscribe for common shares, or issuing new shares due to employee remuneration, if there is an increase in the Company's issued (or privately offered) common shares (including but not limited to cash increase, surplus transfer increase, capital reserve transfer increase, the Company's merger or acquisition of new shares issued by other companies' shares, stock split and cash increase to participate in the issuance of overseas depositary receipts, etc.), the Company shall adjust the conversion price of the convertible corporate bonds in accordance with the following formula (calculated to one cent of New Taiwan Dollars, rounded down and rounded up for the figures less than one cent, adjusted downwards, not adjusted upwards), and shall request the Taipei Exchange (below, the "TPEx") for announcement through letter and make the adjustment on the ex-right base date of new shares issuance (Note 1). If there is an increase in the number of issued common shares due to a change in the par value of shares, the adjustment shall be made on the base date of the replacement of the new shares (or on the date when the full payment is made if there is an actual payment operation).

$$\text{Conversion price after adjustment} = \text{Conversion price before adjustment} \times \frac{\text{Number of issued shares (Note 2)} + (\text{Payment per share (Note 3)} \times \text{Number of new shares issued or privately offered}) / \text{Share price at current time (Note 4)}}{\text{Number of issued shares (Note 2)} + \text{Number of new shares issued or privately offered}}$$

Note 1: If the issuance of new shares through cash capital increase or participating in the issuance of overseas depositary receipts through cash capital increase is handled, and there is no ex-right base date, the adjustment will be made on the date when the full payment of shares is received. In the case of stock splits, it will be adjusted on the base date of the split. In case of a merger or transfer of capital increase, the base date of the merger or transfer shall be adjusted. If private placement is used for cash increase or the increased shares are privately placed negotiable securities, the adjustment shall be made on the delivery date of privately placed negotiable securities. If the issuing price of the updated shares is changed after the ex-right base date for the issuance of new shares by cash increase, the issuing price of the updated new shares and the share price at the current time (the updated issuing price of the new shares after the update is determined by the Board of Directors shall be taken as the updated share price at the current time) shall be adjusted again in accordance with the previous formula. If the conversion price after the adjustment is lower than the conversion price announced before the original ex-right base date, request the TPEx through a letter for re-announcement, and adjust the conversion price.

Note 2: The number of issued shares refers to the total number of issued shares of common shares (including issued and privately offered shares) less the number of hidden shares repurchased by the Company but not yet written off or transferred.

Note 3: If there is no free allotment of shares or stock split, the payment amount will be zero. In the case of a consolidated capital increase and issuance of new shares, the payment amount per share shall be the net value per share calculated on the basis of the latest certified or reviewed financial statements of the eliminated company before the merger base date multiplied by the share conversion ratio. If a new share is issued through the acquisition of shares from another company, the payment amount of each share shall be the net value of each share calculated in the latest financial statements certified or reviewed by the CPA of the transferred other companies multiplied by the share conversion ratio.

Note 4: The formation of the share price at the current time shall be based on the simple arithmetic average of the closing price of common shares calculated at one, three or five business days before the ex-right base date, the base date of pricing, the base date of stock merger or stock split, or the delivery date of privately placed negotiable securities.

Where the par value of shares is changed:

$$\text{Conversion price after adjustment} = \frac{\text{Conversion price before adjustment} \times \text{Number of common shares issued before the change of par value of shares}}{\text{Number of common shares issued after the change of par value of shares}}$$

(3) After the issuance of the convertible corporate bonds, when the Company distributes cash dividends for common shares, the Company shall adjust the conversion price in accordance with the following formula (calculated to one cent of New Taiwan Dollars, rounded down and rounded up for the figures less than one cent, adjusted downwards, not adjusted upwards) on ex-dividend base date, and shall request that the TPEx announce the conversion price after adjustment. The provisions on the reduction of the conversion price do not apply to those who have requested conversion before the ex-dividend base date (excluding). The adjustment formula is as follows:

Conversion price after reduction = conversion price before reduction × (1-ratio of distributed cash dividends for common shares in current price per share (Note))

Note: The current price per share is determined by selecting one among the simple arithmetic averages of the closing prices of the Company's common shares calculated on the first, third, and fifth business days prior

to the date on which the cash dividend ceases to be transferred for ex-dividend announcement.

(4) After the issuance of the convertible corporate bonds, when the Company reissues (or privately places) securities with common share conversion rights or share options at a conversion or subscription price lower than the current price per share (Note 1), the Company shall adjust the conversion price of the convertible corporate bonds in accordance with the following formula (calculated to one cent of New Taiwan Dollars, rounded down and rounded up for the figures less than one cent, adjusted downwards, not adjusted upwards), and shall make a written request that TPEx announce such. And the Company shall adjust it on the date of issuance of the aforesaid securities or share options or the date of delivery of the privately placed securities:

$$\text{Conversion price after adjustment} = \text{Conversion price before adjustment} \times \frac{\text{Number of issued shares (Note 2)} + \left(\text{Conversion or subscription price of newly issued (or privately placed) securities or share options} \times \text{Number of shares that can be converted or subscribed for newly issued (or privately placed) securities or share options}\right) \div \text{Current price per share}}{\text{Number of shares issued (note 2) + number of shares that can be convertible or subscribed for newly issued (or privately placed) securities or share options}}$$

Note 1: The current price per share is determined by selecting one among the simple arithmetic averages of the closing prices of the Company's common shares calculated on the first, third, and fifth business days prior to the pricing base date for the re-issued (or privately placed) securities with conversion rights of common shares or share options.

Note 2: The number of issued shares refers to the number of common shares issued and privately placed minus the number of treasury shares repurchased by the Company that have not been canceled or transferred. If treasury shares are used to finance the re-issuance (or private placement) of securities with conversion rights of common shares or share options, the number of shares issued in the adjustment formula shall be reduced by the number of shares that can be converted or subscribed for the newly issued (or privately placed) securities.

(5) After the issuance of the convertible corporate bonds, if the reduction of the number of common shares is not due to the reduction of capital through cancellation of treasury shares, the Company shall calculate the conversion price after adjustment shall be calculated in accordance with the following formula (calculated to one cent of New Taiwan Dollars, rounded down and rounded up for the figures less than one cent, adjusted downwards, not adjusted upwards), and shall make a written request that TPEx announce such. The adjustment shall be made on the base date of the reduction of capital. If the reduction of the number of common shares is due to the change in the par value of the shares, the adjustment shall be made on the base date of the replacement of new shares:

Where the losses are compensated through capital decrease:

$$\text{Conversion price after adjustment} = \frac{\text{Conversion price before adjustment} \times \text{Number of common shares issued before capital reduction (Note)}}{\text{Number of common shares issued after capital reduction}}$$

Where the capital is reduced in the way of cash:

$$\text{Conversion price after adjustment} = \left[\text{conversion price before adjustment-cash refunded per share } x\left(1- \text{The ratio of cash refund amount per share to the closing price on the last trading day prior to the issuance of new shares and the replacement thereof}\right)\right] \times \frac{\text{Number of common shares issued before capital reduction (Note)}}{\text{Number of common shares issued after capital reduction}}$$

Where the par value of shares is changed:

$$\text{Conversion price after adjustment} = \frac{\text{Conversion price before adjustment} \times \text{Number of common shares issued before the change of par value of shares}}{\text{Number of common shares issued after the change of par value of shares}}$$

Note: The number of issued shares refers to the number of common shares issued (including shares issued and privately placed), minus the number of treasury shares repurchased by the Company that have not been canceled or transferred.

12. The convertible corporate bonds are listed on TPEx and terminated to be listed on TPEx:

    The Company shall apply to TPEx for convertible corporate bonds to be listed on TPEx before issuance date, and terminate being listed on TPEx when the convertible corporate bonds are fully converted into common shares or fully redeemed or repaid by the Company. The above matters will be announced upon the consent of the Company and the TPEx.

13. New shares after conversion, are listed on TPEx:

    The common shares re-issued after conversion of the convertible corporate bonds will be traded on the TPEx from the delivery date. The above matters will be announced upon the consent of the Company and the TPEx. The common shares of the Company are issued in a dematerialized form, and the common shares after conversion are traded on the TPEx in a dematerialized form from the delivery date.

14. Registration of changes in share capital

    Within 15 days after the end of each quarter, the Company shall publicly announce the amount of shares delivered for the conversion of the convertible corporate bonds in the preceding quarter, and shall apply to the competent authority where the Company registers for changes in capital at least once every quarter.

15. Handling of the amount of less than one share during conversion:

    In the event of conversion into common shares of the Company, if there are odd lots of less than one share, the amount of the shares shall be paid in cash by the Company (calculated to one dollar of New Taiwan Dollars, rounded off for the figures less than one dime), in addition to offsetting the expenses allocated by Taiwan Depository & Clearing Corporation.

16. The shares of the Company are redeemed in advance due to the termination of being listed on TPEx

    If the Company's common shares are terminated to be listed on TPEx upon approval of the competent authority, the holders may request the Company to redeem the convertible corporate bonds held by them at par value of bonds.

17. Attribution of convertible annual cash dividends and stock dividends:

    (1) Cash dividend

    1. Holders of the convertible corporate bonds, who request conversion from January 1 of the current year to the 15th business day (excluding) prior to the date on which the Company's cash dividend ceases to be transferred in the current year, may enjoy the cash dividends in the previous year approved by the resolution of the shareholders' meeting at the current year.
    2. The conversion of the convertible corporate bonds shall be suspended, from the 15th business day (including) prior to the date on which the Company's cash dividend ceases to be transferred in the current year to the ex-dividend base date (including) of cash dividends.
    3. Holders of the convertible corporate bonds, who request conversion from the day

following the ex-dividend base date of cash dividends in the current year to December 31 in the current year (including), shall not enjoy the cash dividends in the previous year approved by the resolution of the shareholders' meeting at the current year, but they may participate in the cash dividends in the current year approved by the resolution of the shareholders' meeting at the next year.

(2) Stock dividends

1. Holders of the convertible corporate bonds, who apply for conversion from January 1 of the current year to the 15th business day (excluding) prior to the date on which the Company's stock dividend ceases to be transferred in the current year, may participate in the stock dividends in the previous year approved by the resolution of the shareholders' meeting at the current year.
2. The conversion of the convertible corporate bonds shall be suspended, from the 15th business day (including) prior to the date on which the Company's stock dividend ceases to be transferred in the current year to the ex-rights base date (including) of stock dividends.
3. Holders of the convertible corporate bonds, who request conversion from the day following the ex-rights base date of stock dividends in the current year to December 31 in the current year (including), shall not enjoy the stock dividends in the previous year approved by the resolution of the shareholders' meeting at the current year, but they may participate in the stock dividends in the current year approved by the resolution of the shareholders' meeting at the next year.

18. Rights and obligations after conversion:

The rights and obligations of the new shares after conversion shall be the same as those of the issued common shares of the Company.

19. The Company's redemption right for the convertible corporate bonds:

(1) From the next day (November 24, 2023) after the expiration of the three-month period following issuance of the convertible corporate bonds to the 40th day (July 14, 2026) prior to the maturity date, if the closing price of the common shares of the Company exceeds the current conversion price by 30% (including) for 30 consecutive business days, the Company may, within the following 30 business days, send by registered mail a Notice of Bond Recovery expiring within 30 days (the aforesaid period starts from the date for sending the letter by the Company, the expiration date of such period is taken as the base date of bond recovery, and the aforesaid period shall not be the period of cessation of conversion under Article 9) to the bondholders (subject to those recorded on list of bondholders on the fifth business day prior to the date for sending the Notice of Bond Recovery; investors who subsequently acquire this convertible corporate bonds due to trading or other reasons shall be notified through announcement). The redemption price is set as the par value of the convertible corporate bonds, and all the bonds are recovered in cash, and a letter is sent to the TPEx for announcement. Upon execution of the recovery request, the Company shall, within five business days after the base date of recovery of the bonds, redeem all the outstanding convertible corporate bonds in cash at the par value of the bonds.

(2) From the next day (November 24, 2023) after the expiration of the three-month period following issuance of the convertible corporate bonds to the 40th day (July 14, 2026) before the maturity date, if the outstanding balance of the convertible corporate bonds is less than 10% of the total par value originally issued, the Company may, at any time thereafter, send by registered mail a Notice of Bond Recovery expiring within 30 days (the aforesaid period starts from the date for sending the letter by the Company, the

expiration date of such period is taken as the base date of bond recovery, and the aforesaid period shall not be the period of cessation of conversion under Article 9) to the bondholders (subject to those recorded on list of bondholders on the fifth business day prior to the date for sending the Notice of Bond Recovery; investors who subsequently acquire this convertible corporate bonds due to trading or other reasons shall be notified through announcement). The redemption price is set as the par value of the convertible corporate bonds, and all the bonds are recovered in cash, and a letter is sent to request the TPEx for announcement. Upon execution of the recovery request, the Company shall, within five business days after the base date of recovery of the bonds, redeem the outstanding convertible corporate bonds in cash at the par value of the bonds.

(3) If the creditor fails to reply in writing to the stock affairs agency of the Company before the bond recovery base date stated in the Notice of Bond Recovery (In the case of sending the notice in person, it will be deemed to be delivered upon being sent to the target place; in the case of sending notice by mail, the postmark date will be deemed to be the delivered date), the Company shall recover the convertible corporate bonds held by the creditor in cash at the par value of bonds within five business days after the bond recovery base date.

(4) If the Company executes the recovery request, the deadline for the bondholder to request conversion shall be the second business day after the termination of being listed on TPEx of the convertible corporate bonds.

20. Put option of Bond Holders:

The date (August 23, 2025) at the expiration of two years after issuance of this bond will be the base date for the Bond Holder to sell back the bond early. The Company shall send one copy of the Notice of Exercise of Put Right to the Bond Holders by registered mail forty days prior to the base date of the put right (in accordance with the names specified in the Roster of Bond Holders on the fifth business day prior to the date of posting the Notice of Exercise of Put Right; for the Bond Holders that only subsequently obtain the bonds due to trading or other reasons, such names shall be subject to the announcement), and request the Taipei Exchange by letter to announce the exercise of the put right by the Bond Holders. The Bond Holders may notify the Company's stock agency (effective immediately upon delivery; subject to the postmark as proof if mailed) in writing within 40 days prior to the base date of the put right requesting the Company to redeem in cash the bonds he/she is holding based on the face value of the bond plus interest compensation [at 101.0025% of the face value of the bond at the expiration of two years (yield to **put** of 0.5%)]. When the Company accepts a sell-back request, it shall redeem the bonds in cash prior to five business days on top of the base date for put right. If the aforementioned date falls on a day when the central securities exchange market in Taipei City is closed, it shall be postponed to the next business day.

21. All of the convertible corporate bonds recovered (including those redeemed from securities dealer's business place), repaid or converted by the Company shall be canceled and shall not be sold or issued again. The conversion rights attached thereto shall be forfeited.

22. The convertible corporate bonds and the common shares issued through conversion are registered. The transfer, registration of changes, pledge, and loss of the bonds shall be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies and the relevant provisions of the Company Act. Other tax matters shall be handled in accordance with the provisions of the tax law at that time.

23. Bank SinoPac Co., Ltd. is the trustee of the bondholders of the convertible corporate bonds, and exercises the powers and responsibilities of checking and supervising the Company's performance of the issuance of the convertible company bonds on behalf of the bondholders. Whether subscribed at the time of issuance or purchased in the interim, all bondholders holding

the convertible corporate bonds agree to the provisions of the entrustment agreement between the Company and the trustee, the rights and obligations of the trustee as well as the issuance and conversion method, and entrust the trustee full agency in respect of the entrusted matters. Such entrustment cannot be revoked in the interim, and the contents of the entrustment agreement can be consulted by the bondholder at the Company or the trustee's business place at any time during business hours.

24. The entrustment for the convertible corporate bonds shall be handled by the stock affairs agency of the Company, including the repayment of principal and interest and conversion matters.

25. No physical bonds shall be printed for the issuance of convertible corporate bonds in accordance with Article 8 of the Securities and Exchange Act.

26. Any matters not covered in this Measures for the Issuance and Conversion of the Convertible Corporate Bonds shall be handled in accordance with relevant laws and regulations.

8. Implementation of capital utilization plan:

(1) Contents of the plan: As of the quarter prior to the date of publication of the annual report, the previous issuance or private placement of securities that have not been completed, or completed within the last three years, without the benefits of the plan shown:

■ Proposal of issuance of common shares through cash capital increase in 2021

1. Plan contents before change

(1) Approval date and document number of the competent authority: Letter Chin-Kuan-Cheng-Fa-Tzu No. 1100346311 on June 17, 2021.

(2) Total fund required for the plan: NT$1,008,000,000.

(3) Source of funds: issuance of 36,000,000 new shares through cash capital increase, with a par value of NT$10 per share and issue price of NT$28 per share. A total amount of NT$1,008,000,000 was raised.

(4) Planned items and estimated progress of capital utilization

Unit: NT$1,000

Planned items	Scheduled completion date	Total funds required	Estimated progress of capital utilization
			Q3, 2021
Re-investment in subsidiaries	Q3, 2021	313,940	313,940
Repay bank borrowings	Q3, 2021	284,745	284,745
Replenish working capital	Q3, 2021	409,315	409,315
Total		1,008,000	1,008,000

As for the re-investment in subsidiaries, the Company reinvests in a 100% shareholding subsidiary, New Lucky Lines S.A., which in turn re-invests in a 100% shareholding sub-subsidiary, Franbo Legacy Limited. The estimated investment amount is US$11,000,000, equivalent to NT$313,940,000, based on the exchange rate of 28.54:1 between NT$: US$. The above-mentioned sub-subsidiary's capital utilization plan is as follows:

Unit: NT$1,000

Types of company	Planned items	Total funds required (Note 1)	
		NT$	US$
Franbo Legacy Limited (Note 2)	Purchase a general bulk ship with a deadweight tonnage of 16,934 tons	285,400	10,000
	Operate turnover funds	28,540	1,000
Total		313,940	11,000

Note 1: Temporarily converted at the exchange rate of 28.54:1 for NT$: US$.

Note 2: The estimated reinvestment amount is US$11,000,000, among which there is US$10,000,000 used for purchasing the existing ships and US$1,000,000 for the operating turnover of the sub-subsidiaries.

(5) Expected possible benefits

① Re-investment in subsidiaries

Among the raised funds, it is expected that NT$313,940,000 (equivalent to approximately US$11,000,000, at an exchange rate of 28.54) will be re-invested in the subsidiary, New Lucky Lines S.A., which will reinvest in the sub-subsidiary, Franbo Legacy Limited to purchase a second-hand general bulk ship with a deadweight tonnage of 16,954 tons. After the new ship was delivered in August 2021, it is estimated that the reinvestment incomes in Franbo Legacy Limited from 2021 to 2032 will be recognized as NT$6,688,000, NT$12,298,000, NT$2,034,000, NT$12,935,000, NT$12,640,000, NT$13,573,000, NT$14,055,000, NT$3,795,000, NT$13,363,000, NT$13,078,000 and NT$12,657,000, respectively. (Estimated at the exchange rate of 28.54:1 for NT$: US$)

② Repay bank borrowings

Among the raised funds, it is expected that NT$284,745,000 will be used to repay bank borrowings. By calculating based on the interest rate of the bank borrowings to be repaid, it is expected to save interest expenses of approximately NT$2,568 in 2021, and approximately NT$6,163,000 per year thereafter, as well as improve the financial structure, reduce dependence on banks and increase the flexibility of capital procurement.

③ Replenish working capital

Among the raised funds, it is expected that NT$409,315,000 will be used to replenish the working capital. If the cash capital increase is not handled this time, the working capital gap must be injected by borrowing from financial institutions. Based on the average interest rate of 2.14% of short-term loans in the financial statements in the first quarter of 2021 of the Company, it is expected to save the interest expenses of approximately NT$3,650,000, and NT$8,759,000 per year thereafter.

2. Plan contents before change

(1) Total fund required for the plan: NT$1,008,000,000.

(2) Source of funds: issuance of 36,000,000 new shares through cash capital increase, with a par value of NT$10 per share and issue price of NT$28 per share. A total amount of NT$1,008,000,000 was raised.

(3) Reasons for changing the plan

Due to the price of the cash capital increase per share was raised from the tentative NT$14 per share to NT$28 per share in the actual fundraising, the total funds required by the Company in this project increased from the amount of NT$504,000,000 at the time of

filing to the amount of NT$1,008,000,000 at the time of actually completing the fundraising, thereby increasing the repayment amount for the bank loan as well as the project item of replenishing working capital. However, after considering that the capital utilization efficiency of the original capital increase plan was for the purpose of avoiding idle funds as well as improving the capital utilization efficiency and protecting the rights and interests of shareholders, while in cooperation in the Group's overall fleet operations planning; and the Group mainly operates bulk shipping business, and the ships of its fleet are mainly lightweight ships, therefore this change of plan is to reduce the funds for replenishing working capital in the amount of NT$371,416,000 so to increase the loan repayment to the subsidiary in the amount of NT$55,720,000, as well as to increase the amount of NT$315,696,000 for reinvestment in the sub-subsidiary to purchase 2 newly-built ships of DWT 40,000 ton (Handysize) bulk ship. In addition to expanding the fleet operation scale, the Group can provide stable and efficient services so to meet customer needs through younger ships. Moreover, younger ships are easy to repair, which will further improve the Group's operating efficiency and profitability. Therefore, the Company will make appropriate use of the total amount raised and change the use of funds in the original cash capital increase plan.

According to the above mentioned, the planned amounts of reinvestment in subsidiaries, repayment of subsidiaries' borrowings, and replenishment of working capital increased by NT$315,696,000 and NT$55,720,000 and decreased by NT$371,416,000, respectively. Therefore, the adjustment amounts of individual items of the original fund raising plan have reached the requirements of handling the change matters of the plan specified in Subparagraph 9, Paragraph 2 1, Article 9 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers and requirements of the change of the fund raising plan specified in Article 3 of the Points of Note for Public Companies When Changing Plans for Cash Capital Increase or Issuance of Corporate Bonds. And the amendments to the planned items have been approved by resolution of the Board of Directors' meeting on August 4, 2021, and entered into the information reporting website designated by the FSC on the day when the changes are approved by resolution of the Board of Directors' meeting. In addition, it is proposed to report it to the Shareholders' Meeting for subsequent confirmation on May 26, 2022.

(4) Plan items and estimated progress of capital utilization:

Unit: NT$1,000

Planned items	Scheduled completion date	Total funds required	Estimated progress of capital utilization
			Q3, 2021
Repay bank borrowings	Q3, 2021	284,745	284,745
Repay subsidiaries' borrowings	Q3, 2021	55,720	55,720
Replenish working capital	Q3, 2021	37,899	37,899
Re-investment in subsidiaries	Q3, 2021	629,636	629,636
Total		1,008,000	1,008,000

As for the re-investment in subsidiaries, the Company reinvests in a 100% shareholding subsidiary, New Lucky Lines S.A., which in turn re-invests in 100% shareholding sub-subsidiaries, Franbo Legacy Limited, Franbo Ace Limited and Franbo

Art Limited. The estimated re-investment amount is NT$306,460,000 (US$11,000,000), NT$161,588,000 (US$5,800,000) and NT$161,588,000 (US$5,800,000), respectively, and the estimated total investment amount is US$22,600,000, equivalent to NT$629,636,000 based on the exchange rate of 27.86:1 between NT$: US$. The above-mentioned sub-subsidiaries' capital utilization plan is as follows:

Unit: NT$1,000

Types of company	Planned items	Total funds required (Note 1)	
		NT$	US$
Franbo Legacy Limited (Note 2)	Purchase a general bulk ship with a deadweight tonnage of 16,934 tons	278,600	10,000
	Operate turnover funds	27,860	1,000
Franbo Ace Limited (Note 3)	Purchase a general bulk ship with a deadweight tonnage of 40,000 tons	160,195	5,750
	Operate turnover funds	1,393	50
Franbo Art Limited (Note 3)	Purchase a general bulk ship with a deadweight tonnage of 40,000 tons	160,195	5,750
	Operate turnover funds	1,393	50
Total		629,636	22,600

Note 1: Temporarily converted at the exchange rate of 27.86:1 for NT$: US$.

Note 2: The estimated reinvestment amount is US$11,000,000, among which there is US$10,000,000 used for purchasing the existing ships and US$1,000,000 for the operating turnover of the sub-subsidiaries.

Note 3: The estimated reinvestment amount is US$5,800,000, among which there is US$5,750,000 used for signing contract amount, 20% of the new ship purchase cost of US $28,750,000, and US$50,000 for the operating turnover; The remaining 20% of the construction cost of the ship, US$5,750,000 will be paid in accordance with the progress of the construction of the ship, which will be paid by the Company through bank borrowings and its own funds, and 60% balance will be paid by bank mortgage loans.

(5) Expected possible benefits

① Repay bank borrowings and subsidiaries' borrowings

Part of the funds raised at this time will be used to repay the bank borrowings of NT$284,745,000. By calculating based on the interest rate of the bank borrowings to be repaid, it is expected to save interest expenses of approximately NT$2,568 in 2021, and approximately NT$6,163,000 per year thereafter, as well as improve the financial structure, reduce dependence on banks and increase the flexibility of capital procurement.

For the item of this change plan, the Company will additionally repay the subsidiary's borrowings amounting to NT$55,720,000 (US$2,000,000). According to the borrowing contract signed with the subsidiary New Lucky Lines S.A. on August 7, 2020, the total borrowings is US$6,000,000, and the balance that the Company can allocate actually is US$2,323,000. Therefore, for the item of this change plan, the Company will repay the subsidiary's borrowings of US$2,000,000 (equivalent to NT$55,720,000), to improve the financial structure and increase the flexibility of capital procurement.

② Replenishing working capital

The amount of replenishing working capital is to be changed from NT$409,315,000 in the original plan to the amount of NTNT37,899,000.

Estimated based on the average interest rate of 2.14% for short-term borrowings in the Company's financial statements for the first quarter of 2021, although the amount of replenishing working capital has been reduced, the interest expense can still be reduced if bank borrowings can be reduced. It is expected that interest expenses can be saved by approximately NT$338,000 in 2021, and interest expenses are expected to be saved by approximately NT$811,000 per year in the future. It is expected that interest expenses may be reduced, which can avoid interest expenses from eroding the Company's profits so as to strengthen the Company's financial structure. Therefore, its efficiency should be reasonable.

③ Re-investment in subsidiaries

The Company reinvests in a 100% shareholding subsidiary, New Lucky Lines S.A., which in turn invests in its 100% shareholding sub-subsidiaries, Franbo Legacy Limited, Franbo Ace Limited and Franbo Art Limited. The estimated investment amounts are NT$306,460,000 (US$11,000,000), NT$161,588,000 (US$5,800,000) and NT$161,588,000 (US$5,800,000), respectively, and the estimated total investment amount is US$22,600,000, equivalent to NT$629,636,000 based on the exchange rate of 27.86:1 between NT$: US$.

Among the raised funds, it is expected that NT$306,460,000 (equivalent to approximately US$11,000,000, at an exchange rate of 27.86) will be re-invested in New Lucky Lines S.A., which will reinvest in the sub-subsidiary, Franbo Legacy Limited, to purchase a second-hand general bulk ship with a deadweight tonnage of 16,954 tons. After the new ship was delivered in August 2021, it is estimated that the reinvestment incomes in Franbo Legacy Limited from 2021 to 2032 will be recognized as NT$6,529,000, NT$12,005,000, NT$1,986,000, NT$12,627,000, NT$12,339,000, NT$13,250,000, NT$13,721,000, NT$3,705,000, NT$13,045,000, NT$12,766,000, NT$12,355,000 and NT$11,652,000, respectively.

Among the raised funds, it is expected that NT$161,588,000 (equivalent to approximately US$5,800,000, at an exchange rate of 27.86) will be re-invested in the subsidiary, New Lucky Lines S.A., which will in turn reinvest such funds in the new sub-subsidiary, Franbo Ace Limited to purchase a newly-built general bulk ship with a deadweight tonnage of 40,000 tons. Among such reinvestment funds, US$5,750,000 is taken as the signing contract amount, 20% of the new ship purchase cost of US $28,750,000, and US$50,000 taken as the operating turnover; The remaining 20% of the construction cost of the ship, US$5,750,000 will be paid in accordance with the progress of the construction of the ship, which will be paid by the Company through bank borrowings and its own funds, and 60% balance will be paid by bank mortgage loans. After the new ship is delivered in April 2023, it is estimated that the reinvestment incomes in Franbo Ace Limited from 2023 to 2033 will be recognized as NT$34,198,000, NT$46,972,000, NT$48,268,000, NT$50,290,000, NT$39,627,000, NT$56,659,000, NT$56,677,000, NT$56,677,000, NT$55,872,000, NT$43,962,000 and NT$55,051,000, respectively. (Estimated at the exchange rate of 29.48:1for NT$: US$)

Among the raised funds, it is expected that NT$161,588,000 (equivalent to approximately US$5,800,000, at an exchange rate of 27.86) will be re-invested in the subsidiary, New Lucky Lines S.A., which will in turn reinvest such funds in the new sub-subsidiary, Franbo Art Limited to purchase a newly-built general bulk ship with a deadweight tonnage of 40,000 tons. Among such reinvestment funds, US$5,750,000 is taken as the signing contract amount, 20% of the new ship purchase cost of US $28,750,000, and US$50,000 taken as the operating turnover; The remaining 20% of the construction cost of the ship, US$5,750,000 will be paid in

accordance with the progress of the construction of the ship, which will be paid by the Company through bank borrowings and its own funds, and 60% balance will be paid by bank mortgage loans. After the new ship is delivered in May 2023, it is estimated that the reinvestment incomes in Franbo Art Limited from 2023 to 2033 will be recognized as NT$32,683, NT$46,465,000, NT$47,763,000, NT$49,784,000, NT$39,121,000, NT$55,382,000, NT$56,677,000, NT$56,677,000, NT$55,872,000, NT$43,962,000 and NT$55,051,000 respectively. (Estimated at the exchange rate of 29.48:1 for NT$: US$)

■ Proposal of issuance of new shares through cash capital increase and the fifth unsecured convertible corporate bonds in Taiwan in 2022

1. Plan content before amendment

(1) Approval date and document number of competent authority Letter Chin-Kuan-Cheng-Fa-Tzu No. 1110346749 and Chin-Kuan-Cheng-Fa-Tzu No. 11103467491 on June 24, 2022.

(2) Total fund required for the plan: NT$1,806,000,000.

(3) Source of funds:

① Source of funds: issuance of 50,000,000 new shares through cash capital increase, with a par value of NT$10 per share and an issue price of NT$18.28 per share. A total amount of NT$914,000,000 was raised.

② The fifth domestic unsecured convertible corporate bonds were issued in a total of 6,000 bonds. The par value per bond is NT$100,000 only, and the total par value issued is NT$600,000,000, with an annual coupon rate of 0% and a 3-year issue period. Bonds are put on public underwriting by competitive auction. The actual issue price is 101% of the par value, and the actual raised amount is NT$606,431,000.

③ Bank borrowings or self-owned funds: NT$285,569,000.

(4) Planned projects and estimated progress of capital utilization

Unit: NT$1,000

Planned items	Scheduled completion date	Total funds required	Estimated progress of capital utilization	
			Q3, 2022	Q4, 2022
Re-investment in subsidiaries	Q4, 2022	1,806,000	1,534,170	271,830
Total		1,806,000	1,534,170	271,830

The important contents of this issuance of new shares through cash capital increase and the fifth unsecured convertible corporate bonds in Taiwan have been approved by the resolution of the Board of Directors' meeting of the Company on March 4, 2022, and the issue plan was revised by the Board of Directors' meeting on November 4, 2022. The raised funds will be used to reinvest in 100% shareholding subsidiary, New Lucky Lines S.A., which will in turn reinvest in sub-subsidiaries Franbo Ace Limited (hereinafter referred to as Ace), Franbo Art Limited (hereinafter referred to as Art), Franbo Cosmos Limited (hereinafter referred to as Cosmos), Franbo Century Limited (hereinafter referred to as Century) and Franbo Brave Limited (hereinafter referred to as Brave) in the third and fourth quarters of 2022, respectively, to bear all funds for the newly built general bulk ships with deadweight tonnage of 40,000 tons (one ship for each sub-subsidiary). The expected plan and the progress of capital utilization for New Lucky Lines S.A.'s reinvestment in Ace, Art, Cosmos, Century and Brave are as follows:

Unit: NT$1,000

Planned items	Expected completion date	Expected total amount of reinvestment	Estimated progress of capital utilization	
			Q3, 2022	Q4, 2022
New Lucky Lines S.A. Re-investment in subsidiaries Ace	Q3, 2022	593,285 (US$20,125,000)	593,285 (US$20,125,000)	-
New Lucky Lines S.A. Re-investment in subsidiaries Art	Q3, 2022	678,040 (US$23,000,000)	678,040 (US$23,000,000)	-
New Lucky Lines S.A. Re-investment in subsidiaries Cosmos	Q3, 2022	175,230 (US$5,944,000)	175,230 (US$5,944,000)	-
New Lucky Lines S.A. Re-investment in subsidiaries Century	Q4, 2022	175,230 (US$5,944,000)	87,615 (US$2,972,000)	87,615 (US$2,972,000)
New Lucky Lines S.A. Re-investment in subsidiaries Brave	Q4, 2022	184,215 (US$6,249,000)	-	184,215 (US$6,249,000)
Total		1,806,000 (US$61,262,000)	1,534,170 (US$52,041,000)	271,830 (US$9,221,000)

Note: Converted at the exchange rate of 29.48:1 for NT$: US$.

(5) Expected possible benefits

At this time, the Company plans to indirectly reinvest 100% shareholding sub-subsidiaries Ace, Art, Cosmos, Century and Brave by 100% shareholding subsidiary New Lucky Lines S.A. to pay for their respective newly built 40,000 DWT general bulk ships. It is expected that the ships will be completed and delivered in the first-fourth quarters of 2023 and the first quarter of 2024 respectively, and will be operated by chartering after the new ships are delivered one after another. It is estimated that the accumulated recognizable investment incomes from the five newly purchased ships will be NT$2,853,039,000 in 2023-2024. Based on the funds of NT$1,806,000,000 raised by this offering and issuance, the accumulated recognized reinvestment income is estimated to reach NT$2,082,996,000 by 2031, and the capital recovery period of reinvestment will be about 8.00 years. However, the ultimate purpose of this reinvestment is to pay for part of the funds for the construction of ships by sub-subsidiaries. Therefore, based on the total cost of newly-built ships calculated, the capital recovery years of each ship are 10.46 years, 10.55 years, 11.44 years, 11.61 years and 11.53 years, respectively.

Reinvestment income recognized by Franbo Lines Corp. through New Lucky Lines S.A

Unit: NT$1,000

Re-investment in subsidiaries	Name of ship	2023	2024	2025	2026	2027	2028
Franbo Ace Limited	*Franbo Ace*	34,198	46,972	48,268	50,290	39,627	56,659
Franbo Art Limited	*Merganser*	32,683	46,465	47,763	49,784	39,121	55,382
Franbo Cosmos Limited	*Norvic Houston*	15,022	42,593	44,016	46,125	35,632	50,671
Franbo Century Limited	*Norvic Singapore*	8,129	42,241	43,665	45,774	35,281	49,607
Franbo Brave Limited	*Franbo Brave*	-	40,561	49,144	50,528	52,637	42,764
Investment income recognized per year		90,032	218,832	232,856	242,501	202,298	255,083
Investment income recognized cumulatively		90,032	308,864	541,720	784,221	986,519	1,241,602

Note: Converted at the exchange rate of 29.48:1 for NT$: US$.

Unit: NT$1,000

Re-investment in subsidiaries	Name of ship	2029	2030	2031	2032	2033	2034
Franbo Ace Limited	*Franbo Ace*	56,677	56,677	55,872	43,962	55,051	55,051
Franbo Art Limited	*Merganser*	56,677	56,677	55,872	43,962	55,051	55,051
Franbo Cosmos Limited	*Norvic Houston*	53,983	53,983	53,214	41,351	53,214	53,214
Franbo Century Limited	*Norvic Singapore*	53,983	53,983	53,214	41,351	53,214	53,214
Franbo Brave Limited	*Franbo Brave*	60,194	60,194	60,194	59,440	47,477	59,440
Investment income recognized per year		281,514	281,514	278,366	230,066	264,007	275,970
Investment income recognized cumulatively		1,523,116	1,804,630	2,082,996	2,313,062	2,577,069	2,853,039

Note: Converted at the exchange rate of 29.48:1 for NT$: US$.

2. Plan content after amendment

(1) Total fund required for the plan: NT$1,806,000,000

(2) Source of funds:

① Source of funds: issuance of 50,000,000 new shares through cash capital increase, with a par value of NT$10 per share and an issue price of NT$18.28 per share. A total amount of NT$914,000,000 was raised.

② The fifth domestic unsecured convertible corporate bonds were issued in a total of 6,000 bonds. The par value per bond is NT$100,000 only, and the total par value issued is NT$600,000,000, with an annual coupon rate of 0% and a 3-year issue period. Bonds are put on public underwriting by competitive auction. The actual issue price is 101% of the par value, and the actual raised amount is NT$606,431,000.

③ Bank borrowings or self-owned funds: NT$285,569,000

(3) Reasons for changing the plan

The Company's issuance of new shares through cash capital increase in 2022 and the issuance of the fifth domestic convertible corporate bonds were originally planned to be used for reinvestment in subsidiaries. The overall fund utilization progress was originally expected to be completed in the fourth quarter of 2022. However, due to the Russia-Ukraine war and heating up of the global inflation, the United States has suppressed inflation by raising interest rates thereby pushing up the exchange rate, making the U.S. dollar stronger. In order to prevent the use of funds pursuant to the original fund-raising plan from failing to meet the original expected efficiency, in consideration of the capital utilization efficiency, the relevant timeliness as well as protecting the rights and interests of shareholders, while in cooperation in the Group's overall fleet operations planning, the Company passed the resolution of the Board of Directors on November 4, 2022 to revise the use of funds in the original fundraising plan, which is to increase the repayment of bank loans by the amount of NT$70,000,000 and reduce the reinvestment in the subsidiary by the amount of NT$70,000,000 int the hope of improving the utilization efficiency of the raised funds. The Company has announced the revision date as resolved by the Board of Directors by entering the data on the information reporting website designated by the Financial Supervisory Commission, and has submitted it for report to the shareholders' meeting on June 1, 2023.

As the revised amount for the individual items in the fundraising plan has not yet reached the standards for changes in the fund-raising plan stipulated in Subparagraph 9, Paragraph 1, Article 9 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, there is no change in the plan.

(4) Plan items and estimated progress of capital utilization:

Unit: NT$1,000

Planned items	Expected completion date	Total amount of funds required	Expected fund utilization after amendment			
			2022		2023	
			Q3 (actual)	Q4	Q1	Q2
Re-investment in subsidiaries New Lucky Lines S.A.	Q2, 2023	1,736,000	848,544	311,357	290,509	285,590
Repay bank borrowings	Q4, 2022	70,000	-	70,000	-	-
Total		1,806,000	848,544	381,357	290,509	285,590

Note: Before the amendment (approved effective version), the exchange rate of the plan was estimated at 29.48; the exchange rate after the amendment is estimated at the actual swap rate, and estimated at 31.75 for those who have not yet settled the purchase.

For this issuance of new shares through cash capital increase and the fifth unsecured convertible corporate bonds in Taiwan, the raised funds will be used to reinvest in 100% shareholding subsidiary, New Lucky Lines S.A., which will in turn reinvest in sub-subsidiaries Franbo Ace Limited (hereinafter referred to as Ace), Franbo Art Limited (hereinafter referred to as Art), Franbo Cosmos Limited (hereinafter referred to as Cosmos), Franbo Century Limited (hereinafter referred to as Century) and Franbo Brave Limited (hereinafter referred to as Brave) in the third and fourth quarters of 2022, respectively, to bear all funds for the newly built general bulk ships with deadweight tonnage of 40,000 tons (one ship for each sub-subsidiary). The expected plan and the progress of capital utilization for New Lucky Lines S.A.'s reinvestment in Ace, Art, Cosmos, Century and Brave are as follows:

Unit: NT$1,000

Planned items		Expected completion date after amendment	Expected capital utilization progress of the plan after amendment:				
			Expected total amount of reinvestment	2022		2023	
				Q3 (actual)	Q4	Q1	Q2
New Lucky Lines S.A. Re-investment in subsidiaries	Ace	Q1, 2023	614,687 (US$20,125)	231,220 (US$7,500)	179,214 (US$5,875)	204,253 (US$6,750)	-
	Art	Q2, 2023	708,416 (US$23,000)	347,523 (US$11,335)	132,144 (US$4,302)	86,256 (US$2,875)	142,494 (US$4,488)
	Cosmos	Q3, 2022	178,442 (US$5,944)	178,442 (US$5,944)	-	-	-
	Century	Q2, 2023	185,720 (US$5,944)	91,359 (US$2,972)	-	-	94,361 (US$2,972)
	Brave	Q2, 2023	48,735 (US$1,535)	-	-	-	48,735 (US$1,535)
			1,736,000 (US$56,548)	848,544 (US$27,751)	311,357 (US$10,177)	290,509 (US$9,625)	285,590 (US$8,995)

Note: Before the amendment (approved effective version), the exchange rate of the plan was estimated at 29.48. After the amendment, the actual swap rate is estimated at 31.75 for those who have not yet settled the purchase.

(5) Expected possible benefits

① Re-investment in subsidiaries

At this time, the Company plans to indirectly reinvest 100% shareholding sub-subsidiaries Ace, Art, Cosmos, Century and Brave by 100% shareholding subsidiary New Lucky Lines S.A. to pay for their respective newly built 40,000 DWT general bulk ships. It is expected that the ships will be completed and delivered in the first-

fourth quarters of 2023 and the first quarter of 2024 respectively, and will be operated by chartering after the new ships are delivered one after another. It is estimated that the accumulated recognizable investment incomes from the five newly purchased ships will be NT$2,853,039,000 in 2023-2024. Based on the funds of NTNT1,736,000,000 raised by this offering and issuance, the accumulated recognized reinvestment income is estimated to reach NT$1,804,630,000 by 2030, and the capital recovery period of reinvestment will be about 8.00 years. However, the ultimate purpose of this reinvestment is to pay for part of the funds for the construction of ships by sub-subsidiaries. Therefore, based on the total cost of newly-built ships calculated, the capital recovery years of each ship are 10.46 years, 10.55 years, 11.44 years, 11.61 years and 11.53 years, respectively. (The exchange rate is estimated at 29.48)

Reinvestment income recognized by Franbo Lines Corp. through New Lucky Lines S.A

Unit: NT$1,000

Re-investment in subsidiaries	Name of ship	2023	2024	2025	2026	2027	2028
Franbo Ace Limited	*Franbo Ace*	34,198	46,972	48,268	50,290	39,627	56,659
Franbo Art Limited	*Merganser*	32,683	46,465	47,763	49,784	39,121	55,382
Franbo Cosmos Limited	*Norvic Houston*	15,022	42,593	44,016	46,125	35,632	50,671
Franbo Century Limited	*Norvic Singapore*	8,129	42,241	43,665	45,774	35,281	49,607
Franbo Brave Limited	*Franbo Brave*	-	40,561	49,144	50,528	52,637	42,764
Investment income recognized per year		90,032	218,832	232,856	242,501	202,298	255,083
Investment income recognized cumulatively		90,032	308,864	541,720	784,221	986,519	1,241,602

Note: Converted at the exchange rate of 29.48:1 for NT$: US$.

Unit: NT$1,000

Re-investment in subsidiaries	Name of ship	2029	2030	2031	2032	2033	2034
Franbo Ace Limited	*Franbo Ace*	56,677	56,677	55,872	43,962	55,051	55,051
Franbo Art Limited	*Merganser*	56,677	56,677	55,872	43,962	55,051	55,051
Franbo Cosmos Limited	*Norvic Houston*	53,983	53,983	53,214	41,351	53,214	53,214
Franbo Century Limited	*Norvic Singapore*	53,983	53,983	53,214	41,351	53,214	53,214
Franbo Brave Limited	*Franbo Brave*	60,194	60,194	60,194	59,440	47,477	59,440
Investment income recognized per year		281,514	281,514	278,366	230,066	264,007	275,970
Investment income recognized cumulatively		1,523,116	1,804,630	2,082,996	2,313,062	2,577,069	2,853,039

Note: Converted at the exchange rate of 29.48:1 for NT$: US$.

② Repay bank borrowings

Planned funds after amendment at this time will be used to repay the bank borrowings of NT$70,000,000. By calculating based on the interest rate of the bank borrowings to be repaid, it is expected to save interest expenses of approximately NT$240,000 in 2022, and approximately NT$1,538,000 per year thereafter, as well as improve the financial structure, reduce dependence on banks and increase the flexibility of capital procurement.

■Proposal of issuance of new shares through cash capital increase and the sixth unsecured convertible corporate bonds in Taiwan in 2023

(1) Approval date and document number of competent authority: Official letters Chin-Kuan-

Cheng-Fa-Tzu No. 1120347289 and Chin-Kuan-Cheng-Fa-Tzu No. 11203472891 on July 11, 2023.

(2) Total fund required for the plan: NT$942,984,000.

(3) Source of funds:

① Source of funds: issuance of 30,000,000 new shares through cash capital increase, with a par value of NT$10 per share and an issue price of NT$14.20 per share. A total amount of NT$426,000,000 was raised.

② The sixth domestic unsecured convertible corporate bonds were issued in a total of 4,000 bonds. The par value per bond is NT$100,000 only, and the total par value issued is NT$400,000,000, with an annual coupon rate of 0% and a 3-year issue period. This fundraising was conducted by means of book building in public underwriting. The issuance price was based on 100% of the face value. The actual amount raised was NT$400,000,000.

③ Bank borrowings or self-owned funds: NT$116,984,000.

(4) Planned projects and estimated progress of capital utilization

Unit: NT$1,000

Planned items	Expected completion date	Total amount of funds required	Expected fund utilization	
			2023	
			Q3	Q4
Re-investment in subsidiaries (Note)	Q3, 2023	542,984	542,984	-
Repayment of first domestic secured ordinary corporate bonds in 2020	Q4, 2023	400,000	-	400,000
Total		942,984	542,984	400,000

Note: It is expected to be used to reinvest in the subsidiary New Lucky Lines S.A., which will then reinvest in the 100%-owned sub-subsidiary Franbo Cosmos Limited to pay the final payment of US$17,832,000—NT$542,984,000 converted at an exchange rate of 30.45:1—for the newly built general bulk cargo ship.

The important contents of the Company's issuance of new shares through cash capital increase and the sixth domestic unsecured corporate bond conversion plan have been passed by the resolution of the Board of Directors on May 4, 2023. The total funds raised this time are in the amount of NT$850,000,000, of which NT$450,000,000 will be used to reinvest in the subsidiary New Lucky Lines S.A. to further reinvest in the 100%-owned sub-subsidiary Franbo Cosmos Limited (hereinafter referred to as Cosmos) to pay the final payment of US$17,832,000 for the newly built general bulk cargo ship (ship name: *Norvic Houston*) (approximately NT$542,984,000 converted at an exchange rate of 30.45:1); and the amount of NT$400,000,000 will be used to repay the principal at maturity for the first 2020 secured ordinary corporate bonds that will mature in the fourth quarter of 2023.

The total price and fund payment schedule of Cosmos' newly-built ship are as follows:

Unit: 1,000

Company	Project item	Expected delivery schedule	Total ship price		Actual payment status (USD)		The amount used in this fundraising	
			US dollar	New Taiwan dollar (Note 1)	4th quarter of 2021	3rd quarter of 2022	US dollar	New Taiwan dollar (Note 1)
Franbo Cosmos Limited	Purchase of a newly built general bulk cargo ship with a general bulk cargo ship of 40,000 tons	September 2023	29,720	904,974	5,944	5,944	17,832	542,984

Note 1: Temporarily converted New Taiwan dollar to US dollar at the exchange rate of 30.45:1

Note 2: The total price of Franbo Cosmos Limited's newly-built ship is US$29,720,000, of which US$5,944,000 has been paid with bank borrowings and own funds in the fourth quarter of 2021, US$5,944,000 was paid with 2022 financing in the third quarter of 2022, and the balance—60% of the price in the amount of US$17,832,000 is expected to be paid by this fundraising.

(5) Expected possible efficiency

① Reinvestment in the subsidiary

This plan is to indirectly re-invest in Cosmos, a 100%-owned sub-subsidiary, through its 100%-owned subsidiary New Lucky Lines S.A., to pay the balance for its newly built 40,000-ton general bulk cargo ship (ship name: *Norvic Houston*). It is expected to be completed and delivered in the third quarter of 2023. After the new ship is delivered, it will be operated on a charter basis. It is estimated that the Company will be able to recognize a cumulative investment income of NT$543,018,000 from the newly purchased ships by Cosmos from 2023 to 2034. Since the amount of this reinvestment was reinvested through the subsidiary in the sub-subsidiary to pay the balance for building the new ship, the ultimate purpose is to purchase ship equipment for business use. If calculated based on the total cost of this newly-built ship in the amount of US$29,720,000 (approximately NT$904,974,000 converted at an exchange rate of 30.45:1), the total investment capital recovery period is approximately 11.77 years (The capital recovery in each year is calculated based on the net profit after tax in each year plus depreciation expenses).

Franbo Lines recognizes reinvestment income from Cosmos through New Lucky Lines S.A.

Unit: NT$1,000

Year	2023	2024	2025	2026	2027	2028
Investment income recognized per year	15,022	42,593	44,016	46,125	35,632	50,671
Investment income recognized cumulatively	15,022	57,615	101,631	147,756	183,388	234,059

Unit: NT$1,000

Year	2029	2030	2031	2032	2033	2034
Investment income recognized per year	53,983	53,983	53,214	41,351	53,214	53,214
Investment income recognized cumulatively	288,042	342,025	395,239	436,590	489,804	543,018

② Repayment for the first secured ordinary corporate bonds in 2020

The Company's 2020 first secured ordinary corporate bonds were issued on November 25, 2020. The issuance period is three years and will expire on November 25, 2023. The Company plans to use the funds in the amount of NT$400,000,000 raised from this issuance plan to repay the principal at maturity of the ordinary corporate bonds. Based on the Company's recent medium and long-term borrowing interest rate of approximately 2.45%, it is expected to reduce interest expenses by approximately NT$817,000 in 2023, and to reduce interest expenses by approximately NT$9,800,000 per year thereafter. In addition to reducing bank loan interest expenses so to avoid erosion of profits, it can also strengthen long-term funding stability and financial structure, reduce bank dependence, and increase the flexibility of capital utilization, thereby enhancing the Company's long-term competitiveness.

(2) Implementation status: In terms of the purpose of each plan in the preceding subparagraph, analyze the implementation status item by item and compare them with the originally expected efficiency as of the preceding quarter of the publication date of the annual report. If the implementation progress or efficiency do not meet the expected goals, state clearly the reasons thereof, impact on shareholders' equity, and the improvement plans.

■ 2021 issuance of ordinary shares from cash capital increase

1. The Company issued 36,000,000 new shares through cash capital increase in 2021, with a par value of NT$10 per share, an issue price of NT$28 per share, and a total raised funds of NT$1,008,000,000. The share payment has been fully collected on July 30, 2021, and the implementation status of the funds is set forth as follows:

Unit: NT$1,000

Planned items	Implementation			Progress ahead or behind, reasons, and improvement plan
Repay bank borrowings	Expenditure amount	Planned	284,745	This fund raising plan was completed in the third quarter of 2021 as planned and the raised funds were used to repay borrowings from banks and subsidiaries. Due to the fluctuation of the exchange rate between the New Taiwan Dollar and the U.S. Dollar, the repayment of borrowings from subsidiaries resulted in NT$55,611,000 recorded, which was slightly lower than the original estimate of NT$55,720,000. The two plan items were completed in the third quarter of 2021 in accordance with the original plan.
		Actual	284,745	
	Implementation progress (%)	Planned	100.00	
		Actual	100.00	
Repay subsidiaries' borrowings	Expenditure amount	Planned	55,720	
		Actual	55,611	
	Implementation progress (%)	Planned	100.00	
		Actual	99.80	
Replenish working capital	Expenditure amount	Planned	37,899	For the fund raising item of this plan, the part for replenishing the working capital was originally
		Actual	40,423	

Planned items	Implementation			Progress ahead or behind, reasons, and improvement plan
	Implementation progress (%)	Planned	100.00	planned to be completed in the third quarter of 2021. However, because some of the funds were generated in the fourth quarter of 2021 and the first quarter of 2022, actual implementation of the plan was delayed. The item was completed in the first quarter of 2022.
		Actual	106.65	
Re-investment in subsidiaries	Expenditure amount	Planned	629,636	This fund raising plan was completed in the third quarter of 2021 as planned. Due to the fluctuation of the exchange rate between the New Taiwan Dollar and the U.S. Dollar, the repayment of borrowings from subsidiaries resulted in NT$629,297,000 recorded, which was slightly lower than the original estimate of NT$629,636,000. This plan item was completed in the third quarter of 2021 as originally scheduled.
		Actual	629,297	
	Implementation progress (%)	Planned	100.00	
		Actual	99.95	
Total	Expenditure amount	Planned	1,008,000	This fund raising plan was completed in the first quarter of 2021.
		Actual	1,010,076	
	Implementation progress (%)	Planned	100.00	
		Actual	100.20	

As of the first quarter of 2022, the fund-raising plan of the Company has entered the fund utilization situation into the Market Observation Post System quarterly in accordance with the regulations, and all the plan items have been completed without any major abnormal situation.

2. Benefit evaluation

(1) Repay borrowings (repay borrowings from bank and subsidiaries):

The Company raised and issued cash capital increase in 2021 to issue common shares to repay the bank borrowings of NT$284,745,000 and the subsidiary borrowings of NT$55,720,000. The details of the expected repayment and actual repayment of the borrowings are as follows:

Repay bank borrowings

Unit: NT$1,000

Lending institutions	Interest rate (%)	Original line contract commencement date	Term of contract (Note)	Usages of original loans	Time point of starting use	Original loan balance	Proposed repayment amount	Actual repayment amount 2021 Q3
Taiwan Cooperative Bank-Dashun Branch	1.885	2017/12/21-201812/21	2020/10/28-2021/10/28	Operate turnover funds	2020/10/28	50,000	50,000	50,000
	1.885	2014/07/29-2015/07/29	2020/09/24-2021/09/24		2020/09/24	20,000	20,000	20,000
E.SUN BANK-Kaohsiung Branch	2.010	2014/08/19-2015/08/19	2020/07/02-2021/07/02		2020/10/20	10,000	10,000	10,000
Taiwan Enterprise Bank-Renda Branch	2.080	2014/08/27-2015/08/27	2020/10/26-2021/10/26		2020/12/10	20,000	20,000	20,000
CTBC Bank Co., Ltd.-Minzu Branch	1.788	2015/03/31-2016/03/31	2020/08/26-2021/08/26		2020/09/15	10,000	10,000	10,000
Land Bank of Taiwan-Nanzi Branch	1.750	2014/09/25-2015/09/25	2020/11/04-2021/11/04		2020/11/13	30,000	15,500	15,500
Entie Bank-Kaohsiung Branch	3.150	2017/10/27-201810/27	2020/09/02-2021/09/02		2021/01/04	20,000	20,000	20,000
Chang Hua Bank-North Kaohsiung Branch	2.210	2014/09/23-2015/09/30	2020/11/27-2021/11/27		2020/12/18	10,000	10,000	10,000
JihSun	2.350	2019/08/20-	2021/03/09-		2021/04/07	10,000	15,000	15,000

Lending institutions	Interest rate (%)	Original line contract commencement date	Term of contract (Note)	Usages of original loans	Time point of starting use	Original loan balance	Proposed repayment amount	Actual repayment amount 2021 Q3
International Commercial Bank Co., Ltd. -Kaohsiung Branch		2020/08/20	2022/03/09		2021/04/28	5,000		
Bank Sinopac-Taipei Branch	2.250	2018/09/11-2020/05/11	2020/05/11-2024/05/11		201809/20	160,000	73,000	73,000
The Shanghai Commercial & Savings Bank, Ltd. Qianjin Branch	2.500	2021/03/09-2024/03/09	2021/03/09-2024/03/09		2021/03/09	20,000	20,000	20,000
First Bank-Gangshan Branch	2.200	2020/06/22-2023/06/22	2020/06/22-2023/06/22		2020/06/22	20,000	12,778	12,778
Land Bank of Taiwan-Nanzi Branch	1.750	2019/10/14-2022/10/14	2019/10/14-2022/10/14		2019/10/14	20,000	8,467	8,467
Total							284,745	284,745

Note: This contract period is a new extension of the original contract before the credit line expires. The contract periods listed in the above table are the most recent valid contract periods. The funds can be used within the valid period and the agreed credit line.

The bank borrowings of Bank Sinopac-Taipei Branch listed above are used for repaying the following bank borrowings after the appropriation, and the terms of the borrowings are described as follows:

Lending institutions	Interest rate (%)	Original line contract commencement date	Term of contract (Note)	Usages of original loans	Starting point of starting use	Original loan balance	Amount repaid
Entie Bank-Kaohsiung Branch	3.34	2017/10/27-2018/10/27	2017/10/27-2018/10/27	Operate turnover funds	2018/08/21	10,000	20,000
					2018/09/10	5,000	
					2018/09/18	5,000	
Taiwan Cooperative Bank-Dashun Branch	2.05	2017/12/21-2018/12/21	2017/12/21-2018/12/21	Operate turnover funds	2018/04/24	20,000	50,000
					2018/04/25	10,000	
					2018/05/02	20,000	
Taiwan Cooperative Bank-Dashun Branch	2.05	2014/7/29-2015/7/29	2018/7/24-2019/7/24	Operate turnover funds	2018/09/13	20,000	20,000
Taishin International Bank-Chihsien Branch	2.35	2017/9/15-2018/9/15	2017/9/15-2018/9/15	Operate turnover funds	2018/04/17	15,000	15,000
CTBC Bank Co., Ltd.-Minzu Branch	1.9362	2015/3/31-2016/3/31	2018/7/31-2019/7//31	Operate turnover funds	2018/04/16	20,000	20,000
Land Bank of Taiwan-Nanzi Branch	1.9465	2014/9/29-2015/9/29	2017/9/29-2018/9/29	Operate turnover funds	2018/04/16	30,000	30,000
Total						155,000	155,000

Note: This contract period is a new extension of the original contract before the credit line expires. The contract periods listed in the above table are the most recent valid contract periods. The funds can be used within the valid period and the agreed

Repay subsidiaries' borrowings

Unit: NT$1,000

Lending company	Interest rate (%)	Term of contract	Usages of original loans	Time point of starting use	Original loan amount		Proposed repayment amount		Actual repayment amount Q3, 2021	
New Lucky Lines S.A.	-	2020/08/07-2025/08/06	Operating turnover	2020/08/24	US$	2,323	US$	2,000	US$	2,000
					Equivalent to NT$	64,719	Equivalent to NT$	55,720	Equivalent to NT$	55,720

Note: The exchange rate of NT$:US$ is estimated at 27.86:1.

The benefits after repayment of the aforesaid borrowings are described as follows:

① Save interest expenses and reduce financial burden

Unit: NT$1,000

Quarter / Interest expenses	Pre-financing	After-funding
	Q2, 2021	Q3, 2021
Interest expense of bank borrowings in the current period	2,184	1,471

After the funds are available in the third quarter of 2021 by issuance of common shares through cash capital increase in 2021, the Company will immediately use the funds raised of NT$340,465,000 to repay borrowings from banks and subsidiaries. As can be seen from the above table, the Company's interest expense after financing in the third quarter of 2021 decreased by NT$713,000 compared to the second quarter of 2021 (before financing). The Company has already had the benefit from actually saving interest expenses related to borrowings, and the benefits of using the previous funds raised for repaying the borrowings from banks and subsidiaries have been achieved.

② Strengthen financial structure and improve debt paying ability

Unit: NT$1,000；%

Year		Q2, 2021 (Pre-financing)	Q3, 2021 (After-financing)
Basic financial information	Current assets	61,984	249,319
	Current liability	316,709	195,552
	Total liabilities	813,649	618,005
	Operating revenue	16,169	16,194
	Earnings per share (NT$)	0.69	0.69
Financial structure	Ratio of liabilities (%)	33.48	18.41
	Ratio of long-term capital to real estate property, plant, and equipment (%)	4,222.87	6,360.85
Debt paying ability	Current ratio (%)	19.57	127.49
	Quick ratio (%)	18.76	126.51

Source: Provided by the Company; parent company only financial report made by the Company.

After the funds are available in the third quarter of 2021 by issuance of common shares through cash capital increase in 2021, the Company immediately use part of the funds to repay borrowings from the bank of NT$284,745,000 and borrowings from subsidiaries of NT$55,720,000 in the third quarter of 2021 to reduce the Company's financial burden and improve debt paying ability. Comparing the basic financial data before and after financing, the Company's funds were fully raised and partially used to repay the borrowings from banks and subsidiaries in the third quarter of 2021.

Afterwards, the current liabilities and total liabilities decreased compared with those before financing, and the current assets also increased due to the increase in cash and cash equivalents caused by operating growth and funds raised. With the booming demand for shipping, the operating revenue and earnings per share are stable. In terms of improving the financial structure, the ratio of long-term funds to real estate property, plant, and equipment of the Company has increased from 4,222.87% before financing to 6,360.85% after financing, and the debt ratio has decreased to 18.41% after financing compared with that before the financing; In terms of debt paying ability, the current ratio increased from 19.57% before financing to 127.49% after financing, and the quick ratio increased from 18.76% before financing to 126.51% after financing. To sum up, in terms of its financial structure and debt paying ability, all ratios are improved compared with those before financing, which obviously shows that the benefits of these funds raised for repaying bank borrowings have already been achieved.

③ Benefits of the original borrowings purpose

Unit: NT$1,000

Quarter / Items	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2
Operating revenue	14,590	14,778	14,358	14,358	16,045	14,444	16,169

Source: parent company only financial report made by the Company.

The original borrowings of the Company were used for the operating turnover of daily expenses, and these borrowings were gradually allocated from the fourth quarter of 2019 to the second quarter of 2021. In terms of the operating income of the Company during appropriation of the original borrowings, the operating incomes of the Company for each quarter from the first quarter of 2020 to the second quarter of 2021 were NT$14,778,000, NT$14,358,000, NT$14,358,000, NT$16,045,000 NT$14,444,000 and NT$16,169,000 respectively. In the second quarter of 2020, due to the gradual slowdown of the epidemic, countries began to actively revitalize their economies and trade, and the transportation industry entered the stage of demand recovery from mid-to-late June. Q3 is the peak season of cereal products in North America, and the shortage of iron ore stocks in Mainland China drives the demand for iron ore to rise. Therefore, the global transport demand will be recovered, and the market rebound will be strengthened. An increase in the demolition market is the key, which will be favorable for the market to get better continuously, and the freight rate and chartering amount of bulk ships will be significantly improved. In 2021, the Company benefited from a significant increase in chartering amount after the renewal of the contract. As the traditional off-season in the fourth quarter is not an off-season with an unexpected boom, freight rates continued to soar, and the Company's operating revenue increased slowly, indicating benefits of its original borrowings have been achieved. In order to pay for the funds needed for daily operations, the Company continued to allocate bank borrowings to cope with it, which was necessary and helpful to the overall operation of the Company, with no abnormal issues.

(2) Re-investment subsidiaries

① Franbo Legacy Limited

The Company reinvested in its 100%-owned subsidiary New Lucky Lines S.A. in August 2021, which further reinvested in the establishment of the 100%-owned sub-subsidiary Franbo Legacy Limited in August 2021 to purchase a second-hand general bulk cargo ship with a deadweight tonnage of 16,954 tons, which was acquired and delivered for operation in August 2021. The recognized reinvestment income of Franbo

Legacy Limited from 2021 to 2023 is NT$36,343,000, NT$269,346,000 and NT$8,835,000 respectively. Compared with the original estimates, the achievement rates were 556.64%, 2243.53% and 444.85% respectively. After the lockdown restrictions due to COVID-19 were gradually lifted in different countries in 2021, although shipping companies had fully opened their shipping capacity in 2021, with the impact of poor container dispatching and the continued pandemic situation, shipping companies still having shortages of cabins and labor or even shortages of ships from time to time, freight rates continued to rise again in late April. This ship was picked up and put into operation in August 2021, with an investment efficiency reaching 556.64%. In order to effectively use the Group's ship resources, a bareboat charter purchase contract for this ship was signed with the buyer in October 2022, and the ship was delivered in November 2022 with the disposal proceeds also recognized, and the investment efficiency reaching 2243.53%; in 2023, the pandemic dividend faded into a distant memory. The shipping boom returned to what it used to be like before the pandemic, with the investment efficiency reaching 444.85%; the investment efficiency of the reinvested subsidiary has been demonstrated, and the profit achievement rate was good. Overall speaking, the results were good and there were no major abnormalities.

② Franbo Ace Limited

This investment is used to purchase a newly built general bulk cargo ship with a deadweight tonnage of 40,000 tons. It is expected to be completed in March 2023 and put into operation in April. The ship was actually completely built and delivered for operation in March 2023, and a five-year charter party contract was signed with NS United Kaiun Kaisha, Ltd. When estimating operating costs and operating expenses in 2021, the average cost and expenses of ships of similar tonnage in 2020 were used. However, after the actual operation of the ship in March 2023, crew personnel costs, ship insurance and other costs increased; the daily ship management fee increased from the estimated US$400 to US$1,667; and starting from August 2023, in order to respond to market changes and enhance the Company's competitiveness, the Company established an operating company in the Marshall Islands for actual operations, which operating company will instead charter in and charter out the ships. The pro forma investment efficiency of the reinvested subsidiary reached 227.97% in 2023. Overall speaking, the efficiency achievement rate was good and there were no major abnormalities.

③ Franbo Art Limited

This investment is used to purchase a newly built general bulk cargo ship with a deadweight tonnage of 40,000 tons. It is expected to be completed and put into operation in May 2023. The ship was actually completely built and delivered in April 2023 and a five-year charter party contract was signed with Canfornav Limited. When estimating operating costs and operating expenses in 2021, the average cost and expenses of ships of similar tonnage in 2020 were used. However, after the actual operation of the ship in April 2023, crew personnel costs, ship insurance and other costs increased; the daily ship management fee increased from the estimated US$400 to US$1,667; and starting from August 2023, in order to respond to market changes and enhance the Company's competitiveness, the Company established an operating company in the Marshall Islands for actual operations, which operating company will instead charter in and charter out the ships. The pro forma investment efficiency of the reinvested subsidiary reached 141.17% in 2023. Overall speaking, the efficiency achievement rate was good and there were no major abnormalities.

(3) Replenish working capital:

After the change, the Company plans to use NT$37,899,000 to replenish operating funds. In terms of the financial structure and debt paying ability after the financing, the Company's financing can be used to reduce the interest expenses arising from borrowings due to the demand for funds. In addition, the ratio of long-term funds to real estate property, plant, and equipment, the current ratio and quick ratio are significantly improved compared with those before the financing, so the benefits have been achieved.

To sum up based on the above, with the Company's fund utilization plan for the 2021 issuance of ordinary shares through cash capital increase to repay borrowings, reinvest in subsidiaries and replenish working capital, its efficiency should have emerged.

■ 2022 issuance of new shares through cash capital increase and the fifth domestic unsecured convertible corporate bonds

1. The Company raised a total of NT$604,431,000 through its fifth domestic unsecured convertible corporate bonds in 2022 and issued 50,000,000 new shares through the cash capital increase, with a face value of NT$10 per share and an issue price of NT$18.28 per share, and the total amount of funds raised was NT$914,000,000. The share payment was fully collected on July 26, 2022 and September 1, 2022 respectively. The fund implementation status is set forth as follows:

Unit: NT$1,000

Planned items	Implementation		Accumulated up to the first quarter of 2023	Reasons for the progress being ahead or behind and the improvement plan
Re-investment in subsidiaries New Lucky Lines S.A.	Expenditure amount	Planned	1,736,000	The reinvestment in the subsidiary New Lucky Lines S.A. has been implemented in accordance with the revised capital utilization plan, and indirect reinvestment in the sub-subsidiary to pay for the construction of the new ship. Therefore, the implementation of this project item has been completed in the third quarter of 2023.
		Actual	1,736,000	
	Implementation progress (%)	Planned	100.00%	
		Actual	100.00%	
Repay bank borrowings	Expenditure amount	Planned	70,000	The bank borrowings have been repaid in accordance with the revised capital utilization plan, and therefore the implementation of this project item has been completed in the fourth quarter of 2022.
		Actual	70,000	
	Implementation progress (%)	Planned	100%	
		Actual	100%	
Total	Expenditure amount	Planned	1,806,000	
		Actual	1,806,000	
	Implementation progress (%)	Planned	100.00%	
		Actual	100.00%	

As of the third quarter of 2023, this fundraising plan of the Company has been fully implemented, and the status of fund utilization has been entered onto the Market Observation Post System on a quarterly basis in accordance with regulations. Overall speaking, although its fund utilization progress was slightly behind the schedule, there were no major abnormalities.

2. Benefit evaluation

(1) Re-investment in subsidiaries

At this time, the Company plans to indirectly reinvest in 100% shareholding sub-

subsidiaries, Ace, Art, Cosmos, Century and Brave, through the 100% shareholding subsidiary New Lucky Lines S.A., to pay for the payment that their respective new construction of one general bulk ship with a deadweight tonnage of 40,000 tons, which are expected to be completed in the first to fourth quarters of 2023 and the first quarter of 2024, respectively, and after the new ships are delivered, they will be operated on chartering. The cumulative recognized investment income from the five newly purchased ships is estimated to be NT$2,853,039,000 from 2023 to 2034.

①Franbo Ace Limited

For the benefits of reinvesting in Franbo Ace Limited to build new bulk general cargo ships, refer to 8. (2) Explanation on the benefits of reinvesting in subsidiaries in 2(2) of 2021 Cash Capital Increase and Issuance of New Shares.

②Franbo Art Limited

For the benefits of reinvesting in Franbo Art Limited to build new bulk cargo ships, refer to 8. (2) Explanation on the benefits of reinvesting in subsidiaries in 2(2) of 2021 Cash Capital Increase and Issuance of New Shares.

③Franbo Cosmos Limited

This investment is used to purchase a newly built general bulk cargo ship with a deadweight tonnage of 40,000 tons. It is expected to be completed and put into operation in September 2023. The ship was actually completely built and delivered in mid-September 2023 and a five-year charter party contract was signed with Norvic Shipping Ventures Pte. Ltd. When estimating operating costs and operating expenses in 2022, the average cost and expenses of ships of similar tonnage in 2021 were used. However, after the actual operation of the ship in September 2023, crew personnel costs, ship insurance and other costs increased; the daily ship management fee increased from the estimated US$400 to US$1,667; and starting from August 2023, in order to respond to market changes and enhance the Company's competitiveness, the Company established an operating company in the Marshall Islands for actual operations, which operating company will instead charter in and charter out the ships. The pro forma investment efficiency of the reinvested subsidiary reached 71.95% in 2023. Overall speaking, the efficiency achievement rate was good and there were no major abnormalities.

④Franbo Century Limited

This investment is used to purchase a newly built general bulk cargo ship with a deadweight tonnage of 40,000 tons. It is expected to be completed and put into operation in November 2023. The ship was actually completely built and delivered in mid-November 2023 and a five-year charter party contract was signed with **Norvic Shipping Ventures Pte.** Ltd. When estimating operating costs and operating expenses in 2022, the average cost and expenses of ships of similar tonnage in 2021 were used. However, after the actual operation of the ship in November 2023, crew personnel costs, ship insurance and other costs increased; the daily ship management fee increased from the estimated US$400 to US$1,667; and starting from August 2023, in order to respond to market changes and enhance the Company's competitiveness, the Company established an operating company in the Marshall Islands for actual operations, which operating company will instead charter in and charter out the ships. The pro forma investment efficiency of the reinvested subsidiary reached 8.51% in 2023. Overall speaking, the efficiency achievement rate was good and there were no major abnormalities.

⑤ Franbo Brave Limited has been in progress in accordance with the contractual

construction progress and the newly-built ship is expected to be delivered and put into operation in June 2024.

On the whole, in the company's 2022 annual cash capital increase and the fifth domestic unsecured conversion corporate bond plan, the company's plan to reinvest in subsidiaries to pay for Sun's new 40,000-ton bulk general cargo ship has been implemented in accordance with the progress of the plan is in progress, and its benefits should be gradually revealed.

(2) Repay bank borrowings

The Company's revised plan to raise and issue cash capital increase to issue new shares in 2022 and the fifth domestic unsecured convertible corporate bonds to repay bank borrowings of NT$70,000,000. The expected repayment and actual repayment of the details of borrowings are as follows:

Unit: NT$1,000

Lending institutions	Interest rate (%)	Original line contract commencement date	Contract period (Note 1)	Usages of original loans	Original loan balance	Time point of starting use	Proposed repayment amount	Interest expenses that can be saved	
								2022	Next year
Taiwan Cooperative Bank-Dashun Branch	2.065%	2014/07/29-2015/07/29	2022/08/22-2023/08/22	Operate turnover funds	20,000	2022/07/05	20,000	64	413
E.SUN BANK-Kaohsiung Branch	2.42%	2014/08/19-2015/08/19	2022/07/18-2023/07/18		10,000	2022/07/04	10,000	38	242
CTBC Bank Co., Ltd.-Minzu Branch	2.18%	2015/03/31-105/03/31	2022/08/02-2023/08/02		20,000	2022/01/04	20,000	68	436
Mega - Foreign	2.24%	2021/03/30-2022/03/30	2022/03/30-2023/03/30		20,000	2022/09/30	20,000	70	447
Total					70,000		70,000	240	1,538

The benefits after repayment of the aforesaid borrowings are described as follows:

① Save interest expenses and reduce financial burden

Unit: NT$1,000

Quarter / Interest expenses	Before repayment of borrowing			After repayment of borrowing
	Q1, 2022	The first two quarters of 2022	Q3, 2022	Q4, 2022
Interest expense of bank borrowings in the current period	1,081	867	3,472	3,963
Interest expense growth %	-	(19.80%)	300.46%	14.14%

In recent years, having been affected by the energy crisis, the raging pandemic, the war between Ukraine and Russia, etc., the world has faced global inflation. The Central Bank has raised interest rates four times in 2022, causing the Company's bank borrowing interest rate in the parent company only financial statement for the fourth quarter of 2022 to be between 1.70%–2%, with the range climbing all the way up to 2.19%–2.58% in the fourth quarter of 2022. It is obvious that rising bank borrowing interest rates have been gradually putting pressure on corporate operations. In view of this, as interest rates keep rising, the Company used the raised funds in the amount of NT$70,000,000 to repay bank borrowings after the Board of Directors reviewed and approved the revised capital plan and schedule on November 4, 2022 so as to reduce the impact of rising bank interest rates on the Company in terms of interest expense risk. Assuming that the borrowing interest rate is 2.065%–2.42% in 2022 and interest expenses in the amount of NT$240,000 have been actually saved in 2022, the interest expenses in the amount of NT$1,538,000 are

expected to be saved in 2023.

It can also be seen from the above table that due to the rise in interest rates, the Company's interest expenses in the third quarter of 2022 increased by 300.46% compared with that in the second quarter of 2022. However, after repaying the borrowings, although interest rates rose in the fourth quarter of 2022, the range of increase in interest reduced to 14.14% compared with that in the third quarter of 2022, which clearly shows that interest expenses have been saved, and the efficiency of saving interest expenses and reducing financial burdens should have emerged.

② Strengthen financial structure and improve debt paying ability

Unit: NT$1,000；%

Item / Year		September 30, 2022 (Before repayment of borrowing)	December 31, 2022 (After repayment of borrowing)
Short-term bank loan		230,000	120,000
long-term loans due within one year or within one business cycle (bank loan)		2,189	2,190
Long-term bank loan		20,240	19,700
Total bank loan		252,429	141,890
Total liabilities		1,555,692	1,631,828
The proportion of bank borrowings to total liabilities		16.22%	8.69%
financial structure	Debt ratio	23.58%	23.42%
	Ratio of long-term capital to property, plant, and equipment	11,484.68	11,414.45
Solvency	Current ratio (%)	130.68	45.41
	Quick ratio (%)	130.47	45.30

Information source: The parent company only individual financial report made the Company.

After the company's 2022 cash capital increase and issuance of new shares and the fifth domestic unsecured conversion corporate bond fund utilization plan were reviewed and approved by the board of directors on November 4, 2022, the raised funds of $70,000,000 will be used to repay bank loans. After the debt, the ratio of total bank loans to total liabilities on December 31, 2022 has dropped significantly from 16.22% on September 30, 2022 to 8.69%, which has greatly reduced the bank's dependence. It is obvious that the company's repayment of bank loans has shown benefits.

In terms of financial structure, the company's debt ratio decreased slightly from 23.58% before financing to 23.42% after financing; the ratio of long-term funds to real estate, plant, and equipment decreased slightly from 11,484.68% before financing to 11,414.45% after financing. The company will issue NT$400 million of 3-year ordinary corporate bonds in 2020, which will mature in November 2023, and will be classified as "long-term loans due within one year or within one business cycle" in the financial statements of the fourth quarter of 2022 as a result of the significant decrease in long-term liabilities, the benefits of the company's repayment of bank loans to improve its financial structure have emerged.

In terms of solvency, the company's current ratio dropped from 130.68% before financing to 45.41% after financing, and the quick ratio dropped from 130.47% before financing to 45.30% after financing, mainly due to the cash capital

increase in 2022 Funds for the plan to issue new shares and unsecured convertible corporate bonds were in place in the third quarter of 2022, but the funds have not been used in accordance with the plan, resulting in a substantial increase in cash and equivalent cash balances in this quarter, resulting in a substantial increase in the current ratio and quick ratio. However, looking back to the previous quarter, the current ratio on June 30, 2022 was 48.17%, and the quick ratio was 47.97%, both slightly higher than the ratio after debt repayment, mainly for the 3-year ordinary company that issued NT$400 million in 2020. The debt will be due in November 2023, and it will be classified as "long-term borrowings due within one year or within one business cycle" in the financial statements of the fourth quarter of 2022, resulting in a substantial increase in current liabilities. However, the ratio of the two periods is still No major differences.

On the whole, the benefits of the company's 2022 cash capital increase and new share issuance and the fifth domestic unsecured conversion corporate bond fund utilization plan for repaying bank loans have emerged.

To sum up from the above, regarding the Company's offering and issuing the ordinary shares through cash capital increase in 2022 and the fifth domestic unsecured convertible corporate bonds, with its fund utilization plan to make reinvestment in subsidiaries and to repay bank loans, its efficiency should have successively emerged.

■ 2023 Issuance of new shares through cash capital increase and the sixth domestic unsecured convertible corporate bonds

1. The Company raises a total of NT$400,000,000 through its sixth domestic unsecured convertible corporate bonds in 2023 and issued 30,000,000 new shares through cash capital increase, with a face value of NT$10 per share, an issue price of NT$14.20 per share, and the total amount of funds raised was NT$426,000,000. The share payments were fully collected on August 21, 2023 and September 5, 2023 respectively. The fund implementation status is set forth as follows:

Unit: NT$1,000

Project item	Implementation		Accumulated up to the fourth quarter of 2023	Reasons for the progress being ahead or behind and the improvement plan
Reinvestment in the subsidiary New Lucky Lines S.A.	Expenditure amount	Planned	542,984	US$17,832,000 has been remitted outwardly as planned, and the implementation of this project item has been completed in the third quarter of 2023.
		Actual	542,984	
	Implementation progress (%)	Planned	100.00%	
		Actual	100.00%	
Repayment for the first secured ordinary corporate bonds in 2020	Expenditure amount	Planned	400,000	The first secured ordinary corporate bonds in 2020 have been repaid as planned, and the implementation of this project item has been completed in the fourth quarter of 2023.
		Actual	400,000	
	Implementation progress (%)	Planned	100.00%	
		Actual	100.00%	
Total	Expenditure amount	Planned	942,984	
		Actual	942,984	
	Implementation progress (%)	Planned	100.00%	
		Actual	100.00%	

As of the fourth quarter of 2023, this fundraising plan of the Company has been fully implemented, and the status of fund utilization has been entered onto the Market Observation Post System on a quarterly basis in accordance with regulations.

Overall speaking, although its fund utilization progress was slightly behind the schedule, there were no major abnormalities.

2. Efficiency assessment

(1) Reinvestment in the subsidiary

This plan is to reinvest in the subsidiary New Lucky Lines S.A. and remit outwardly the funds to reinvest in the sub-subsidiary Franbo Cosmos Limited for paying the balance of a newly built general bulk cargo ship (ship name: *Norvic Houston*) with a deadweight tonnage of 40,000 tons. The construction of the ship is expected to be completed and put into operation in September 2023. The ship was actually completed, delivered, and put into operation in mid-September 2023, and a five-year charter contract was signed with Norvic Shipping Ventures Pte. Ltd.

For the description of the efficiency of reinvesting in Franbo Cosmos Limited for a newly built general bulk cargo ship, refer to 8. (2) of 2022 issuance of new shares through cash capital increase and 2(1) of the fifth domestic unsecured convertible corporate bond.

(2) Repayment of the first secured ordinary corporate bonds in 2020

The Company's 2020 first secured ordinary corporate bonds were issued on November 25, 2020, with an issuance period of three years and bond maturity on November 25, 2023. The Company has repaid on November 27, 2023 to save its interest expenses, and the efficiency of reducing financial burdens should have emerged.

The efficiency after repaying the aforementioned loans is hereby explained as follows:

① Saving interest expenses and reducing financial burden

Unit: NT$1,000

Season / Interest expense	Before loan repayment			After loan repayment
	First quarter of 2023	Second quarter of 2023	Third quarter of 2023	Fourth quarter of 2023
Interest expense for the current period	3,353	3,421	3,656	3,968
CB6 discount and premium amortization recorded as interest expense	-	-	336	1,011
Interest expense after deducting CB6	3,353	3,421	3,320	2,957
Interest expense increase by %	-	2.03%	(2.95%)	(10.93%)

In recent years, as the world has been affected by the energy crisis, the raging pandemic, the war between Ukraine and Russia, etc., the world has faced global inflation. The Central Bank has raised interest rates four times in 2022, resulting in the Company's bank borrowing interest rates on the parent company only financial statements having ranged from 2.19% to 2.58% since the fourth quarter of 2022, which range has climbed all the way to between 2.13% and 2.85% in the fourth quarter of 2023. It is obvious that rising bank borrowing rates have gradually put

pressure on corporate operations.

As it can be seen from the table above, the Company's interest expenses in 2023 have increased quarter by quarter due to the rise in interest rates. If after deducting the discount and premium amortization recorded as interest expenses for the issuance of the sixth domestic unsecured convertible corporate bonds in this fundraising, although interest rates are rising in the fourth quarter of 2023, interest expenses are lower by 10.93% compared with those in the third quarter of 2023. It is obvious that interest expenses have been saved, and the efficiency of reducing financial burdens should have emerged.

② Strengthen financial structure and improve debt paying ability

Unit: NT$1,000；%

Item \ Year		September 30, 2023 (Before repayment of borrowing)	December 31, 2023 (After repayment of borrowing)
Current assets		721,968	324,720
Current liabilities		894,687	312,701
Corporate bonds payable		944,066	581,773
Total liabilities		1,856,825	894,494
Operating revenue		42,143	48,479
Earnings per share (NT$)		0.67	0.56
financial structure	Debt ratio	23.79%	12.60%
	Ratio of long-term capital to property, plant, and equipment	13,979.46	13,732.98
Solvency	Current ratio (%)	78.98	103.84
	Quick ratio (%)	78.93	103.73

Source: provided by the Company, the parent company only financial reports made the Company.

The Company undertook the fundraising plan of the 2023 issuance of ordinary shares through cash capital increase and the sixth domestic unsecured convertible corporate bonds. After the funds were in place in the third quarter of 2023, part of the funds were used to repay the amount of NT$400,000,000 for the first secured ordinary corporate bonds in 2020 to reduce the Company's financial burden and to improve its debt solvency. Comparing the basic financial information before and after the fundraising, after the Company raised full funds in the third quarter of 2023 and partially used them to repay the first secured ordinary corporate bonds in 2020, the current liabilities and total liabilities have been reduced compared with those before the fundraising. With the steady development of shipping demand, operating income and earnings per share have shown a stable trend.

In terms of improving the financial structure, the Company's debt ratio has dropped from 23.79% before the fundraising to 12.60% after the fundraising; the ratio of long-term funds to property, plant, and equipment has slightly dropped from 13,979.46% before the fundraising to 13,732.98% after the fundraising, mainly due to the continued stability of the Company's stock price in the fourth quarter of 2023, as well as the fifth and sixth domestic unsecured convertible corporate bonds converted into ordinary shares resulting in a significant decline in long-term liabilities. In terms of solvency, the Company's current ratio increased from 78.98% before the fundraising to 103.84% after the fundraising, and the quick ratio increased from 78.93% before the fundraising to 103.73% after the fundraising.

Overall speaking, the efficiency of the Company's fund utilization plan of issuing new shares through cash capital increase in 2023, as well as the sixth domestic

unsecured convertible corporate bonds to repay the first secured ordinary corporate bonds in 2020 has emerged.

To sum up based on the above, with the Company's offering and issuance of the 2023 issuance of ordinary shares through cash capital increase and the sixth domestic unsecured convertible corporate bonds, its fund utilization plan is used to invest in the subsidiaries and repay the first secured ordinary corporate bonds in 2020. The efficiency should have gradually emerged.

V. Operating Profile

1. Business content

(1) Scope of business

1. Main contents of the business:
   (1) Shipping agent.
   (2) Ocean freight forwarder.
   (3) Other consultation services.
2. Various products and operating proportion (consolidated statements):

Unit: NT$1,000

Year / Product items	2022		2023	
	Sales amount	Operating proportion (%)	Sales amount	Operating proportion (%)
Operating charter income	1,364,588	93.02	1,127,204	84.27
Financing charter income	83,995	5.73	140,137	10.47
Customer contract income	18,366	1.25	70,319	5.26
Total	1,466,949	100.00	1,337,660	100.00

3. The current products (services) items of the Company:

The Company is mainly engaged in operating and contracting bulk cargo transport services, and its mode of operation is mainly long and short-term time-based chartering, mileage-based chartering and bareboat chartering in cooperation with charterers. The advantage of short-term chartering is that active market trading can be maintained and the amount for chartering can be adjusted timely. While the advantage of long-term time-based chartering mode is that the relationship with existing renters can be kept and efficient and stable chartering services can be provided. As of the date of publication of the annual report, there are 17 ships in total owned by the Company and its reinvestment companies. Among them, 9 ships are operated on long-term time-based chartering or short-term (less than one year) time-based chartering, and 8 are operated on bareboat chartering, which helps to reduce the overall operating costs as they no longer bear any responsibilities and expenses. The bulk transportation of self-operated ships is mainly based on mass transport such as steel, wood, chemical products and hardware machinery, etc. The main operating routes are mainly in Asia and the Pacific regions such as Taiwan, Southeast Asia and New Guinea. Term charter routes are spread all over the world, mainly in Europe, the United States, the Middle East, India, Africa and Southeast Asia, and the charterer's main operating routes have covered the whole world.

4. Products (services) to be developed:

The Company continues to replace energy-saving ships built in Japan with new ones, which not only meets environmental regulations and responds to the trend of green transport, but also reduces fuel expenses in charterers' operating costs and enhances the competitiveness of the fleet. The Group will continue to increase the deadweight tonnage of its fleet, strengthen safety management and risk control, improve the quality of ship management and continue to develop quality charterers. The Franbo fleet is mainly Handysize ships. The ships are mainly in the niche market for bulk and general cargo dual-purpose type, double deck type and heavy crane machinery, mainly for transporting equipment and large KEY PART. Based on the diversified business philosophy of reducing single market risk and developing

diversified markets to obtain greater market benefits, the Company excepts to continue to strengthen its core competitiveness in the Asia-Pacific region, and starts to develop the global bulk shipping market, and enters the goal of globalization and diversified operation with the minimum risk operation mode.

(2) Industry overview

1. Current status and development of the industry:

The growth rate of global merchandise trade in **2023** is estimated to be only **0.8%**, highlighting that marine shipping, which has been shouldering the transport of global merchandise trade since **2023**, is bound to face considerable pressure from deteriorating demand for transportation. In view of high inflation, rising interest rates, China's tight housing market, Ukraine-Russia war and other negative factors that have continued to clamp down on global trade tensions since 2023, involving more countries and merchandises. In particular, the decline in fuels and mineral products, steel, office, and communication equipment, chemicals, textiles, ready-made clothing, etc. has appeared to be relatively more drastic, with the total trade volume in the first half of 2023 declining by approximately 8–17% annually; speaking of which, manufactures only fell slightly by 4%, benefiting from the annual growth of approximately 18% and 6% respectively in automobile products and other machinery, which bucked against this trend. Therefore, the World Trade Organization (WTO) estimated in its 2023 report that the momentum of global merchandise trade in 2023 may be weaker than predicted in April of the same year, with the annual growth rate revised downwards significantly from the original estimate of 1.7% to 0.8%, well below the annual average of 2.6% since the financial crisis. In addition, the World Trade Organization also warned that in the face of increasing negative effects on geopolitics and the global economy, the proportion of intermediate products in total global trade in 2023 dropped significantly to 48.5% from 51% in the previous three years. This also means that global trade has shown signs of blockization. Subject to the global economic and trade trends, it is never easy to regain its nerve. Maritime transport, which shoulders the transport of about 80% of global merchandise trade, has been under considerable pressure from shrinking transport demand since 2023.

(1) Shipping industry:

Marine transportation refers to the use of ships to transport goods between ports of different countries and regions through sea lanes. It is widely used in international cargo transportation and is the most important mode of transport internationally. The maritime industry can be divided into container shipping (5%) and bulk shipping (95%) depending on the cargo items and ship equipment, and container shipping is mainly for the transport of finished and semi-finished industrial products, and its routes are mainly regular ocean line routes; while bulk shipping is mainly for the transport of large volume and difficult packaging of industrial raw materials and livelihood materials, such as cement, iron ore, coking coal, fire barrier coal and grain. Because each voyage of bulk shipping depends on the mass bulk cargoes to be chartered, with the adjustment of the production volume, price, and seasonal changes of mass materials in exporting countries, bulk shipping has no fixed shipping schedule and sailing route.

Bulk shipping industry characteristics

Types of freight	Form of shipping	Main ship types	Cargo carried
Container	Regular	Full Container Semi-Container Convertible Container Combination Container	Dry container: general cargo Heavy cargo containers: overall machinery, steel materials Frozen/refrigerated containers: food Flat container: steel, cable, glass, wood, barreled liquid Car container: small vehicles Liquid containers: chemicals, paper pulp, grease, etc. Bulk container: bulk goods Livestock containers: animal livestock
Bulk ship	Irregular	Capesize Handysize Supramax Panamax	Capesize: coal mine, iron mine Panamax: grain, iron ore, coal, bauxite Handysize: small grains, coal, bauxite, but mainly secondary bulk goods, magnesium ore, copper ore, nickel ore, sulfur, cassava powder, crude sugar, potassium sulfonate, salt, cement, gypsum, etc.

Information Source: Shipping Operations and Management, data collection of Taiwan Institute Economic Service.

Bulk ships can be divided into four major categories, including Capesize, Panamax Supramax and Handysize, depending on their carrying capacity, and each ship type is weighted by the freight rates of several typical routes to produce four indexes, including BCI, BPI, BSI and BHSI, which represent the average freight rates of this ship type. The BDI (Baltic Dry Index) is calculated by the BCI (40% weighting), BPI (30% weighting) and BSI (30% weighting) of the Baltic Shipping Exchange, and is used to represent the supply and demand in the spot market in the bulk shipping market and to reflect the global bulk shipping boom. Therefore, the BDI can be regarded as the leading economic indicator.

In general, the BHSI tariffs are less representative of the overall market because small ships carry a wide range of cargo types and some types of cargo may have special requirements for ship specifications, so the difference of tariffs significantly.

Classification of bulk ship types and characteristics

Bulk ship type	Capesize	Panamax	Supramax	Handysize
Load capacity	110,000+	67-109,999	50-66,999	26-49,999
Mainly carrying cargo	Coal, iron ore	Bulk materials such as grains, coal, ore, and industrial raw materials, etc.	Bulk materials such as grains, coal, ore, and industrial raw materials, etc.	Grain, steel, fertilizer, cement, wood, wood chips and paper pulp, etc.
Shipping price index	BCI	BPI	BSI	BHSI

(2) Overview of the industry to which the Company belongs:

The average BDI in 2023 is 1,378 points: From 2020 to 2022, the BDI has been blocked by supply due to climate, pandemic, port congestion, Russia-Ukraine war, etc., and the index fluctuation has intensified, with a difference of 2,816 points between high and low points. In 2023, freight rates were temporarily raised for only one month in late November due to the intensification of drought in the Panama Canal and the shipment of bauxite from West Africa. The BDI index for the entire 2023 was 1378 points, a decrease of 28.7% compared with that in 2022. Due to the interference of the Russian-

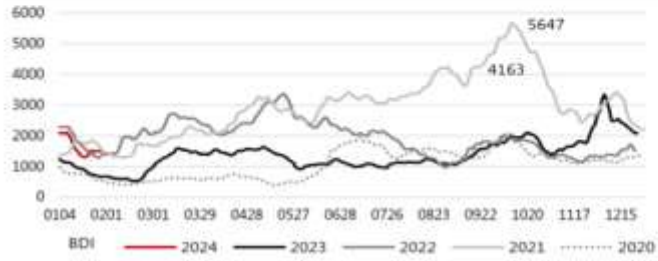
Ukrainian war, the freight rates of small and medium-sized ships showed a significant correction, while the capesize freight rates increased steadily by 1.3%.

BDI and freight fee

Ten thousand / USD per day	Capesize	Panamax	Supramax	Handy	BDI
1Q23	9,144	11,326	10,171	9,702	1,011
2Q23	15,561	12,248	10,763	10,414	1,313
3Q23	13,407	11,141	9,328	8,304	1,115
4Q23	28,128	16,117	14,148	12,851	2,031
2023	16,389	12,826	11,266	10,427	1,378
YOY	1.3%	-38.2%	-49.2%	-51.1%	-28.7%

Source: Arranged by Research Department, SinoPac Securities Investment Service Corporation; Feb. 2024

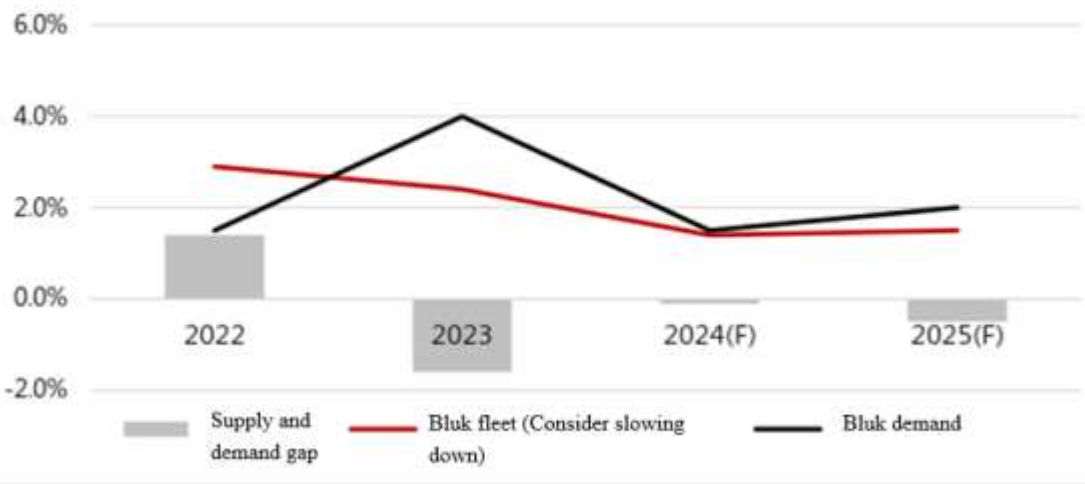
BDI Historical trend



Source: Arranged by Research Department, SinoPac Securities Investment Service Corporation; Feb. 2024

The bulk market will be stable in 2024; supply and demand will be tight in 2025: According to Clarkson statistics, the global bulk shipping fleet in 2023/11 was 13,500 ships (+2.6% YOY), 420 ships have been delivered, 338 ships have been scrapped, and 9.2% of new ship orders are on hand, of which capesize on-hand orders accounted for 5.4%, panamax orders accounted for 10.3%, super lightweight orders accounted for 9.7%, and lightweight orders accounted for 9.9%. BIMCO expects bulk transport demand (taking into account distance) to be 1.5% in 2024 (among which iron ore +3%, coal +1.5%, grain +2.5%), and demand growth in 2025 to be 2%; in terms of supply, transportation capacity will increase by 2.4% and 2% from 2024 to 2025, and 1.4% and 1.5% after considering the shipping speed. Supply and demand will be tight in 2025.

Supply and demand for bulk shipping



Source: BIMCO, Arranged by Research Department, SinoPac Securities Investment Service Corporation

EU Emissions Trading System (EU ETS) 2024/1 expanded to the maritime industry: Applicable to ships with a gross tonnage of more than 5,000 tons. Voyage calculation: Voyages between EU internal ports are included therein 100%, and voyages "between EU external and EU internal ports" are included therein 50%. In 2024, 40% of the emission allowance will be paid for, in 2025, 70% of the emission allowance will be paid for, and from 2026 on, 100% of the emission allowance will be paid for. Bulk ships are chartered to clients, and thus the carbon emissions are borne by clients. If the operation mode is to collect cargo by itself, the ship owner will be responsible for the emissions. However, capesize ships are mainly from Australia or Brazil to China, and the voyage is no longer within the EU. There are three main shipping routes for super large oil tankers, namely from the Middle East to China, from the US Gulf to China, and from West Africa to China, which are also not within the EU. Domestic shipping companies with small ships are currently screening and selecting clients who do not unload in Europe.

2. Relationship between upstream, midstream, and downstream industries:

Because the demand for bulk materials comes from all walks of life, and the industrial characteristics of bulk shipping do not include product process and raw material supply, there is no obvious relationship between upstream, midstream, and downstream.

3. Development trends of products:

Since the beginning of maritime trade, the shipping industry has existed, and the average cost of shipping is the lowest among all modes of transportation; with the deepening of global economic division, most of the minerals, grain, processed raw materials and final products in the world need to be transported by sea to achieve the goal of economic activities. The future development priorities are as follows.

(1) Because the shipping routes are mostly transnational, the operation of the shipping industry often involves different cultural, political, and economic backgrounds. Although the main rules of shipping and sea transportation come from international laws and regulations, there are still some differences in specific requirements and implementation among countries, regions or ports. Therefore, shipping, and sea transportation need to be more capable of collecting information and international views than before, so as to fully grasp the regulations and changes, avoid risks and effectively improve operational efficiency.

(2) Compared to generations, economic, and business cycles are becoming faster and faster. Therefore, for the execution and management of ships, seafarers, operations, and other operations, it is necessary to introduce systematic and standard operation procedures, accumulate operation data and integrate company resources, so as to create the maximum operation value for enterprises.

(3) Due to the need to comply with the requirements of the International Maritime Organization (IMO) in terms of safety, it is necessary to provide a relatively young fleet to meet customer needs in operation, as well as appropriate fleet configuration, so that efficient operational output can be achieved. Therefore, the necessity of capital intensity in the shipping industry is becoming increasingly apparent.

(4) Under the situation of higher international demands for environmental protection and energy conservation as well as high prices and costs, the new bulk ship must be developed to meet the needs of environmental protection and energy saving. The bulk ship will become the mainstream of the shipping market in the future and traditional ships will be gradually eliminated.

4. Competition situation:

Due to the differences in shipping distance between ocean and near-shore routes, ship operations can be divided into self-operated ship operation, charter operation, ship management, and provision of crew services. Therefore, domestic shipping companies may have different business models, resulting in different main business items. In addition, routes for the bulk shipping industry are the global non-scheduled routes, and most of the fleets of bulk shipping operators have business models such as self-contracting and chartering ship, and not all ships carry their own goods. Because some ships operate in a chartering mode, they can collect stable chartering income; some self-owned ships carry bulk cargo and earn freight income from contracting; another bulk shipping operator charters ships from other operators, and then charters ships to carry goods or charter them, so as to obtain freight income or intermediary income from chartering.

As of the end of 2023, the Group has 18 ships with a dead weight capacity of about 678,700 tons, which accounts for a small proportion of domestic and foreign shipping companies respectively. Because the cargo space cannot be stored, the carrying capacity of each company depends on its cargo collection and ship scheduling capacity. Therefore, it is difficult to count the market share of each shipping company based on the industry characteristics of bulk shipping.

(3) Overview of technology and R&D

1. Technical level and R&D of the business: In the shipping industry, the Company has no R&D plan and estimated investment cost, and has no R&D plan in the future.
2. R&D personnel and their academic experience: Not applicable.
3. R&D expenses invested in each year of the last five years and technologies or products successfully developed: Not applicable.

(4) Long-and short-term business development plans

In response to the increasingly volatile phenomenon of the bulk market, to ensure the sustainable operation of the Company and strengthen its international competitiveness, the Company adopts the principle of "professional and stable operation", and plans for the long-term and short-term business development directions as follows:

1. Long-term business development plan:

(1) In terms of the development of fleet size, close attention should be paid to the trends of major shipbuilding markets, and continuous implementation of plans to build and purchase new ships and replace old ones with new ones should be carried out to reduce the average age of the fleet, expand the operational scale of the fleet, enhance bargaining power and service quality in the market, and overall improve competitiveness and profitability.

(2) In terms of business operation, the Company will plan appropriate fleet operation configuration, develop Handy and Handy-max excellent charterers, focus on bulk shipping in the Asia-Pacific region, transform, and increase intercontinental service capability, and arranges development space for global layout.

(3) The Company will strengthen the active functions of ship International Safety Management System (ISM) and ship maintenance and management, and improve the effective operation rate of ships; continue to implement the investment and business model with small standard deviation, and provide shareholders with relatively stable income.

(4) In terms of operation management, we should cooperate with the long-term business development of the Company, introduce more effective enterprise resource management, continuously recruit and train talents, and cultivate professional teams for the sustainable operation of the Company.

2. Short-term business development plan:

(1) Fleet operation management: In addition to paying attention to fleet lightening and operating cost competition, ship management should be implemented to maintain high standards of ship safety navigation performance.

(2) Business operation: Strengthen ship dispatching planning and cost control, maintain cooperative relationships with existing time ship charters, and actively develop potential excellent charterers for time-based chartering. Maintain close cooperation with freight forwarders and brokers for mileage-based chartering, develop valuable bareboat chartering contracts, expand the scale of operations, and achieve a stable income and operational growth.

(3) Financial planning: In 2021-2023, the Company increased its profits and handled cash capital increase, and its financial structure was more stable than that at the initial stage of starting a business. For new shipbuilding funds, most of them came from bank loans. In the future, the Company will continue to strengthen its capital structure, improve its net worth and provide a more stable leverage base for the funds needed for its sustainable growth in the future.

(4) Corporate governance: In addition to implementing internal audit and control system to improve corporate governance and protect shareholders' rights, we will also develop professional bulk business to enhance the value of the whole enterprise.

2. Market as well as production and sales profile

(1) Market analysis

1. Sales (provision) regions of main goods (services):

The Group's main customers for long-term chartering are major shipping companies in Europe and Hong Kong, with routes all over the world; the routes of self-operated ships cover Asia and the Pacific, mainly including Taiwan, Southeast Asia and Papua New Guinea.

2. Market share:

The sea cargo transport mode can distinguish among different properties such as containers, bulk cargo and general cargo, the routes can be divided into ocean and near-shore routes, and the business models can be divided into self-operated ship operation, chartering ship operation, ship management, and providing crew services. Therefore, the projects operated by domestic shipping companies are different. In addition, the bulk shipping industry is globally competitive, and the proportion of domestic shipping companies is very small, in terms of the world's number of dry bulk carriers and weight tonnage. The quantity of cargo carried by each company depends on its cargo collection and ship scheduling capabilities. As a result, based on the characteristics of the bulk shipping industry, it is difficult to calculate the overall market share of each shipping company.

3. The future supply and demand condition and growth of the market:

Clarkson, a well-known marine shipping research organization, pointed out in its latest research in November 2023 that due to the poor prospects of iron ore, coal, and other pallets, it is possible that this will offset the continued growth of grains, minor bulk cargoes, etc. It is estimated that the growth of global bulk cargo volume will continue to slow down in 2024, with the annual growth rate declining from 3.9% in 2023 to 1.2%, with a scale of approximately 557,400 tons, equivalent to 30.61 megaton miles (Ton-Miles). Taking a closer look, global iron ore imports are likely to decline in 2024, with the scale estimated to reach 1.532 billion tons, slightly lower than the estimated value of 1.536 billion tons in 2023. Nevertheless, China, with a market share of 75%, is constrained by steel production control policies that are becoming stricter and the possibility that the housing market will continue to slump due to the wastage of unfinished buildings, and other negative factors, import volume in 2024 is expected to further shrink to 1.129 billion tons, an annual decrease of approximately 2%. This will be the main bearish factor. In terms of coal, global coal imports are expected to decrease by about 1% annually in 2024. This is due to the increase in China's imported coal

volume in 2023, the zero-tariff policy will expire at the end of 2023, and the Chinese government has promised to reduce coal power generation in 2026, and other unfavorable factors that have emerged. China's thermal coal imports in 2024 are expected to drop significantly by about 9% compared with those in 2023.

In terms of bulk carrier supply, it reflects the conservative attitude of bulk carrier operators in purchasing new ships during the pandemic. The total global delivery volume of new ships such as capesize and panamax in 2024 is expected to be only 18.1 million deadweight tons, an annual decrease of approximately 14.22%. The delivery volume of new ships in 2024 is expected to show zero growth, with the overall scale remaining at the 2023 level of 34.3 million deadweight tons; in addition, as international shipping carbon reduction regulations continue to advance, shipping companies are bound to accelerate their progress by removing old ships that do not meet the benefits of modification from the market. The global scrapping volume of old bulk ships is expected to increase by approximately 79% annually in 2024, reaching a scale of 10.8 million deadweight tons. Therefore, benefiting from the continued weakening of the new ship factor of medium and large ships, the overall dismantling of old ships is expected to significantly increase. The annual growth rate of global bulk shipping capacity is expected to slow down to 2.3% in 2024, with the scale reaching 1,024.8 billion of deadweight tons.

Overall speaking, in 2024, global bulk shipping capacity is expected to slow down due to the weakening of new ship factors and the accelerated scrapping of old ships. However, due to the simultaneous decline in terminal demand tension, it is still possible that the fundamentals will continue to fall into an oversupply situation, which is not conducive to the development of overall freight rates. Combined with the estimated 10% increase in crude oil prices in 2024, it will make it even more difficult for shipping companies to maintain unit transport income. Therefore, the prosperity of the bulk shipping industry is expected to decline slightly in 2024 compared with that in 2023.

4. Competitive niche:

(1) Professional management team

The Group's self-operated ships are mainly used for shipping steel, timber, chemical products and hardware and machinery, etc. and the main shipping routes are Taiwan, Southeast Asia and other near-ocean routes. Since most of the shipping routes are cross-country routes, we have to make quick and correct decisions on the operation in response to the differences in culture, politics, and economy in different regions. Our management team has a sound academic background, accumulated years of experience and professional skills in maritime transportation, and can effectively judge the market fluctuations to ensure smooth operation and grasp the opportunities in business planning.

(2) Long-term good partnership

As the shipping market changes with the global economy, developing a stable business partner in the unstable shipping market is a top priority for the Company. Through long-term mutually beneficial cooperation, both parties will be able to get through difficult times together. Therefore, in addition to actively developing new customers, the Group has long been committed to building and maintaining customer relationships, and the Group's management team has long maintained good relationships with brokers and major customers at home and abroad. The team signed long-term transport contracts with some of them, to perform the shipping in accordance with the contracts by adjusting to the appropriate capacity per voyage by dispatching the available ships of the Group's fleet. Therefore, the Group is able to maintain a high utilization rate and high economic efficiency of these ships. As a result, the Group has been able to maintain a stable income from chartering even in the global economic downturn, reducing the uncertainty of the economic cycle.

(3) Secure and flexible operating model

The Group adopts a relatively secure business model, chartering some ships to Japanese charterers with sound financial and operational capabilities on a long-term basis, while actively developing other good charterers to expand the customer base and retaining some ships to seek goods for shipping in the shipping market. Coupled with flexible business strategies and mastering of market trends, the Group can ensure that we can maximize revenue and reduce operational risk in the face of market fluctuations.

The Group's management team and sales staff have many years of experience in freight forwarding. Through the accumulation of extensive contacts and long-term good cooperation with customers, the freight source is not in shortage, the utilization rate of the ships is increased, and the times and distance that ships are left unused are reduced, so as to achieve the highest economic efficiency.

(4) Diversified operating fleet

In response to market changes and customer demand, the Group has been actively increasing 40,000-60,000 DWT ships in recent years and replaced ships less than 10,000 DWT persistently, so that the Group can not only provide stable and efficient services but also avoid the impact of changes in market shipping price of the single type of ship.

(5) Long-term charter guarantees profitability

As the Group and the ships chartered for the long term are guaranteed by the charter, they are relatively unaffected by short-term fluctuations of the Baltic Dry Index (BDI), but will be affected when the long-term charter expires and new charter is negotiated. Up to the date of publication of the annual report, the Group possesses a total of 16 ships, 9 of which were chartered to European and Hong Kong charterers with strong operational capabilities for long term in the way of bare boat charter. Since the income from chartering is guaranteed by long-term charter, it is not easily affected by the fluctuation of the economy. The Group can still obtain stable income from chartering even in the case of an economic downturn.

(6) Strengthen ship maintenance and safety management

As the maintenance of bulk ships directly affects the safety and depreciation of ships, ship maintenance is therefore, the first priority of shipping companies to reduce risks. All members of the Group's maintenance department have extensive professional knowledge and background, provide regular inspection and maintenance of ships daily, and work together with the procurement department to effectively plan and execute the applications of spare parts and repair operations requested by departments of ships through professional division and cooperation of labor.

In addition, the Group has set up a safety management department within the company for systematic management of ship safety, and established a management system in accordance with international maritime related conventions, regulations, and laws to implement shore-side and ship-side audits, safety education and training, and enhance the safety skills of ship-shore personnel, including emergency supplies related to safety and environmental protection, in order to ensure the safety of ships and crew.

5. Advantages, disadvantages, and countermeasures of the development prospect

(1) Advantages

A. Business strategy allocation: The Group's operating income is derived from time-based chartering and shipping by seeking goods on the spot market. In this way, the Group can avoid the risk of market fluctuations and guarantee profits from operation, while obtaining a higher return from self-seeking goods for shipping, by means of flexible business operations. This balanced allocation combines stable profitability and revenue growth.

B. Good quality of ships: The Group expanded the fleet by cooperating with a well-known Japanese shipyard with a good reputation and skilled shipbuilding techniques to ensure

the quality of the ships; if the Group has a disposal plan in the future, Japanese shipyards are more popular with buyers and the Group can obtain a higher disposal profit, compared with the same type of ships built by Chinese, Korean and Vietnamese shipyards.

(2) Disadvantages and countermeasures

A. Risks of rising crew labor costs and reduced crew quality:

Countermeasures: Continuously expand cooperation relationships with crew agency companies in the Philippines, Indonesia, Vietnam and other regions to locate suitable crew members, conduct pre-employment training for crew members required under the agency contract, as well as on-the-job training and assessment by the Company, control costs and guarantee crew quality.

B. Risk of financing interest rates:

Countermeasures: The Company raised funds from the issuance market to obtain ship purchase funds from 2021 to 2023, improve the financial structure, and reduce the debt ratio. In addition, we have signed with the bank for financing on the newly bult ships at the most opportune time locking long-term interest rates, and thus long-term financing costs are relatively not affected by market interest rate fluctuations.

C. Risk of market uncertainty:

Countermeasures: There are still uncertainties in the economy. The Company will keep abreast of market information, maintain flexibility in adjusting the contract schedule percentage, look to the future, formulate goals and visions, keep pace with the times, be fully prepared, and focus on innovation and sustainability to face the new global changes.

(2) Important usages and manufacturing processes of main products: Not applicable.

(3) Main raw material supply status:

The Company engages in the shipping service industry, and our incoming materials are mainly fuel oil and lubricating oil for the operation of ships. In order to balance the bargaining power of centralized purchasing and the risk of over-centralized purchasing, the Company carefully selects a few well-known international oil suppliers for purchasing, mainly foreign oil companies such as Ocean Trident International Co., Ltd., Gulf Marine Pte. Ltd.…with normal and stable supply. In the bunkering arrangement, after considering the condition of freight forwarding, the voyage, the weather, the stock and the price difference between ports, etc., we make the purchase at a reasonable price through comprehensive analysis. The Company is very careful in choosing the refueling port and controlling the stock of oil on board, so as to reduce the losses of oil prices and save costs.

(4) List of major customers for the purchase and sale of goods

1. List of major suppliers for the purchase of goods:

A list of any suppliers contributing to more than 10% of the Company's total purchase amount in either of the 2 most recent fiscal years, the amounts bought from each, the percentage of total purchase amount accounted for by each, and an explanation of the reason for increases or decreases in the above figures.

Unit: NT$1,000；%

Item	2022				2023				Q1, 2024			
	Name	Amount	Percentage of net purchase amount in the whole year	Relationship with the issuer	Name	Amount	Percentage of net purchase amount in the whole year	Relationship with the issuer	Name	Amount	Percentage of net purchase amount in the whole year	Relationship with the issuer
1	Gulf Oil Marine Ltd	17,185	19.43	None	Ocean Trident International Co., Ltd	19,376	39.57	None	As of the date of publication, the consolidated financial statements for the first quarter of 2024 have not yet been issued.			
2	Sinoway Chartering (Group) Limited	16,436	18.58	None	Gulf Marine Pte. Ltd.	15,222	31.09	None				
3	An Shun Shipping(HK)Limited	12,767	14.43	None	Onomichi Dockyard	7,703	15.73	None				
4	CPM Asia Line Limited	11,001	12.44	None	LEPTA	5,676	11.59	None				
5	Ocean Trident International Co., Ltd	10,024	11.33	None	Gulf Oil Marine LTD	810	1.65	None				
6	Other	21,039	23.79	None	Ocean Mariner International Co., Ltd	175	0.36	None				
	Net purchases	88,452	100.00		Net purchases	48,962	100.00	None				

Explanation: (1) The Company is engaged in the shipping industry. Due to the nature of the industry, our incoming materials are mainly fuel for ship operations and lubricating oil required for the operation of the main engine. In addition, most of the Company's ships are chartered out and the oil used for lubricating the machinery and equipment on board is borne by the Company, while the fuel for daily operations is borne by the charterers. Only when the charter expires and the newly purchased ship is delivered, does the Company need to purchase the remaining fuel on board, but in the case of bareboat chartering, the fuel and lubricating oil shall be borne by the charterers.

(2) The remaining suppliers do not contribute to more than 10% of the total purchase amount.

2. List of major customers for the sale of goods

A list of any customers contributing to more than 10% of the Company's total sale amount in either of the 2 most recent fiscal years, the amounts sold to each, the percentage of total sale amount accounted for by each, and an explanation of the reason for increases or decreases in the above figures.

Unit: NT$1,000；%

Item	2022				2023				Q1, 2024			
	Name	Amount	Ratio of net sales in the whole year (%)	Relationship with the issuer	Name	Amount	Ratio of net sales in the whole year (%)	Relationship with the issuer	Name	Amount	Ratio of net sales in the whole year (%)	Relationship with the issuer
1	T Company	346,646	23.63	None	T Company	241,179	18.03	None	As of the date of publication, the consolidated financial statements for the first quarter of 2024 have not yet been issued.			
2	V Company	199,429	13.59	None	N Company	175,779	13.14	None				
3	A Company	189,212	12.90	None	D Company	172,639	12.91	None				
4	S Company	141,059	9.62	None	C Company	126,520	9.46	None				
	Other	590,603	40.26	None	Other	621,543	46.46	None				
	Sale amount	1,466,949	100.00		Sale amount	1,337,660	100.00					

Explanation: (1) The Group's ship chartering revenue accounted for more than 90% of the operating revenue. Some of the Company's and subsidiaries' ships were dispatched flexibly in response to market demand, the customers we serve were different, and the renewal of charters upon expiration caused some changes. These cases caused the proportion of the

Group's operating revenue from the major customers in the consolidated operating revenue to be increased or decreased, and the main customers of the subsidiary are the charterers for long-term time-based chartering.

(2) The remaining customers for the sale of goods do not contribute to more than 10% of the total sale amount.

(5) Sales volume and value table in the last two years: Not applicable.

(6) Sales volume and value in the last two years:

1. The Company's major operating revenues are from ship chartering, ship management and freight...etc.

2. The operating revenue of each business for the last two years are shown in the following table:

Unit: NT$1,000

Year / Sales volume and value / Main merchandises	2022				2023			
	Domestic sales		Export sales		Domestic sales		Export sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Income from chartering and ship management	—	175	—	1,466,774	—	2,041	—	1,335,619

3. Number, average years of service, average age and educational distribution ratio of employees in the last two years and up to the date of publication of the annual report

Unit: People

Year		2022	2023	As of March 31, 2024
Number of employees	Manager	9	11	11
	Onshore staff	39	38	37
	Maritime staff	121	205	205
	Total	169	254	253
Average age		38.4	33.5	37.5
Average years of service		2.4	2	2.1
Educational distribution ratio	Doctoral degree	—	-	-
	Master	12.5%	16.3%	16.7%
	College degree	85.4%	81.6%	81.3%
	High-school degree	2.1%	2.0%	2.1%
	Below high-school degree	—	-	-

4. Information of environmental protection expenditure

(1) Explain the total amount of losses (including compensation) and penalties suffered by the Company as a result of environmental pollution in the most recent year and up to the date of publication of the annual report, as well as countermeasures and possible expenditures in the future: No major environmental pollution incidents have occurred.

(2) Explain the impact of the current pollution situation and its improvement on the Company's earnings, competitive position and capital expenditures, as well as the estimated significant capital expenditures for environmental protection in future years: None.

(3) In the event that the Company shall apply for a pollution facility installation permit or a pollution discharge permit, or pay the fees for pollution prevention and control

The Company's all ships are equipped with facilities for pollution prevention in accordance with the relevant provisions of International Maritime Law. Besides, the Company establishes pollution prevention plans and management procedures. Facilities for pollution prevention and the attached pollution prevention plans, have all been inspected by CR Classification Society, obtaining a compliance certificate or permit

(4) List the Company's investment in major equipment for the prevention and control of environmental pollution as well as their use and possible benefits:

Franbo Lines invests in high-standard environmentally friendly and energy-saving ships. From 2023 to 2024, we have 6 newly-built ships with a cost of approximately US$28 to US$32 million. They are all ECO-DESIGN and equipped with EGR/SCR to reduce nitrogen emissions, installed ballast water management system, sanitary water treatment unit, oil-water separator and incinerator, low-resistance exterior panel paint and other energy-saving and environmental protection equipment, with the goal of reducing greenhouse gas emissions and improving energy efficiency, complying with international environmental protection regulations, and creating a green fleet.

5. Labor-capital relationship

(1) List the Company's employee welfare measures, further education, training, and retirement systems and their implementation, as well as labor management agreements and employee rights protection measures:

1. Employee welfare measures:

(1) Leave: Two days off per week.

(2) Special leave: Employees are entitled to special leave after six months of service, and the number of days will increase in accordance with the accumulation of years of service.

(3)Insurance: labor insurance, national health insurance, group insurance, medical insurance for employees' overseas business trips and hospitalization injuries, and liability insurance for important employees and Directors and Supervisors. Insurance: labor insurance, national health insurance, group insurance, medical insurance for employees' overseas business trips and hospitalization injuries, and liability insurance for important employees and Directors and Supervisors.

(4) Various types of subsidies: wedding gift money, memorial ceremony, injury, and illness consolation money, emergency assistance and fertility gift money.

(5) Health care: Regular health checks.

(6) Employee welfare: year-end party, employee tourism activities, birthday celebration gift money, and tea and snack in the afternoon of the monthly meeting.

2. Continuing education and training status of employees:

In order to implement the functional education of each unit, strengthen the overall education and training performance, and improve the Company's human resources quality, the personnel unit is responsible for implementing employee education and training. Internal training includes pre employment training for new employees, management communication courses, professional functional training courses, etc. External training is based on the needs of employees, including on-the-job training, professional training, etc., to enhance the knowledge and skills required for employees' positions. The education and training statistics of the Company's employees in 2023 are as follows:

Unit: NT$

Items		Number of people	Total expenses
1	Training of new employees	10	-
2	Professional and functional training	247	303,318
Total		257	303,318

3. Retirement system and its implementation:

The Company has established a retirement policy based on the Labor Pension Act, which applies to employees of ROC nationality. Every month, an employee's pension shall be paid at a rate of no less than 6% of their salary to the personal account of the Labor Insurance Bureau. The payment of the employee's pension shall be based on the amount of the employee's personal pension special account and accumulated income, and shall be obtained through monthly or one-time pension. The pension benefits applicable to the appointment system are received in a single insurance policy or in installments, and there are no retirees currently.

4. Agreements between labor and management and measures for safeguarding employee rights and interests:

The Company holds monthly meetings through two-way communication for policy promotion, and sets up opinion boxes to fully express employees' opinions. In addition, in accordance with the Labor Standards Act, Labor Pension Act, Employment Service Act, and Gender Equality in Employment Act, personnel management regulations are formulated to protect employees' rights and interests, and submitted to the competent authority for approval. The Employee Welfare Committee shall be established in accordance with the law to coordinate and handle the planning, allocation, custody, and utilization of employee welfare funds as well as the matters specified in relevant laws and regulations, and act as a communication bridge between the labor party and the Company to implement the maintenance and welfare system of rights and interests of employees.

5. Behavior or ethical code of employees:

The Company has established the Ethical Corporate Management Best Practice Principles, Code of Ethical Conduct for Directors and Managers, and Code of Ethics for Employees to guide the behavior of Directors, Managers, and employees of the Company to comply with ethical standards, prevent conflicts of interest, and avoid opportunities for profit and personal gain; In addition, each employee is required to::

(1) Comply with all company regulations and work processes, be loyal to your duties, and obey the orders, commands, and supervision of your supervisor.

(2) We shall have a clear distinction between public and private, be cautious in our words and actions, maintain integrity, uphold company honor, and eliminate all bad habits. Colleagues shall live in harmony and respect each other.

(3) We shall adhere to the hierarchical responsibility of our positions, maintain close contact with relevant departments, and work together to complete the matters to be handled, so as to promote the Company's business.

(4) Never engage in bribery/corruption when providing services.

(5) Strictly prohibit discrimination against employees, manufacturers, or customers.

(6) Comply with global competition regulations and never engage in any behavior that violates competition laws.

6. Protective measures for the working environment and personal safety of employees:

The Company has established occupational safety and health management personnel in accordance with the law, providing a safe and hygienic working environment for employees, and continuously reminding and promoting them to reduce the probability of occupational disasters. Their main responsibilities are as follows:

(1) According to the Occupational Safety and Health Law, a safety and health work code has been established, and employees are required to abide by it after the announcement.

(2) Organize safety education and training courses for new and current employees regarding the rights and responsibilities of occupational safety and health management personnel and the norms of occupational safety and health laws.

(3) According to the provisions of the Fire Protection Law, regular fire safety lectures or practical training shall be held for employees.

(4) Provide regular health checks for employees.

(5) Set up an access control system at the entrance and exit of the Company's office floor to ensure the safety of company property and personnel.

(6) In response to the Sexual Harassment Prevention Act implemented on February 5, 2005, we strengthened propaganda and provided complaint channels.

(7) Apply for labor insurance (including occupational disaster insurance) and health insurance in accordance with the law, and provide regular injury insurance for employees worth NT$3,000,000 and regular life insurance worth NT$200,000.

(2) The losses suffered by the Company due to labor disputes in the most recent fiscal year and up to the date of publication of the annual report, and the estimated amount and corresponding measures that may occur at present and in the future shall be disclosed. If such estimation cannot be reasonably made, the facts that cannot be reasonably estimated shall be explained:

1. The Company has suffered losses due to labor disputes in the most recent fiscal year and as of the date of publication of the annual report: No such situation exists.

2. The estimated amount of losses and corresponding measures that may occur in future labor disputes: No such situation exists.

6. Cyber security management:

(1) Describe clearly the cyber security risk management structure, cyber security policies, specific management plans, and resources invested in cyber security management, etc.:

1. The Company's information security goals are as follows:

(1) Maintain uninterrupted operation of information systems and ensure their availability.

(2) Prohibit unauthorized access to information systems and ensure their confidentiality.

(3) Prohibit unauthorized editing and modification of data, and carry out multiple data backups to ensure its integrity.

(4) Prevent improper intentions and illegal use.

(5) Improve personnel's awareness of information security and protection, and avoid accidents caused by human negligence.

(6) Prevent intrusion and destruction by hackers and viruses.

(7) Enhance hardware protection and minimize environmental risk factors.

2. Information security policy

The responsible unit for information security is the Information Section, which is in charge of planning, implementing, and promoting information security management matters. The manager of the management department is assigned to serve as the cyber security supervisor to be in charge of supervising the Company's cyber security matters. The Audit Office is the information security audit unit. If deficiencies are found, the information unit will be required to propose relevant improvement plans to reduce and improve information security risks. The Company implements information security policies and complies with information security laws and regulations in accordance with the formulated the management rules Electronic Operations Lifecycle.

3. Information security risk management

In order to ensure the implementation of information security risk management, the Company handles and prevents risks in two aspects:

(1) Protection against threats that have not occurred:

Actively defend against attacks from internal and external sources, strengthen the prevention of data loss caused by environmental factors (power outage / equipment damage), regularly back up files to ensure the integrity of data for post-disaster reconstruction, and organize education, training, and advocacy sessions on information

security from time to time to strengthen staff's daily awareness of information security.

(2) Addressing problems that have occurred:

Clarify and understand the causes of problems, solve, and formulate improvement plans, and solve and prevent future problems by replacing software and hardware or modifying internal information processes.

4. Specific information security management guidelines and resources invested in cyber security management

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

(1) Education and training – advocacy on information security training:

Education and training for new colleagues, occasional advocacy sessions on information security awareness, issues relating to current affairs, etc., annual external professional course training for information security related personnel, and occasional social engineering drills, with the results analyzed and personnel reeducated.

(2) Permission management - management of personnel accounts, permissions, and system operations:

Personnel account permissions are divided in accordance with functional powers and responsibilities, account permissions are reviewed regularly, and account permissions are adjusted or deleted based on personnel duty changes and resignations.

(3) Access control - control of data access and transmission:

Access control mechanism and operation behavior trace records.

(4) External threats - hackers, virus attacks and protective measures:

Proactive threat monitoring and detection, regular updates of information system software and firmware, and virus and anti-spyware protection.

(5) Information system maintenance - system availability status and handling of service interruptions

System operations monitoring and abnormality handling, response to system service interruptions, regular multiple backups of data and system configuration files, regular inventory of information systems, and establishment of asset inventory to identify their value and life cycles.

(6) Physical environment operations - computer room and related management:

Control the entry and exit of the computer room, as well as power supply and temperature control, and build an uninterruptible power supply system to prevent abnormal power supply from affecting the hardware equipment.

(7) Ship information security - shipside information security control:

Build a marine firewall and anti-virus software, and continuously maintain online protection and updates. The ship's computer only allows email transmission, and we implement point-to-point encrypted communication to prevent malware, viruses, spam, and phishing.

(8) Information security policy and equipment updates:

Regularly review and inspect the information security policy, regularly evaluate and update the information security system equipment, and regularly commission external information security vendors to conduct risk assessments and vulnerability scans, and repair or revise the information security policy based on the results.

(2) In the most recent 2 years and up to the date of publication of the annual report, if the loss, possible impact and countermeasures of a major information communication security incident cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: No such situation exists.

7. Important contract:

Contractual nature	Parties	Start and end dates of contract	Main content	Restrictions
Long-term borrowing contract	Subsidiary Franbo Asset Management Co., Ltd. and Kaohsiung Third Credit Co-operative	2024.01 - 2026.01	Credit granting agreement	
	Subsidiary Franbo Asset Management Co., Ltd. and Hua Nan Commercial Bank	2024.02 - 2026.02	Credit granting agreement	
	Sub-subsidiary FB Justice Construction and Development Co., Ltd., Ltd. and Kaohsiung Third Credit Co-operative	2022.10 - 2024.10	Credit granting agreement	
	Sub-subsidiary FB Integrity Real Estate Development Co., Ltd. and Hua Nan Commercial Bank	2023.10 - 2025.04	Credit granting agreement	
	Sub-subsidiary Franbo ACE Limited. And Mega International Commercial Bank	2023.08 - 2030.08	Credit granting agreement	Financial ratio level required by the bank
	Sub-subsidiary Franbo ART Limited. And Mega International Commercial Bank	2023.11 - 2030.11	Credit granting agreement	Financial ratio level required by the bank
	Sub-subsidiary Franbo Cosmos Limited and E. Sun Bank	2023.12 - 2030.12	Credit granting agreement	Financial ratio level required by the bank
	Sub-subsidiary Franbo Century Limited and Taichung Commercial Bank	2024.04 - 2029.11	Credit granting agreement	Financial ratio level required by the bank
Bulk ship construction contract	Sub-subsidiary Franbo Brave Limited and Namura Shipbuilding Co., Ltd.	2021.12 - 2024.06	Bulk ship construction contract	None
	Sub-subsidiary Franbo Bravo Limited and Namura Shipbuilding Co., Ltd.	2021.12 - 2024.09	Bulk ship construction contract	None
Chartering contract	Sub-subsidiary Franbo Shipping S.A. and WM Company	2022.07 - 2027.07	Ship chartering	None
	Sub-subsidiary Franbo Transportation S.A. and WM Company	2022.07- 2027.07	Ship chartering	None
	Sub-subsidiary Franbo Wind S.A. and Y Company	2023.09 - 2029.09	Ship chartering	None
	Sub-subsidiary Franbo Ocean Limited and O Company	2022.08 - 2027.8.05	Ship chartering	None
	Sub-subsidiary FB Pioneer Limited and WM Company	2019.08 - 2026.04	Ship chartering	None
	Sub-subsidiary FB Navigation Limited and H Company	2019.09 - 2024.09	Ship chartering	None
	Sub-subsidiary Franbo Way Limited and WM Company	2022.10 - 2027.10	Ship chartering	None
	Sub-subsidiary Franbo Legacy Limited and WM Company	2022.11 - 2027.11	Ship chartering	None
	Subsidiary New Lucky Lines S.A. and D Company	2024.03 - 2026.03	Ship chartering	None
	Subsidiary New Lucky Lines S.A. and D Company	2024.02 - 2026.02	Ship chartering	None
	Subsidiary New Lucky Lines S.A. and D Company	2023.10 - 2025.10	Ship chartering	None
	Subsidiary New Lucky Lines S.A. and D Company	2024.02 - 2026.02	Ship chartering	None
	Subsidiary New Lucky Lines S.A. and NYK Company	2023.12 - 2026.12	Ship chartering	None
	Subsidiary New Lucky Lines S.A. and N Company	2023.09 - 2031.09	Ship chartering	None
	Subsidiary New Lucky Lines S.A. and N Company	2023.11 - 2031.11	Ship chartering	None

Contractual nature	Parties	Start and end dates of contract	Main content	Restrictions
	Subsidiary FWF Shipping Limited and NS Company	2023.03 - 2028.05	Ship chartering	None
	Subsidiary FWF Shipping Limited and C Company	2023.04 - 2030.04	Ship chartering	None
Ship management consultant contract	Sub-subsidiary Franbo Logos S.A. and Franbo Lines Corp.	2019.07 –The contract can be extended and terminated with the consent of both parties	Ship insurance, maintenance, and supply, crew, ship's classification, and ISM compliant management services, with additional environmental management service terms	None
	Sub-subsidiary Franbo Logic S.A. and Franbo Lines Corp.	2019.07 –The contract can be extended and terminated with the consent of both parties		
	Sub-subsidiary Franbo Lohas S.A. and Franbo Lines Corp.	2019.07 –The contract can be extended and terminated with the consent of both parties		
	Sub-subsidiary Franbo Legion Limited and Franbo Lines Corp.	2021.02 –The contract can be extended and terminated with the consent of both parties		
	Sub-subsidiary Franbo Bright Limited and Franbo Lines Corp.	2021.12 –The contract can be extended and terminated with the consent of both parties		
	Sub-subsidiary Franbo Legacy Limited and Franbo Lines Corp.	2022.11 –The contract can be extended and terminated with the consent of both parties		
	Sub-subsidiary Franbo ACE Limited and Franbo Lines Corp.	2023.03 –The contract can be extended and terminated with the consent of both parties		
	Sub-subsidiary Franbo ART Limited and Franbo Lines Corp.	2023.04 –The contract can be extended and terminated with the consent of both parties		
	Sub-subsidiary Franbo Cosmos Limited and Franbo Lines Corp.	2023.09 –The contract can be extended and terminated with the consent of both parties		
	Sub-subsidiary Franbo Century Limited and	2023.11 –The		

Contractual nature	Parties	Start and end dates of contract	Main content	Restrictions
	Franbo Lines Corp.	contract can be extended and terminated with the consent of both parties		
Ship consultant Contract	Sub-subsidiary Franbo Shipping S.A. and Franbo Lines Corp.	2018.11 –The contract can be extended and terminated with the consent of both parties	Services of ship management and consulting	None
	Sub-subsidiary Franbo Transportation S.A. and Franbo Lines Corp.	2018.11 –The contract can be extended and terminated with the consent of both parties		
	Sub-subsidiary Franbo Ocean Limited and Franbo Lines Corp.	2019.12 –The contract can be extended and terminated with the consent of both parties		
	Sub-subsidiary FB Pioneer Limited and Franbo Lines Corp.	2019.09 –The contract can be extended and terminated with the consent of both parties		
	Sub-subsidiary FB Navigation Limited and Franbo Lines Corp.	2019.10 –The contract can be extended and terminated with the consent of both parties		
	Sub-subsidiary Franbo Way Limited and Franbo Lines Corp.	2023.07 –The contract can be extended and terminated with the consent of both parties		
	Sub-subsidiary Franbo Wind S.A. and Franbo Lines Corp.	2023.09 –The contract can be extended and terminated with the consent of both parties		
	Franbo Courage S.A. and Franbo Lines Corp.	2020.12 –The contract can be extended and terminated with the consent of both parties		
	BCI Loyalty Inc. and Franbo Lines Corp.	2021.01 –The contract can be extended and terminated with the consent of both parties		

Contractual nature	Parties	Start and end dates of contract	Main content	Restrictions
Escrow contract of ship operation	Sub-subsidiary Franbo Logos S.A. and Franbo Lines Corp.	2015.09 –The contract can be extended and terminated with the consent of both parties	Ship agent's operation and management	None
	Sub-subsidiary Franbo Logic S.A. and Franbo Lines Corp.	2016.01 –The contract can be extended and terminated with the consent of both parties		
	Sub-subsidiary Franbo Lohas S.A. and Franbo Lines Corp.	2016.04 –The contract can be extended and terminated with the consent of both parties		
	Sub-subsidiary Franbo Legion Limited and Franbo Lines Corp.	2021.02 –The contract can be extended and terminated with the consent of both parties		
	Sub-subsidiary Franbo Bright Limited and Franbo Lines Corp.	2021.12 –The contract can be extended and terminated with the consent of both parties		
	Sub-subsidiary Franbo ACE Limited and Franbo Lines Corp.	2023.03 –The contract can be extended and terminated with the consent of both parties		
	Sub-subsidiary Franbo ART Limited and Franbo Lines Corp.	2023.04 –The contract can be extended and terminated with the consent of both parties		
	Sub-subsidiary Franbo Cosmos Limited and Franbo Lines Corp.	2023.09 -The contract can be extended and terminated with the consent of both parties		
	Sub-subsidiary Franbo Century Limited and Franbo Lines Corp.	2023.11-The contract can be extended and terminated with the consent of both parties		

VI. Financial Status

1. Condensed balance sheet and statement of comprehensive income for the most recent 5 years:

(1) Condensed balance sheet and statement of comprehensive income -(IFRS):

1. Consolidated condensed balance sheet:

Unit: NT$1,000

Item \ Year		Financial Information for the most recent 5 years (Note 1)					Financial information as of March 31, 2024
		2019	2020	2021	2022	2023	
Current assets		113,903	164,141	720,392	2,737,033	1,532,866	Note 3
Property, plant, and equipment		4,020,482	4,195,556	4,018,921	2,505,565	5,764,213	
Intangible assets		282	183	540	382	513	
Other assets		225,642	257,613	978,631	2,769,312	1,635,493	
Total assets		4,360,309	4,617,493	5,718,484	8,012,292	8,933,085	
Current liabilities	Before distribution	1,120,377	757,484	633,091	1,028,962	507,668	
	After distribution	1,135,489	757,484	784,000	1,387,697	656,454 (Note 2)	
Non-current liabilities		1,645,466	2,295,701	2,207,798	1,646,505	2,222,637	
Total liabilities	Before distribution	2,765,843	3,053,185	2,840,889	2,675,467	2,730,305	
	After distribution	2,780,955	3,053,185	2,991,798	3,034,202	2,879,091 (Note 2)	
Equity attributable to owners of the parent		1,594,466	1,564,308	2,877,595	5,336,825	6,202,780	
Share capital		1,511,246	1,526,358	1,886,358	2,391,567	2,924,827	
Capital reserve		6,483	5,677	652,668	1,107,999	1,392,634	
Retained earnings	Before distribution	161,848	226,588	601,850	1,730,852	1,796,519	
	After distribution	146,736	226,588	450,941	1,372,117	1,647,733 (Note 2)	
Other equity		(85,111)	(194,315)	(263,281)	106,407	88,800	
Treasury share		—	—	—	-	-	
Non-controlling interest		—	—	—	-	-	
Total equity	Before distribution	1,594,466	1,564,308	2,877,595	5,336,825	6,202,780	
	After distribution	1,579,354	1,564,308	2,726,686	4,978,090	6,053,994 (Note 2)	

Note 1: The financial information has been audited by the CPAs in accordance with international accounting standards; No asset revaluation has been handled in the past five years.

Note 2: The amount was determined by the Board of Directors on March 7, 2024.

Note 3: As of the date of publication of the annual report, the financial report data for the first quarter of 2024 has not been prepared.

2. Parent company only condensed balance sheet:

Unit: NT$1,000

Item \ Year		Financial Information for the most recent 5 years (Note 1)				
		2019	2020	2021	2022	2023
Current assets		116,559	39,635	56,485	475,092	324,720
Property, plant, and equipment		52,882	50,992	53,267	51,885	49,403
Intangible assets		282	183	540	382	513
Other assets		2,181,204	2,262,982	3,229,026	6,441,294	6,722,620
Total assets		2,350,927	2,353,792	3,339,318	6,968,653	7,097,256
Current liabilities	Before distribution	707,735	286,240	39,854	1,046,268	312,703
	After distribution	722,847	286,240	190,763	1,405,003	461,489(Note 2)
Non-current liabilities		48,726	503,244	421,869	585,560	581,773
Total liabilities	Before distribution	756,461	789,484	461,723	1,631,828	894,476
	After distribution	771,573	789,484	612,632	1,990,563	1,043,262(Note 2)
Equity attributable to owners of the parent		—	—	—	-	-
Share capital		1,511,246	1,526,358	1,886,358	2,391,567	2,924,827
Capital reserve		6,483	5,677	652,668	1,107,999	1,392,634
Retained earnings	Before distribution	161,848	226,588	601,850	1,730,852	1,796,519
	After distribution	146,736	226,588	405,941	1,372,117	1,647,733(Note 2)
Other equity		(85,111)	(194,315)	(263,281)	106,407	88,800
Treasury share		—	—	—	-	-
Non-controlling interest		—	—	—	-	-
Total equity	Before distribution	1,594,466	1,564,308	2,877,595	5,336,825	6,202,780
	After distribution	1,579,354	1,564,308	2,726,686	4,978,090	6,053,994(Note 2)

Note 1: The financial information has been audited by the CPAs in accordance with international accounting standards; No asset revaluation has been handled in the past five years.

Note 2: The amount was determined by the Board of Directors on March 7, 2024.

3. Consolidated condensed statement of comprehensive income: Unit: NT$1,000

Item \ Year	Financial Information for the most recent 5 years (Note 1)					Financial information as of March 31, 2024
	2019	2020	2021	2022	2023	
Operating revenue	787,399	747,534	1,226,139	1,466,949	1,337,660	Note 2
Operating gross profit	210,430	194,582	469,593	768,011	610,234	
Operating profit or loss	156,511	140,484	378,480	634,364	512,396	
Non-operating revenue and expense	(73,608)	(44,368)	(5,110)	654,251	6,635	
Net profit before tax	82,903	96,116	373,370	1,288,615	519,031	
Net profit of continued operations for the period	80,593	95,182	375,262	1,279,911	424,402	
Loss of discontinued operations	—	—	—	—	—	
Net profit for the period	80,593	95,182	375,262	1,279,911	424,402	
Other comprehensive income for the period (net after tax)	(52,616)	(109,204)	(68,966)	369,688	(17,607)	
Total comprehensive income for the period	27,977	(14,022)	(306,296)	1,649,599	406,795	
Net profit attributable to owners of parent	80,593	95,182	375,262	1,279,911	424,402	
Net profit attributable to non-controlling interest	—	—	—	—	—	
Total comprehensive income attributable to owners of parent	27,977	(14,022)	306,296	1,649,599	406,795	
Total comprehensive income attributable to non-controlling interest	—	—	—	—	—	
Earnings per share (Note 3)	0.53	0.62	2.24	6.23	1.69	

Note 1: The financial information has been audited by the CPAs in accordance with international accounting standards; No asset revaluation has been handled in the past five years.

Note 2: As of the date of publication of the annual report, the financial report data for the first quarter of 2024 has not been prepared.

Note 3: On May 28, 2020, at the ordinary shareholders' meeting, the Company decided to transfer the surplus to increase the capital by NT$15,112,000, so the earnings per share of the previous year were retroactively adjusted.

4. Parent company only Condensed statement of comprehensive income:

Unit: NT$1,000

Item \ Year	Financial Information for the most recent 5 years (Note 1)				
	2019	2020	2021	2022	2023
Operating revenue	54,993	56,967	62,854	63,261	131,335
Operating gross profit	41,556	46,855	50,688	48,316	109,114
Operating profit or loss	1,990	5,764	(21,821)	(64,677)	25,044
Non-operating revenue and expense	80,913	90,352	395,191	1,353,292	493,987
Net profit before tax	82,903	96,116	373,370	1,288,615	519,031
Net profit of continued operations for the period	80,593	95,182	375,262	1,279,911	424,402
Loss of discontinued operations	—	—	—	—	—
Net profit for the period	80,593	95,182	375,262	1,279,911	424,402
Other comprehensive income for the period (net after tax)	(52,616)	(109,204)	(68,966)	369,688	(17,607)
Total comprehensive income for the period	27,977	(14,022)	306,296	1,649,599	406,795
Earnings per share (Note 2)	0.53	0.62	2.24	6.23	1.69

Note 1: The financial information has been audited by the CPAs in accordance with international accounting standards; No asset revaluation has been handled in the past five years.

Note 2: On May 28, 2020, at the ordinary shareholders' meeting, the Company decided to transfer the surplus to increase the capital by NT$15,112,000, so the earnings per share of the previous year were retroactively adjusted.

(2) The names of CPAs in the most recent five years and their audit opinions

Year	Name of accounting firm	CPAs	Audit opinions
2019	Pricewaterhousecoopers Taiwan	Wang, Kuo-Hua; Wu, Chien-Chih	Unqualified opinion
2020	Pricewaterhousecoopers Taiwan	Wang, Kuo-Hua; Wu, Chien-Chih	Unqualified opinion
2021	Pricewaterhousecoopers Taiwan	Wang, Kuo-Hua; Wu, Chien-Chih	Unqualified opinion
2022	Pricewaterhousecoopers Taiwan	Wang, Kuo-Hua; Liao, A-Shen	Unqualified opinion
2023	Pricewaterhousecoopers Taiwan	Wang, Kuo-Hua; Liao, A-Shen	Unqualified opinion

In 2022, due to the internal rotation of PwC Taiwan, CPAs Wang, Kuo-Hua and Liao, A-Shen were appointed to be responsible for certifying.

2. Financial analysis for the most recent 5 years

(1) Consolidated and parent company only financial analysis for the most recent 5 years- IFRS

1. Consolidated financial analysis:

Analysis item \ Year			Financial analysis for the most recent 5 years (Note 1)					Financial information as of March 31, 2024
			2019	2020	2021	2022	2023	
Financial structure %	Debt to assets ratio		63.43	66.12	49.68	33.39	30.56	Note 2
	Ratio of long-term capital to property, plant, and equipment		80.59	92.00	126.54	278.71	146.17	
Solvency %	Current ratio		10.17	21.67	113.79	266.00	301.94	
	Quick ratio		6.51	17.60	106.92	201.74	138.12	
	Times interest earned		1.86	2.49	9.72	21.82	6.41	
Operating performance %	Accounts receivable turnover (times)		66.53	210.34	306.15	908.61	23,886.79	
	Average collection days		5.48	1.73	1.19	0.40	0.01	
	Inventory turnover (times)		60.73	75.76	91.46	2.25	1.04	
	Accounts payable turnover (times)		90.36	258.45	178.01	252.69	154.82	
	Average days in sales		6.01	4.81	3.99	162.22	350.96	
	Property, plant, and equipment turnover (times)		0.20	0.18	0.314	0.59	0.23	
	Total asset turnover (times)		0.18	0.16	0.21	0.18	0.15	
Profitability %	Return on assets (%)		3.59	3.27	7.92	23.42	5.92	
	Return on equity (%)		5.10	6.03	16.9	31.16	7.36	
	Ratio to paid-in capital (%)	Operating profit	10.36	9.20	20.06	26.53	17.52	
		Net profit before tax	5.49	6.30	19.79	53.88	17.75	
	Net profit margin (%)		10.24	12.73	30.61	87.25	31.73	
	Earnings per share (NT$) Note 3)		0.53	0.62	2.24	6.23	1.69	
Cash flow	Cash flow ratio (%)		28.23	45.65	107.06	34.82	94.15	
	Cash flow adequacy ratio (%)		49.15	50.20	66.44	58.00	35.02	
	Cash reinvestment ratio (%)		6.41	6.24	7.91	(0.01)	4.03	
Leverage	Operating leverage		4.32	4.61	2.93	2.04	2.25	
	Financial leverage		2.58	1.84	1.13	1.11	1.23	

Explain the reasons for changes in all financial ratios in the last two years: (If the increase or decrease does not reach 20%, the analysis is not required.)

1. Decrease in debt to assets ratio: mainly due to the cash capital increase in 2023 to repay short-term borrowings, resulting in a significant reduction in current liabilities.
2. Decrease in ratio of long-term capital to property, plant, and equipment : mainly due to the increase in property, plant, and equipment out of the delivery of four new ships in 2023.
3. Decrease in quick ratio: mainly due to the cash capital increase in 2023 to repay short-term borrowings, resulting in a significant reduction in current assets and liabilities.
4. Decrease in times interest earned: mainly due to the substantial decrease in net profit before tax in 2023.
5. Increase in accounts receivable turnover and the decrease in the average collection days: mainly due to the decrease in the average receivables in 2023.
6. Decrease in inventory turnover and increase in average days in sales: mainly due to the increase in inventory at the end of 2023 and construction land to be developed.
7. Property, plant, and equipment turnover, return on assets, return on equity, net profit before tax to paid-in capital, net profit margin, and decrease in earnings per share: mainly due to annual disposals, ship purchases and changes in refinancing leases in 2023, resulting in a decrease in income after tax.
8. Increase in cash flow ratio and cash reinvestment ratio: mainly due to the cash capital increase in 2023 to repay short-term borrowings, resulting in a significant reduction in current liabilities; the delivery of 4 new ships resulting in the increase in property, plant, and equipment.

Note 1: Above financial data for each year is verified and certified by the CPAs.

Note 2: As of the date of publication of the annual report, the financial report data for the first quarter of 2024 has not been prepared.

Note 3: Earnings per share are calculated based on the weighted average number of outstanding shares after retrospective adjustment.

2. Parent company only financial analysis

Analysis item \ Year			Financial analysis for the most recent 5 years (Note 1)				
			2019	2020	2021	2022	2023
Financial structure %	Debt to assets ratio		32.18	33.54	13.83	23.42	12.60
	Ratio of long-term capital to property, plant, and equipment		3,107.28	4,054.66	6,194.20	11,414.45	13,733.08
Solvency %	Current ratio		16.47	13.85	141.73	45.41	103.84
	Quick ratio		16.40	13.40	136.79	45.30	103.73
	Times interest earned		6.72	8.30	57.92	138.34	37.05
Operating performance %	Accounts receivable turnover (times)		4.58	8.09	8.79	13.50	10.40
	Average collection days		79.78	45.09	41.54	27.03	35.08
	Inventory turnover (times)		(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)
	Accounts payable turnover (times)		(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)
	Average days in sales		(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)
	Property, plant, and equipment turnover (times)		1.04	1.12	1.18	1.22	2.66
	Total asset turnover (times)		0.02	0.02	0.02	0.01	0.02
Profitability %	Return on assets (%)		4.00	4.49	13.37	19.65	6.20
	Return on equity (%)		5.10	6.03	16.9	29.83	7.36
	Ratio to paid-in capital (%)	Operating profit	0.13	0.38	(1.16)	(2.70)	0.86
		Net profit before tax	5.49	6.30	19.79	53.88	17.75
	Net profit margin (%)		146.55	167.08	597.04	2,023.22	323.14
	Earnings per share (NT$) Note 3)		0.53	0.62	2.24	6.23	1.69
Cash flow	Cash flow ratio (%)		0.67	0.87	2.08	1.09	(1.11)
	Cash flow adequacy ratio (%)		18.44	45.76	1.5	23.77	(3.82)
	Cash reinvestment ratio (%)		(0.63)	0.12	(4.55)	(5.86)	(2.24)
Leverage	Operating leverage		27.25	9.77	(2.83)	(0.97)	5.19
	Financial leverage		(0.16)	(0.78)	0.11	0.87	2.35

Explain the reasons for changes in all financial ratios in the last two years: (If the increase or decrease does not reach 20%, the analysis is not required.)

1. Decrease in debt to assets ratio: mainly due to the cash capital increase in 2023 to repay short-term borrowings, resulting in a significant reduction in current liabilities.
2. Increase in ratio of long-term capital to property, plant, and equipment: mainly due to the substantial increase in shareholders' equity due to the conversion of corporate bonds in 2023.
3. Increase in current and quick ratios: mainly due to the cash capital increase in 2023 to repay short-term borrowings, resulting in a significant reduction in current liabilities.
4. Decrease in times interest earned: mainly due to the substantial decrease in net profit before tax in 2023.
5. Accounts receivable turnover decreased and average cash collection days increased: mainly due to the decrease in average accounts receivable in 2023.
6. Return on assets, return on equity, ratio of net profit before tax to paid-in capital, net profit margin and earnings per share decreased: mainly due to the decline in the shipping market in 2023 compared with that in 2022, and the use of the equity method to recognize the interests of subsidiaries resulting in the significant decrease in profits.
7. Decrease in cash flow ratio and cash flow adequacy ratio: mainly due to the decline in the shipping market in 2023 compared with that in 2022, the equity method adopted to recognize the interests of subsidiaries resulting in the significant decrease in profits; the cash capital increase will repay short-term borrowings, resulting in a significant reduction in current liabilities.
8. Decrease in cash reinvestment ratio: mainly due to the cash capital increase in 2023 to repay short-term borrowings, resulting in a significant reduction in current liabilities.

Note 1: The financial information has been audited and certified by the CPAs in accordance with International Accounting Standards.

Note 2: The accounts payable and inventory at the end of the two periods are both 0, so they are not listed.

Note 3: Earnings per share are calculated based on the weighted average number of outstanding shares after retrospective adjustment.

The calculation formula for this table is as follows:

1.Financial structure

(1)Debt to assets ratio＝Total liabilities／Total assets

(2)Ratio of long-term capital to property, plant, and equipment ＝（Total equity＋Non-current liabilities）／Net property, plant, and equipment

2.Solvency

(1)Current ratio＝Current assets／Current liabilities

(2)Quick ratio＝（Current assets－inventory－prepaid expenses）／Current liabilities

(3)Times interest earned＝net earnings before income tax and interest expenses／interest expenses for this period

3.Operating performance

(1)Accounts receivable (including accounts receivable and notes receivable arising from operating activities) turnover＝net sales／average accounts receivable balance (including accounts receivable and notes receivable arising from operating activities

(2)Average collection days＝365／accounts receivable turnover

(3)Inventory turnover＝cost of goods sold／average inventory

(4)Accounts payable (including accounts payable and notes payable arising from operating activities) turnover＝cost of goods sold／average accounts payable balance (including accounts payable and notes payable arising from operating activities)

(5)Average days in sales＝365／Inventory turnover

(6)Property, plant, and equipment turnover＝net sales／average net property, plant, and equipment

(7)Total asset turnover＝net sales／average total assets

4.Profitability

(1)Return on assets＝〔profit or loss after tax＋interest expense×（１－tax rate）〕／average total assets

(2)Return on equity＝profit or loss after tax／average total shareholder equity

(3)Net profit margin＝profit or loss after tax／net sales

(4)Earnings per share＝（profit or loss attributable to owners of parent－preferred stock dividends）／weighted average number of shares outstanding

5.Cash flow

(1)Cash flow ratio ＝net cash flows from operating activities／Current liabilities

(2) Net cash flow adequacy ratio＝5-year sum of net cash flow from operating activities／5-year sum of (capital expenditures＋increases in inventory＋cash dividends)

(3)Cash reinvestment ratio＝(net cash flows from operating activities－cash dividends)／(gross property, plant, and equipment＋long-term investments＋other non-current assets＋working capital)

6. Leverage:

(1)Operating leverage＝(Net operating revenue－variable operating costs and expenses)／operating income

(2)Financial leverage＝operating income／(operating income－interest expense)

3. Audit Committee Audit Review Report for the most recent year's financial statement

Refer to page 141.

4. Financial statement including the CPAs' Audit Report for the most recent year

Refer to pages 142-228.

5. The parent company-only financial statement for the most recent year, certified by the CPAs.

Refer to pages 229-308.

6. If the Company or its affiliates have experienced financial difficulties in the most recent fiscal year or during the current year up to the date of publication of the annual report, the annual report shall explain how said difficulties will affect Company's financial situation: None

3. Auditing report of Audit Committee on the financial report in the most recent year

Franbo Lines Corp.

Audit Committee Auditing Report

The Board of Directors prepared the Company's 2023 parent company only financial statements, consolidated financial statements, business report and earnings distribution proposal, among which the financial statements (including consolidated financial statements) were audited by certified public accountants Wang, Kuo-Hua and Liao, A-Shen of PwC Taiwan which issued an audit report. The statements and records prepared by the Board of Directors at the previous meeting have not been found to be inconsistent after review by this audit committee. Therefore, in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we kindly request your supervision.

Sincerely

The Company's 2024 Regular Shareholders' Meeting

Franbo Lines Corp.

Convener of the Audit Committee: Yen, Shu-Yang

March 7, 2024

4. Financial statement including the CPAs' Audit Report for the most recent year

FRANBO LINES CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023 AND 2022

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

FRANBO LINES CORPORATION AND SUBSIDIARIES

Declaration of Consolidated Financial Statements of Affiliated Enterprises

Year ended December 31, 2023, pursuant to "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," the entity that is required to be included in the consolidated financial statements of affiliates, is the same as the entity required to be included in the consolidated financial statements of parent and subsidiary companies under IFRS 10. Also, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

FRANBO LINES CORPORATION

TSAI,PANG-CHUAN

March 7, 2024

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 material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 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		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 earnings per share amount)

			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 before income tax**		519,031	39	1,288,615	88
7950	Income tax expense	6(27)	(94,629)	(7)	(8,704)	(1)
8200	**Profit 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 (loss) 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, 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 surplus					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
Issuance 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
Issuance 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			
Income and expenses having no effect on cash flows			
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 assets/liabilities relating to operating activities			
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)
Net changes in liabilities relating to operating activities			
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 liquidation 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.

FRANBO LINES CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

(1) Franbo Lines Corporation (the "Company") was incorporated on September 29, 1998, and was primarily engaged in the shipping agency, consulting service and ocean freight forwarder, etc.

(2) The main activities of the Company and its subsidiaries (collectively referred herein as the "Group") are provided in Note 4(3).

(3) The Company's shares are traded in the Taipei Exchange starting from October 9, 2014.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorised for issuance by the Board of Directors on March 7, 2024.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023
Amendments to IAS 12, 'International tax reform - pillar two model rules'	May 23, 2023

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-	January 1, 2024

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

4. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

A. Except for financial assets (including derivative instruments) at fair value through profit or loss , the consolidated financial statements have been prepared under the historical cost convention.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiaries	Main business activities	Ownership(%) December 31 2023	Ownership(%) December 31 2022	Description
Franbo Lines Corporation	New Lucky Lines S.A.	Notes 1、2	100	100	-
Franbo Lines Corporation	Uni-Morality Lines Ltd.	Note 1	100	100	-
Franbo Lines Corporation	BCTS Capital Inc.	Note 1	100	100	-
Franbo Lines Corporation	Franbo Asset Management Co., Ltd.	Note 3	100	100	-
Franbo Lines Corporation	FWF Shipping Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Shipping S.A.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Transportation S.A.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Wind S.A.	Note 2	100	100	Note 5
New Lucky Lines S.A.	Franbo Charity S.A.	Note 2	100	100	-
New Lucky Lines S.A.	TW Hornbill Line S.A.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Logos S.A.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Logic S.A.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Lohas S.A.	Note 2	100	100	-
New Lucky Lines S.A.	Prevalent Creation Corp.	Note 4	100	100	-
New Lucky Lines S.A.	Franbo Sagacity S.A.	Notes 2、4	100	100	-
New Lucky Lines S.A.	Franbo Way Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Uprightness Corp.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Sino Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Ocean Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Legion Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	FB Pioneer Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	FB Navigation Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Legacy Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Bright Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Ace Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Cosmos Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Art Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Century Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Brave Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Bravo Ltd.	Note 2	100	100	-
Uni-Morality Lines Ltd.	Dexin Shipping S.A.	Note 2	100	100	-
FWF Shipping Ltd.	Franbo Wind S.A.	Note 2	100	-	Note 5
Franbo Asset Management Co., Ltd.	Franbo Propriety Buiding Development Co., Ltd.	Note 3	100	100	-
Franbo Asset Management Co., Ltd.	Franbo Justice Buiding Development Co., Ltd.	Note 3	100	100	Note 6
Franbo Asset Management Co., Ltd.	FB Integrity Real Estate Development Co., Ltd.	Note 3	100	-	Note 7

Note 1: The main business activity is investment in other area.

Note 2: The main business activities are domestic and foreign shipping business and ocean freight transportation forwarding services.

Note 3: The main business activities are property investment trading and development.

Note 4: The main business activity is domestic and foreign management consulting service of steamship.

Note 5: The Group resolved by the Board of Directors on August 3, 2023 for FWF Shipping Ltd. to invest in its subsidiary Franbo Wind SA, and the capital injection was completed in September 2023.

Note 6: It was a subsidiary of the Group established in July 2022, and the capital injection was completed in July 2022.

Note 7: It was a subsidiary of the Group established in May 2023, and the capital injection was completed in May 2023.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollar, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average

exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income. Financial assets at amortised cost or fair value through other comprehensive income are designated as at fair value through profit or loss at initial recognition when they eliminate or significantly reduce a measurement or recognition inconsistency.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts receivable

A. Accounts receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For financial assets at amortised cost including accounts receivable or contract assets that have a significant financing component, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(12) Leasing arrangements (lessor)－lease receivables/ operating leases

A. Based on the terms of a lease contract, a lease is classified as a finance lease if the lessee assumes substantially all the risks and rewards incidental to ownership of the leased asset.

(a) At commencement of the lease term, the lessor should record a finance lease in the balance sheet as 'lease receivables' at an amount equal to the net investment in the lease (including initial direct costs). The difference between gross lease receivable and the present value of the receivable is recognised as 'unearned finance income of finance lease'.

(b) The lessor should allocate finance income over the lease term based on a systematic and rational basis reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

(c) Lease payments (excluding costs for services) during the lease term are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.

B. Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

A. Vessel oils

It is the amount of inventory of vessel oils at the end of period, the value of oils was calculated by using the weighted moving average method. Inventories are stated at the lower of cost and net realisable value. The item by item approach is used in applying the lower of cost and net realisable value. The net realisable value is the replacement cost of oils.

B. Land held for construction site and construction in progress

Inventories are initially recorded at cost. Ending inventories are stated at the lower of cost and net realisable value. The item by item approach is used in applying the lower of cost and net realisable value Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The interests associated with the construction in progress were capitalised in the period starting from beginning of construction until completion.

(14) Non-current assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(15) Investments accounted for using equity method / subsidiaries and associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes the Group's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.

D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(16) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	5 to 50 years
Transportation equipment	5 years
Vessels equipment	2.5 to 25 years
Office equipment	5 years

(17) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 5 years.

(18) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(19) Borrowings

A. Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(20) Accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services.

B. The short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(22) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(23) Bonds payable

Ordinary corporate bonds issued by the Group are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(24) Convertible bonds payable

Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

A. The embedded call options and put options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.

B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.

C. The embedded conversion options which meet the definition of an equity instrument are initially recognised in 'capital surplus—share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.

D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.

E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and 'capital surplus—share options'.

(25) Operating leases (lessor)

A. The Group assessed whether the contract pertain to (or including) lease according to the signature date. If the contract transferred the control power of the identified assets' use right for a period of time to exchange for a price, the contract pertain to (or including) lease. To assess whether the contract transferred the control power of the identified assets' use right for a period of time, the Group assessed whether the two conditions incurred in the use period:

(a) Acquisition of the right on almost all of the economic benefit from using identified assets ; and

(b) Conducting the use right of identified assets.

For contracts pertaining to (or including) lease, the Group separates every lease component in the contract into single lease, and accounts the lease components and non-lease components in the contract, respectively. For contracts containing one lease component and one or above additional lease components or non-lease components, the Group amortised the price to the lease component based on the relative single price of every lease component and the summarised single price of non-lease component. The relative single price of lease and non-lease component were determined based on the prices which were charged by the lessor (or one who was similar to the supplier) on the component (or the similar component). If the observable single price could not be readily available at any time, the Group estimated the single price by using the maximised observable information.

On the signature date, the Group classified every lease into operating lease or finance lease. Lease was classified as finance lease if almost all of the risk and returns of the ownership which attached on the target assets; otherwise, it would be classified as operating lease. At the commencement date, the Group recognised all of the assets held as finance lease in the balance sheet and presented them as finance lease receivable according to the net investment in the lease.

For contracts containing lease component and non-lease component, the Group amortised prices in contracts by applying IFRS 15.

B. Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(26) Employee benefits

A. Salaries and other short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(27) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(28) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations, and management accrued income tax liabilities based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. The Group's subsidiaries, Franbo Shipping S.A., Franbo Transportation S.A., Franbo Charity S.A., TW Hornbill Line S.A., Franbo Logos S.A., Franbo Logic S.A., Franbo Lohas S.A., Franbo Sagacity S.A., and Dexin Shipping S.A., were established in Panama and have no income tax payables to Panama which does not levy income tax.

D. The Group's subsidiaries, New Lucky Lines S.A., FWF Shipping Ltd., BCTS Capital Inc., Franbo Way Ltd., Franbo Uprightness Corp., Franbo Sino Ltd., Franbo Ocean Ltd., Franbo Legion Ltd., FB Pioneer Ltd., FB Navigation Ltd., Franbo Legacy Ltd., Franbo Bright Ltd., Franbo Cosmos Ltd., Franbo Art Ltd., Franbo Century Ltd., Franbo Brave Ltd., Franbo Bravo Ltd., and Franbo Wind S.A. were established in Marshall Islands and have no income tax payables to Marshall Islands which does not levy income tax.

E. The Group's subsidiary, Prevalent Creation Corp., was established in Seychelles and have no income tax payables to Seychelles which does not levy income tax.

F. The Group's subsidiary, Uni-Morality Lines Ltd., was established in Hong Kong, the income tax of the subsidiary is levied according to local regulations.

G. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

H. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(29) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(30) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(31) Revenue recognition

A. Rent income

Vessels rent income was recognised by using straight-line method in the lease period under operating leases. Income of finance leases was allocated over the accounting periods to reflect a constant periodic rate of return for each period.

B. Income from vessels management and freight

The Group's revenue from contracts with customers primarily arose from providing services, including vessels management service and carriage service of cargo. The aforementioned services were all separate pricing or negotiation, and the contract period was the basis for vessels management and carriage of cargo. Because the Group provided vessels management and carriage service of cargo in the contract period, revenue was recognised over time in the accounting period when the Group provided service to customers.

C.The Group and customers sign a contract which is consistent with market practice. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money. The Group provided charter service and vessels management, service revenue was recognised over time in the accounting period when the Group provided service to customers.

(32) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Details of critical accounting estimates and assumption uncertainty are as follows:

Impairment assessment of tangible assets

When there were indications identified by the management that showed the vessel equipment of some subsidiaries might have been impaired, the appraiser who was appointed by the management measures the recoverable amount of vessel equipment by using fair values reducing disposal costs. The aforementioned estimates on recoverable amount primarily relies on the appraisal report of the appraiser, and the data resources and assumptions which were applied by the appraiser might have significant influence on the result.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash:		
Cash on hand and petty cash	$ 7,940	$ 7,002
Checking accounts and demand deposits	168,095	206,162
Cash equivalents:		
Time deposits	272,680	1,365,361
Repurchase bonds	-	18,728
	$ 448,715	$ 1,597,253

A.The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group's demand deposits had been transferred into "current financial assets at amortised cost" and "non-current financial assets at amortised cost" due to being pledged and restricted, please refer to Note 8, pledged assets.

C. The aforementioned time deposits and repurchase bonds are both within three months of maturity, were not pledged as collateral and were classified as cash equivalents based on their nature.

(2) Financial assets at fair value through profit or loss

Items	December 31, 2023	December 31, 2022
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 6,657	$ 8,844
Callable bonds	1,472	-
Foreign corporate bonds	1,177	1,232
Valuation adjustment	(503)	(2,260)
	$ 8,803	$ 7,816

A. Amounts recognised in (loss) profit in relation to financial assets at fair value are listed below:

	Year ended December 31	
	2023	2022
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 1,798	($ 1,813)
Callable bonds	40	-
Foreign corporate bonds	167	(337)
Derivative instruments	(377)	(604)
	$ 1,628	($ 2,754)

The amount of (loss) income was shown as "other gains and losses", please refer to Note 6(23) for details.

B. The Group has no financial assets at fair value through profit or loss pledged to others as collateral.

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at fair value through other comprehensive income

Items	December 31, 2022
Non-current items:	
Equity instruments	
Unlisted stocks	$ 2,996

On December 31, 2022: No such transactions.

A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $2,996 as at December 31, 2023.

B. The Group recognised ($4) in comprehensive income (loss) from financial assets at fair value through other comprehensive income for fair value change for the year ended December 31, 2023.

C. The Group has no financial assets at fair value through other comprehensive income pledged to others.

(4) Financial assets at amortised cost

Items	December 31, 2023	December 31, 2022
Current items:		
Time deposits with maturity over three months	$ 153,918	$ 153,918
Restricted bank deposits	88,752	88,752
	$ -	$ 242,670
Non-current items:		
Restricted bank deposits	$ 16,973	$ 19,057

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. For the years ended December 31, 2023 and 2022, interest income from demand deposits and time deposits were recognised under interest income from bank deposits.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

(5) Accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable	$ 56	$ 56
Less: Allowance for doubtful accounts	-	-
	$ 56	$ 56

A. The ageing analysis of accounts receivable (including related parties) that were past due but not impaired is as follows:

	December 31, 2023	December 31, 2022
Up to 30 days	$ 56	$ 56

The above ageing analysis was based on invoice date.

B. On December 31, 2022, December 31, 2021 and January 1, 2021, the balances of the receivables from the Group's and customers contracts were $56, $56 and $3,173, respectively.

C. The Group did not hold any collateral for the security of accounts receivable.

D. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was $56 and $56, respectively.

E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(6) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Fuels	$ 11,984	$ -	$ 11,984
Construction in progress (Note)	139,035	-	139,035
Land held for construction site (Note)	629,081	-	629,081
	$ 780,100	$ -	$ 780,100

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Fuels	$ 11,764	$ -	$ 11,764
Construction in progress (Note)	78,462	-	78,462
Land held for construction site (Note)	520,151	-	520,151
	$ 610,377	$ -	$ 610,377

Note: It is a land development investment case which was obtained by the Company's subsidiary, Franbo Asset Management Co., Ltd., and the Company's second-tier subsidiaries, Franbo Propriety Buiding Development Co., Ltd., Franbo Justice Buiding Development Co., Ltd., and FB Integrity Real Estate Development Co., Ltd. in October 2022, others had not been developed. Refer to Note 8 for details of pledges and collateral.

No interests were capitalised on inventories for the years ended December 31, 2023 and 2022.

(7) Investments accounted for using equity method

Changes in the year were as follows:

	2023	2022
At January 1	$ 26,363	$ 43,478
Capital decrease in investments accounted for using equity method (Note 1, 2)	-	(19,157)
Proceed from liquidation of investments accounted for using equity method (Note 2, 3)	(66)	-
Share of profit of investments accounted for using equity method	1,410	11,126
Earnings distribution of investments accounted for using equity method	(2,442)	(12,408)
Other equity	13	3,324
At December 31	$ 25,278	$ 26,363

	December 31, 2023	December 31, 2022
Subsidiaries:		
Taiwan Offshore Engingeering Co.,Ltd. (Note 3)	$ -	$ 30
Due Feng Shipping Co., Ltd. (Note 2)	-	43
Bci Loyalty Inc. (Note 1)	11,712	12,129
Franbo Courage S. A.	13,566	14,161
	$ 25,278	$ 26,363

Note 1: BCI Loyalty Inc. processed capital reductions and recovered proceeds from investments of $1,206 for the year ended December 31, 2022.

Note 2: Due Feng Shipping Co., Ltd. processed capital reductions and recovered proceeds from investments of $17,951 in January 2022. Additionally, the registration was cancelled and proceeds from liquidation of investments amounting to $40 were returned in September 2023.

Note 3: During March 2017, the Group invested $3,000 in Taiwan Offshore Engineering Co., Ltd. and acquired 30% equity interests. In August 2019, Taiwan Offshore Engineering Co., Ltd. decreased its capital, therefore the Group collected investment proceeds in the amount of $2,970. Additionally, the Group returned proceeds from liquidation of investments amounting to $26 in December 2023 and completed the liquidation in January 2024.

A. The basic information of the associates that are material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Methods of measurement
		December 31, 2023	December 31, 2022		
Franbo Courage S.A.	Panama	49%	49%	-	Equity method
BCI Loyalty Inc.	Marshall	49%	49%	-	Equity method

B. The summarized financial information of the associate that is material to the Group is as follows:

Balance sheets

	Franbo Courage S.A.	
	December 31, 2023	December 31, 2022
Current assets	$ 67,665	$ 18,123
Non-current assets	-	65,545
Current liabilities	(15,103)	(15,151)
Non-current liabilities	(24,875)	(39,616)
Total assets	$ 27,687	$ 28,901
Share in associate's net assets	$ 13,566	$ 14,161
Goodwill	-	-
Carrying amount of the associate	$ 13,566	$ 14,161

	BCI Loyalty Inc.	
	December 31, 2023	December 31, 2022
Current assets	$ 19,326	$ 18,404
Non-current assets	51,103	68,721
Current liabilities	(16,154)	(16,154)
Non-current liabilities	(30,372)	(46,219)
Total assets	$ 23,903	$ 24,752
Share in associate's net assets	$ 11,712	$ 12,129
Goodwill	-	-
Carrying amount of the associate	$ 11,712	$ 12,129

Comprehensive income

	Franbo Courage S.A.	
	2023	2022
Revenue	$ 6,231	$ 7,192
Profit for the year from continuing operations	$ 1,606	$ 2,581
Total comprehensive income	$ 1,606	$ 2,581
Dividends received from associates	$ -	$ -

	BCI Loyalty Inc.	
	2023	2022
Revenue	$ 6,433	$ 7,401
Profit for the year from continuing operations	$ 1,286	$ 2,564
Total comprehensive income	$ 1,286	$ 2,564
Dividends received from associates	$ –	$ –

C. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:

As of December 31, 2023 and 2022, the carrying amount of the Group's individually immaterial associates amounted to $0 and $73.

	2023	2022
Income (loss) from continuing operations, net of tax	($ 7)	$ 8,605
Other comprehensive income, net of tax	-	-
Total comprehensive income(loss)	($ 7)	$ 8,605

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(8) Property, plant and equipment

	Land	Building and structures	Vessels equipment (Note 1)	Office equipment	Transportation equipment	
	For own use	For own use	For lease	For own use	For own use	Total
January 1, 2023						
Cost	$ 19,247	$ 42,193	$ 3,265,880	$ 4,700	$ 7,748	$ 3,339,768
Accumulated depreciation and impairment	-	(14,653)	(812,199)	(3,132)	(4,218)	(834,202)
	$ 19,247	$ 27,540	$ 2,453,681	$ 1,568	$ 3,530	$ 2,505,566
2023						
January 1	$ 19,247	$ 27,540	$ 2,453,681	$ 1,568	$ 3,530	$ 2,505,566
Additions	-	-	2,516,754	-	-	2,516,754
Reclassifications	-	-	1,110,316	-	-	1,110,316
Disposals-cost reduction	-	-	(149,520)	-	-	(149,520)
Depreciation expense	-	(731)	(248,082)	(430)	(1,321)	(250,564)
Disposals-Accumulated depreciation and impairment reduction	-	-	79,432	-	-	79,432
Net exchange differences	-	-	(47,771)	-	-	(47,771)
December 31	$ 19,247	$ 26,809	$ 5,714,810	$ 1,138	$ 2,209	$ 5,764,213
December 31, 2023						
Cost	$ 19,247	$ 42,193	$ 6,634,310	$ 4,700	$ 7,748	$ 6,708,198
Accumulated depreciation and impairment	-	(15,384)	(919,500)	(3,562)	(5,539)	(943,985)
	$ 19,247	$ 26,809	$ 5,714,810	$ 1,138	$ 2,209	$ 5,764,213

	Land	Building and structures	Vessels equipment (Note 1)	Office equipment	Transportation equipment	
	For own use	For own use	For lease	For own use	For own use	Total
January 1, 2022						
Cost	$ 19,247	$ 42,193	$ 5,680,807	$ 3,254	$ 7,958	$ 5,753,459
Accumulated depreciation and impairment	-	(13,780)	(1,715,153)	(2,950)	(2,655)	(1,734,538)
	$ 19,247	$ 28,413	$ 3,965,654	$ 304	$ 5,303	$ 4,018,921
2022						
January 1	$ 19,247	$ 28,413	$ 3,965,654	$ 304	$ 5,303	$ 4,018,921
Additions	-	-	24,810	1,564	-	26,374
Reclassifications (Note 2, 3)	-	-	(999,320)	-	-	(999,320)
Disposals-cost reduction (Note 3)	-	-	(1,623,447)	(118)	(210)	(1,623,775)
Depreciation expense	-	(873)	(253,775)	(300)	(1,563)	(256,511)
Disposals-Accumulated depreciation and impairment reduction (Note 3)	-	-	964,060	118	-	964,178
Net exchange differences	-	-	375,699	-	-	375,699
December 31	$ 19,247	$ 27,540	$ 2,453,681	$ 1,568	$ 3,530	$ 2,505,566
December 31, 2022						
Cost	$ 19,247	$ 42,193	$ 3,265,880	$ 4,700	$ 7,748	$ 3,339,768
Accumulated depreciation and impairment	-	(14,653)	(812,199)	(3,132)	(4,218)	(834,202)
	$ 19,247	$ 27,540	$ 2,453,681	$ 1,568	$ 3,530	$ 2,505,566

Note 1: They were vessels owned by second-tier subsidiaries as follows: Franbo Progress (Note 3) owned by Franbo Shipping S.A., Franbo Prospect (Note 3) owned by Franbo Transportation S.A., SINOWAY VI (was disposed in March 2022, Note 3) owned by Franbo Wind S.A., MARINE HORNBILL (was disposed in September 2022) owned by TW Hornbill Line S.A., HAYAMA STAR (was disposed in September 2022, Note 2) owned by Franbo Uprightness Corp., NEW AGE (was disposed by April 2022, Note 2) owned by Dexin Shipping S.A., ULTRA DURBAN owned by Franbo Logos S.A., Thorco Logic owned by Franbo Logic S.A., Thorco Lohas owned by Franbo Lohas S.A., STL HARVEST owned by Franbo Sagacity S.A., MEDI BANGKOK (Note 2, 3) owned by Franbo Way Ltd., LAUREN OCEAN owned by Franbo Sino Ltd., FAIRWIND LEGION owned by Franbo Legion Ltd., SINOWAY LILY owned by FB Pioneer Ltd., CHRISTINA OCEAN owned by FB Navigation Ltd., THORCO LEGACY (Note 5) owned by Franbo Legacy Ltd. and IMARI owned by Franbo Bright Ltd.

Note 2: During 2022, the Group transferred vessel equipment into non-current assets held for sale. The vessel equipment was disposed in the same year and the delivery of the vessels was completed. Refer to Note 6(23) for details of the recognition of the related gain or loss on disposal.

Note 3: During 2022, the Group signed a bareboat charter agreement. Refer to Note 6(9) for the related finance lease.

Note 4: In December 2023, the Group transferred vessel equipment into non-current assets held for sale. Refer to Note 6(10) for details.

A. For the years ended December 31, 2023 and 2022, the Group had no borrowing cost capitalisation of property, plant and equipment.

B. The significant components of buildings include main plants and decorated accessory equipment, which are depreciated over 50 and 5 years, respectively. The significant components of vessel equipment include vessels and dock repair equipment, which are depreciated over 25 and 2.5 ~ 5 years, respectively.

C. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

D. Information about the Group’s vessel equipment that were rented to non-related parties is provided in Note 9.

(9) Leasing arrangements – lessor

A. The Group leases various assets including vessel equipment. Rental contracts are typically made for periods of 1 and 7 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. The Group leases vessel equipment under a finance lease. Based on the terms of the lease contract, the ownership of vessel equipment will be transferred to lessees when the leases expire. Information on profit or loss in relation to lease contracts is as follows:

	December 31, 2023	December 31, 2022
Finance income from the net investment in the finance lease	$ 140,137	$ 83,995

The lessee of the Group's vessel equipment exercised the right of purchase in July 2022, therefore there was unearned finance income which was recognised as income at once in the amount of $26,920.

C. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

	December 31, 2023		December 31, 2022
In the next year	$ 302,755	In the next year	$ 301,313
In the next two years	286,434	In the next two years	264,586
In the next three years	270,772	In the next three years	248,507
In the next four years	794,957	In the next four years	232,845
In the next five years	169,489	In the next five years	757,105
	$ 1,824,407		$ 1,804,356

D. Reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided as follows:

	December 31, 2023		December 31, 2022	
	Current	Non-Current	Current	Non-Current
Undiscounted lease payments	$ 302,755	$ 1,521,652	$ 301,313	$ 1,503,043
Unearned finance income	(139,062)	(317,620)	(131,000)	(346,530)
Net investment in the lease	$ 163,693	$ 1,204,032	$ 170,313	$ 1,156,513

(a) In September 2023, the Group's second-tier subsidiary, Franbo Wind S.A., purchased the vessel, MV YONG JIN, and signed a finance lease contract with the lessee. Finance lease receivables total amounted to $461,641 (USD 14,280 thousand).

(b) The finance lease contract signed by the Group's second-tier subsidiary, Franbo Ocean Ltd., in August 2021 was terminated at the end of July 2022, as the lessees exercised the right of purchase in advance. In August 2022, Franbo Ocean Ltd. purchased the vessel, XIE HAI MARINER, and signed a finance lease contract with the lessee. Finance lease receivables total amounted to $884,742 (USD 29,689 thousand).

(c) During 2022, the Group's second-tier subsidiaries including Franbo Shipping S.A., Franbo Transportation S.A., Franbo Way Ltd. and Franbo Legacy Ltd., signed bareboat charter agreements of vessel equipment- FRANBO PROGRESS, FRANBO PROSPECT, MEDI BANGKOK and THORCO LEGACY, respectively. Finance lease receivables total amounted to $1,470,808 (USD 49,356 thousand).

E. For the years ended December 31, 2023 and 2022, the Group's lease payments receivable under finance lease did not have provisioned loss allowance arising from past due receivable. Refer to Note 12(2) for credit risk information of lease payments receivable.

F. Gain arising from operating lease agreements for the years ended December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Rent income	$ 1,127,204	$ 1,364,588

G. The maturity analysis of the lease payments under the operating leases is as follows:

	December 31, 2023		December 31, 2022
In the next year	$ 1,200,780	In the next year	$ 648,597
In the next two years	948,104	In the next two years	112,352
In the next three years	639,571	In the next three years	34,133
In the next four years	628,918	In the next four years	10,192
In the next five years	326,562	In the next five years	-
	$ 3,743,935		$ 805,274

(10) Non-current assets held for sale

A. The assets related to vessel equipment have been reclassified as disposal group held for sale following the approval of the Group's Board of Directors on December 20, 2023 to sell vessel equipment- STL HARVEST. The completion date for the transaction is expected by the first quarter of 2024. The assets and liabilities of the disposal group held for sale as at December 31, 2023 amounted to $73,086 and $0, respectively.

B. Assets of disposal group held for sale:

	December 31, 2022
Property, plant and equipment	
Vessels equipment-SINOWAY VI	$ 73,086

For the year ended December 31, 2022: None.

C. The Group has no non-current assets held for sale pledged to others.

D. There was no impairment loss as a result of the remeasurement of the disposal group held for sale at the lower of its carrying amount or fair value less costs to sell. Information relating to fair value is provided in Note 12(3).

(11) Short-term borrowings

On December 31, 2023: No such transactions.

Type of borrowings	December 31, 2022	Collateral
Bank borrowings		
Unsecured borrowings	$ 90,000	None
Secured bank borrowings	10,000	SME credit insurance fund guarantee
Secured bank borrowings	20,000	Land, buildings and structures
	$ 120,000	
Interest rate range	2.19%~2.37%	

For collaterals of aforementioned bank borrowings, please refer to Note 8 for details.

(12) Short-term notes and bills payable

On December 31, 2023: No such transactions.

	December 31, 2022
Commecial papers	$ 30,000
Less:Unamortized discount	(34)
	$ 29,966
Interest rate range	2.44%

As of December 31, 2022, the abovementioned commercial paper was guaranteed by China Bills Finance Corporation.

(13) Other payables

	December 31, 2023	December 31, 2022
Salaries and rewards payable	$ 40,406	$ 40,367
Interest payable	5,672	2,539
Employees' compensation and directors' remuneration payable	10,620	26,316
Premium payable	5,894	10,994
Payables on charterer's payment on behalf of the Group	5,027	3,706
Payable on maintenance and reimbursement fees	28,690	4,614
Payables on profit-sharing from disposals of vessels	12,748	12,748
Payables on land purchased	-	69,120
Others	25,510	15,831
	$ 134,567	$ 186,235

(14) Bonds payable

	December 31, 2023	December 31, 2022
The first domestic secured corporate bonds	$ -	$ 400,000
The fifth domestic unsecured convertible bonds	465,000	588,300
The sixth domestic unsecured convertible bonds	131,500	-
Less: Discount on bonds payable	(14,727)	(22,901)
	581,773	965,399
Less: current portion		
(shown as long-term liabilities, current portion)	-	(400,000)
	$ 581,773	$ 565,399

A. On November 25, 2020, the Company issued the first domestic secured corporate bonds at face value in the amount of $400,000 for the year ended December 31, 2020, the primary issuance terms were as follows:

(a) Total issuance amount: $400,000.

(b) Issuance price: Issued at par value of $1,000.

(c) Coupon rate: 0.57%.

(d) Terms of interest repayment: The bonds interest is calculated at simple rate once every year based on the coupon rate starting from the issuance date.

(e) Repayment term: The bonds are repaid in lump sum upon the maturity of the bonds.

(f) Issuance duration: 3 years (November 25, 2020 to November 25, 2023).

(g) Guarantee method: The joint guarantor was the second-tier subsidiary, Franbo Shipping S.A., and TAIWAN COOPERATIVE BANK performed guarantees for corporate bonds according to appointment contract.

(h) Trustee bank: Taipei Fubon Commercial Bank Co., Ltd. (The former JihSun International Commercial Bank Co., Ltd. merged with Taipei Fubon Commercial Bank Co., Ltd.)

(i) The company has repaid the par amount of the bonds on the maturity date using cash capital increase,issuance of new shares and the sixth domestic unsecured conversion of corporate bonds.

B. The terms of the fifth domestic unsecured convertible bonds issued by the Company are as follows:

(a) The Company issued $600,000, 0% the fifth domestic secured convertible bonds and issued at 101% of the face value, as approved by the regulatory authority. The bonds mature 3 years from the issue date (July 28, 2022 ~ July 28, 2025), and bondholders' convertible bonds will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on July 28, 2022.

(b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months (October 29, 2022) of the bonds issue to the maturity date (July 28, 2025), except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares. As of December 31, 2023, the bonds with a face value of $133,400 had been converted into 7,375 thousand common shares and were transferred to 'ordinary share' of $73,745.

(c) The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model specified in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the reset conversion price, the conversion price will not be adjusted; the conversion price on issuance was NT$19.99 per share. As of December 31, 2023, the conversion price of the convertible bonds was adjusted to NT$17.86.

(d) The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Group's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months (October 29, 2022) of the bonds issue to 40 days before the maturity date (June 18, 2025), or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months (October 29, 2022) of the bonds issue to 40 days before the maturity date (June 18, 2025).

(e) Under the terms of the bonds, all bonds redeemed, matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished. As of December 31, 2022, the bonds totaling $1,600 (face value) were repurchased and were retired by the Company from the Taipei Exchange.

(f) Regarding the issuance of the aforementioned convertible bonds, the equity conversion options amounting to $31,003 were separated from the liability component and were recognised in 'capital surplus—share options' in accordance with IAS 32. As of December 31, 2022, after conversion, repurchase and writing off of corporate bonds, the balance of the aforementioned 'capital surplus - share options' was $30,399. The call options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets at fair value through profit or loss' in net amount in accordance with IAS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rate of the bonds payable after such separation was 1.55%.

C. The terms of the sixth domestic unsecured convertible bonds issued by the Company are as follows:

(a) The Company issued $400,000, 0% the fifth domestic secured convertible bonds and issued at 100% of the face value, as approved by the regulatory authority. The bonds mature 3 years from the issue date (August 23, 2023 ~ August 23, 2026), and bondholders' convertible bonds will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on August 23, 2023.

(b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months (November 24, 2023) of the bonds issue to the maturity date (August 23, 2026), except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares. As of December 31, 2023, the bonds with a face value of $268,500 had been converted into 16,472 thousand common shares and were transferred to 'ordinary share' of $164,724.

(c) The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model specified in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the reset conversion price, the conversion price will not be adjusted; the conversion price on issuance was NT$16.48 per share. As of December 31, 2023, the conversion price of the convertible bonds was adjusted to NT$16.30.

(d) The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Group's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months (November 24, 2023) of the bonds issue to 40 days before the maturity date (July 14, 2026), or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months (November 24, 2023) of the bonds issue to 40 days before the maturity date (July 14, 2026).

(e) Under the terms of the bonds, all bonds redeemed, matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

(f) Regarding the issuance of the aforementioned convertible bonds, the equity conversion options amounting to $8,552 were separated from the liability component and were recognised in 'capital surplus—share options' in accordance with IAS 32. As of December 31, 2023, after conversion, repurchase and writing off of corporate bonds, the balance of the aforementioned 'capital surplus - share options' was $2,812. The call options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets at fair value through profit or loss' in net amount in accordance with IAS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rate of the bonds payable after such separation was 1.05%.

(15) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Collateral	December 31, 2023
E.Sun Commercial Bank, Ltd.			
Secured borrowings	Borrowing period is from December 2023 to December 2030; principal and interest is payable monthly.	NORVIC HOUSTION-vessels equipment and demand deposits	$ 546,638
Mega International Commercial Bank			
Secured borrowings	Borrowing period is from August 2023 to August 2030; principal and interest is payable monthly.	Franbo Ace-vessels equipment and demand deposits	513,164
Secured borrowings	Borrowing period is from November 2023 to November 2030; principal and interest is payable monthly.	MERGANSER-vessels equipment and demand deposits	525,602
COTA Commercial Bank			
Secured borrowings	Borrowing period is from March 2022 to August 2024; principal and interest is payable monthly.	Land held for construction site	10,000
Secured borrowings	Borrowing period is from Novermber 2022 to October 2024; principal and interest is payable monthly.	Land held for construction site	15,000
Hua Nan Commercial Bank			
Secured borrowings	Borrowing period is from October 2023 to April 2025; principal and interest is payable monthly.	Land held for construction site	34,200
			1,644,604
Less: Current portion			(170,566)
			$ 1,474,038
Interest rate range			2.73%~7.30%

Type of borrowings	Borrowing period and repayment term	Collateral	December 31, 2022
TAIWAN COOPERATIVE BANK			
Secured borrowings	Borrowing period is from June 2011 to June 2024; principal and interest is payable monthly.	FRANBO PROGRESS-vessels equipment and demand deposits	$ 26,104
Secured borrowings	Borrowing period is from January 2012 to January 2032; principal and interest is payable monthly.	Land, buildings and structures	21,890
Entie Commercial Bank, Ltd.			
Secured borrowings	Borrowing period is from August 2022 to August 2027; principal and interest is payable monthly.	XH- MARINER-vessels equipment	307,197
E.Sun Commercial Bank, Ltd.			
Secured borrowings	Borrowing period is from August 2021 to August 2026; principal and interest is payable monthly.	FRANBO PROSPECT-vessels equipments	54,050
Bank Of Panhsin			
Secured borrowings	Borrowing period is from December 2020 to Decenber 2024; principal and interest is payable monthly.	SINOWAY LILY-vessels equipment and demand deposits	36,852
Secured borrowings	Borrowing period is from January 2021 to July 2024; principal and interest is payable monthly.	CHRISTINA OCEAN-vessels equipment and demand deposits	29,174
Secured borrowings	Borrowing period is from October 2021 to October 2026; principal and interest is payable monthly.	THORCO LEGACY-vessels equipment and demand deposits	84,760
Mega International Commercial Bank			
Secured borrowings	Borrowing period is from April 2016 to December 2026; principal and interest is payable monthly. (Note 1)	Thorco Lohas-vessels equipment and demand deposits	125,450
O-Bank			
Secured borrowings	Borrowing period is from November 2021 to November 2026; principal and interest is payable monthly.	IMARI-vessels equipment and demand deposits	86,602

Type of borrowings	Borrowing period and repayment term	Collateral	December 31, 2022
COTA Commercial Bank			
Secured borrowings	Borrowing period is from March 2022 to March 2024; The interest will be paid monthly and the principal will be repaid on a regular basis.	Land held for construction site	64,250
Secured borrowings	Borrowing period is from November 2022 to October 2024; The interest will be paid monthly and the principal will be repaid on a regular basis.	Land held for construction site	50,000
Taichung Commercial Bank, Co., Ltd.			
Secured borrowings	Borrowing period is from June 2022 to June 2026; principal and interest is payable monthly.	Land held for construction site	146,000
			1,032,329
Less: Current portion			(186,155)
			$ 1,474,038
Interest rate range			2.33%~6.77%

Note 1: The Group repaid in advance in November 2023.

Note 2: The Group repaid in advance in December 2023.

A. Refer to Note 9 for the aforementioned significant commitments of borrowings.

B. For collaterals of aforementioned bank borrowings, please refer to Note 8 for details.

(16) Pensions

A. Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

B. The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2023 and 2022, were $1,873 and $1,714, respectively.

(17) Share-based payment

A. The Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (thousand shares)	Vesting conditions
Cash capital increase reserved for employee preemption	August 15, 2022	1,750 thousand shares	Vested immediately
Cash capital increase reserved for employee preemption	August 4, 2023	1,361 thousand shares	Vested immediately

The share-based payment arrangements above are settled by equity.

B. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (NTD)	Exercise price (NTD)	Expected price volatility (Note 1)	Expected option life	Expected dividends	Risk-free interest rate (Note 2)	Fair value per share (NTD)
Cash capital increase reserved for employee preemption	August 15, 2022	$ 21.4	$ 18.28	53.13 (Note 1)	28 days	$ -	0.81%	$ 3.29
Cash capital increase reserved for employee preemption	August 4, 2023	16.50	14.20	34.63 (Note 2)	60 days	$ -	1.02%	2.48

Note 1: Expected price volatility rate was estimated by using the average annualised volatility of return rate of the Group's stock price between August 15, 2021 and August 15, 2022.

Note 2: Expected price volatility rate was estimated by using the average annualised volatility of return rate of the Group's stock price between August 5, 2022 and August 4, 2023.

Note 3: Referred to Taiwan 1-Year and 2-Years government bond yield.

C. For the years ended December 31, 2023 and 2022, the Company had expenses due to share-based payments transactions in the amounts of $3.376 and $5.758, respectively.

(18) Share capital

A. As of December 31, 2023, the Company had authorised capital in the amount of $3,500,000 and paid-in capital in the amount of $2,924,827, which consisted of 292,483 thousand shares with a par value of NT$10. All proceeds from shares issued have been collected.

B. Movements in the number of the Company's ordinary shares outstanding are as follows: (Unit: thousand shares)

	2023	2022
At January 1	239,157	188,636
Cash capital increase	30,000	50,000
Conversion of convertible bonds (Note)	23,326	521
At December 31	292,483	239,157

Note: For the year ended December 31, 2023, the number of common stocks converted from convertible bonds was 23,326 thousand shares with a par value of $10 (in dollars) per share. As of December 31, 2023, the number of shares of which the registration has not yet been completed amounted to 22,452 thousand shares. On March 7, 2024, the Board of Directors resolved the effective date of conversion and issuance of new shares, and the related registration procedures are in progress. For the year ended December 31, 2022, the number of common stocks converted from convertible bonds was 521 thousand shares with a par value of $10 (in dollars) per share. As of December 31, 2022, the registration has not yet been completed. On March 3, 2023 the Board of Directors resolved the effective date of conversion and issuance of new shares, and the registration has been completed.

C. On March 4, 2022, the Board of Directors of the Company approved to increase cash capital which had been approved by the Financial Supervisory Commission. The effective date was set on September 1, 2022, and the Company increased capital by issuing 50,000 thousand new shares with a par value of NT$10, the acquisition price was NT$18.28 per share, and the total stock proceeds was $914,000 which had been collected in the full amount. The registration of the capital increase was completed. The capital increase generated premiums on issuance in the amount of $414,000, and the net premium amount was $419,715 after deducting necessary cost of increasing capital by issuing new shares and plus actual transference amount which was acquired by employees.

D. On May 4, 2023, the Board of Directors of the Company approved to increase cash capital which had been approved by the Financial Supervisory Commission. The effective date was set on August 14, 2023, and the Company increased capital by issuing 30,000 thousand new shares with a par value of NT$10, the acquisition price was NT$14.20 per share, and the total stock proceeds was $426,000 which had been collected in the full amount. The registration of the capital increase was completed. The capital increase generated premiums on issuance in the amount of $126,000, and the net premium amount was $128,376 after deducting necessary cost of increasing capital by issuing new shares and plus actual transference amount which was acquired by employees.

(19) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(20) Retained earnings

A. After annual settlement, the current year's earnings, if any, shall first be used to pay profit-seeking enterprise income tax and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve amount equals total capital amount. After that, special reserve shall be set aside or reversed in accordance with the related laws or the regulations made by the regulatory authority. The remainder along with the beginning undistributed earnings will be accumulated distributable earnings which shall be appropriated after being proposed by the Board of Directors and being resolved by the shareholders.

For the aforementioned appropriation of earnings, the Board of Directors may, upon special resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, distribute dividends and bonus, capital surplus or legal reserve, in whole or in part, in the form of cash, and reported to the shareholders. The above distribution is not subject to approval by the shareholders.

B. In order to continually expand the scale of operation, increase competitiveness as well as cooperate with the Group's long-term development, future capital requirements and long-term financial plan, the dividend policy is to distribute as stock dividend and as cash dividends. Cash dividends shall not be less than 10% of the total dividends distributed to shareholders. The appropriation of dividends and bonus were proportionately based on each shareholders' shareholding ratio, if the Company had no retained earnings, the Company could not appropriate dividends and bonus.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Group's paid-in capital.

D. On May 26, 2022, the shareholders of the Company resolved the appropriation of 2021 earnings, and the cash dividends was $150,909 (NT$0.8 per share).

E. On March 3, 2023, the Board of the Directors of the Company resolved the appropriation of 2022 earnings, and the cash dividends was $358,735 (NT$1.5 per share), which was reported to shareholders on June 1, 2023.

F. On March 7, 2024, the Board of Directors of the Company resolved the appropriation of 2023 earnings, and the cash dividends amounted to $148,786 (NT$0.5 per share).

(21) Operating revenue

	Year ended December 31	
	2023	2022
Operating lease income (Note)	$ 1,127,204	$ 1,364,588
Finance lease income (Note)	140,137	83,995
Revenue from contracts with customers	70,319	18,366
	$ 1,337,660	$ 1,466,949

Note: Please refer to Note 6(9) for leasing arrangements – lessor.

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of services over time in the following major categories:

	Vessels management revenue
Year ended December 31, 2022	
Revenue from external customer contracts	$ 70,319
Timing of revenue-over time	$ 70,319
Year ended December 31, 2021	Vessels management revenue
Revenue from external customer contracts	$ 18,366
Timing of revenue-over time	$ 18,366

B. On December 31, 2023 and 2022, due to the operating requirement of the lessee and the Group's financial plan, the rent compensation was generated from the conditionally earlier termination of the lease contract, and the rent compensation was accounted as 'other current liabilities, others'

and 'other non-current liabilities, others' in the amounts of $53,951, $53,804, $55,229 and $109,180, respectively. For the years ended December 31, 2023 and 2022, the amounts of lease income were $54,575 and $52,210, respectively. As of December 31, 2023 and 2022, the amounts of income that were expected to be recognised in the next one year were $53,951 and $53,804, respectively. The residual was expected to be recognised as income before 2026.

(22) Other income

	Year ended December 31	
	2023	2022
Satellite communication subsidy income	$ 3,510	$ 3,613
Insurance claim income	7,884	33,123
Others	6,876	5,833
	$ 18,270	$ 42,569

(23) Other gains and losses

	Year ended December 31	
	2023	2022
Gain on disposal of non-current assets classified as held for sale	$ -	$ 671,211
Losses (gains) on disposal of property, plant and equipment	(54,042)	(29,960)
Foreign exchange (losses) gains, net	(5,565)	10,903
Net (losses) gains on financial assets at fair value through profit or loss	1,628	(2,754)
Gain on bond redemption	-	110
Others	(311)	(5,870)
	$ 49,794	$ 643,640

(24) Finance costs

	Year ended December 31	
	2023	2022
Interest expense:		
Bank borrowings	$ 83,568	$ 55,600
Bonds payable	12,146	6,041
Short-term notes and bills payable	312	259
	$ 96,026	$ 61,900

(25) Expenses by nature

	Year ended December 31	
	2023	2022
Depreciation expense from property, plant and equipment	$ 250,564	$ 256,511
Employee benefit expense	301,578	302,720
Rent expenses for vessels	1,998	5,212
Supplementary payments for vessels	70,192	58,302
Insurance premiums	33,153	39,453
Commissions expense	31,461	33,473
Fuels used	16,425	18,398
Certificate inspection fee	12,393	14,721
Repairs and maintenance expense	12,378	17,634
Other expenses	95,122	86,161
Total operating costs and operating expenses	$ 825,264	$ 832,585

(26) Employee benefit expense

	Year ended December 31	
	2023	2022
Wages and salaries	$ 234,819	$ 245,539
Share-based payment	3,376	5,758
Labour and health insurance fees	4,369	3,629
Pension costs	1,873	1,714
Other personnel expenses	57,141	46,080
	$ 301,578	$ 302,720

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 1% for employees' compensation and shall not be higher than 5% for directors' remuneration.

B. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at $5,310 and $13,158, respectively; while directors' remuneration was accrued at $5,310 and $13,158, respectively. The aforementioned amounts were recognised in salary expenses and other expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on certain percentages of distributable profit of current year as of the end of reporting period.

For 2022, the employees' compensation and directors' and supervisors' remuneration resolved by the Board of Directors amounted to $13,158 and $13,158, respectively. The difference of $2 between the amounts resolved by the Board of Directors and the amounts of employees' compensation of 13,158 and directors' remuneration of 13,158 recognised in the 2021 financial statements, had been adjusted in the profit or loss of 2022.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(27) Income tax

A. Income tax expense

Components of income tax expense:

	Year ended December 31	
	2023	2022
Current tax:		
Current tax on profits for the year	$ 28,166	$ -
Tax on undistributed earnings	52,824	5,893
Total current tax	80,990	5,893
Deferred tax:		
Origination and reversal of temporary differences	13,639	2,811
Income tax expense	$ 94,629	$ 8,704

B. Reconciliation between income tax expense and accounting profit:

	Year ended December 31	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate	$ 103,806	$ 257,723
Effects from items adjusted in accordance with tax regulation	6,975	7,432
Tax on undistributed surplus earnings	52,824	5,893
Temporary difference not recognised as deferred tax assets	-	(12,556)
Temporary difference not recognised as deferred tax liabilities	(59,037)	(257,619)
Change in assessment of realisation of deferred tax assets	(9,939)	2,346
Taxable loss not recognised as deferred tax assets	-	5,485
Income tax expense	$ 94,629	$ 8,704

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	2023		
	January 1	Recognised in profit or loss	December 31
Deferred income tax assets			
Temporary differences:			
Exchange losses	$ -	$ 664	$ 664
Tax losses	14,764	(14,764)	-
	$ 14,764	($ 14,100)	$ 664
Deferred income tax liabilities			
Temporary differences:			
Exchange gains	($ 461)	$ 461	$ -

	2022		
	January 1	Recognised in profit or loss	December 31
Deferred income tax assets			
Temporary differences:			
Exchange losses	$ 4	($ 4)	$ -
Tax losses	17,110	(2,346)	14,764
	$ 17,114	($ 2,350)	$ 14,764
Deferred income tax liabilities			
Temporary differences:			
Exchange gains	$ -	($ 461)	($ 461)

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2023						
Year incurred	Amount assessed/filed	Amount	Used amount	Unused amount	Unrecognised deferred tax assets	Expiry year
Associated:						
2022	Amount filed	$ 880	$ -	$ 880	$ 22,655	2031
2023	Amount expected to be filed	36,531	-	27,425	27,425	2032
		$ 37,411	$ -	$ 28,305	$ 50,080	

December 31, 2022						
Year incurred	Amount assessed/filed	Amount	Used amount	Unused amount	Unrecognised deferred tax assets	Expiry year
2013	Amount assessed	$ 16,063	$ -	$ 16,063	$ -	2023
2014	Amount assessed	35,774	-	35,774	-	2024
2015	Amount assessed	15,177	-	15,177	-	2025
2020	Amount assessed	6,810	-	6,810	-	2029
2021	Amount filed	22,655		22,655	22,655	2030
2022	Amount expected to be filed	27,425	-	27,425	27,425	2031
		123,904	-	123,904	50,080	
Associated:						
2022	Amount expected to be filed	880	-	880	880	2031
		$ 124,784	$ -	$ 124,784	$ 50,960	

E. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2023	December 31, 2022
Deductible temporary differences	$ -	$ 126,513

F. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2023 and 2022, the amounts of temporary difference unrecognised as deferred tax liabilities were $2,344,676 and $2,049,490, respectively.

G. The Group's income tax returns through 2021 have been assessed and approved by the Tax Authority. As of the reporting date, the Company had no significant and pending tax administrative remedies.

F. The controlled foreign corporation (CFC) rules for profit-making enterprises was implemented on January 1, 2023, the company recognizes the investment income of relevant controlled foreign enterprises and includes it in the estimated income tax in accordance with relevant regulations.

(28) Earnings per share

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to the parent	$ 424,402	250,992	$ 1.69
Diluted earnings per share			
Profit attributable to the parent	$ 424,402	250,992	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	10,651	34,103	
Employees' compensation	-	377	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 435,053	285,472	$ 1.52

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to the parent	$ 1,279,911	205,356	$ 6.23
Diluted earnings per share			
Profit attributable to the parent	$ 1,279,911	205,356	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	4,243	12,967	
Employees' compensation	-	728	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,284,154	219,051	$ 5.86

(29) Supplemental cash flow information

Financing activities with no cash flow effects

	Year ended December 31,	
	2023	2022
Prepayments for facilities transferred to property, plant and equipment	$ 1,183,402	$ -
Property, plant and equipment transferred to non-current assets held for sale	$ 73,086	$ 999,320
Derecognition due to bareboat charter	-	(544,054)
Derecognition due to disposals	-	(455,266)
Non-current assets held for sale	$ 73,086	$ -
Derecognition of property, plant and equipment due to bareboat charter	$ -	$ 343,228
Non-current financial assets at amortised cost Transferred to current financial assets at amortised cost	$ -	$ 88,752
Bonds payable, current portion	$ -	$ 400,000
Long-term borrowings, current portion	$ 170,566	$ 186,155
Convertible bonds share converted to capital and capital surplus	$ 380,967	$ 9,690

(30) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Bonds payable	Liabilities from financing activities-gross
January 1, 2023	$ 120,000	$ 29,966	$ 1,032,329	$ 965,399	$ 2,147,694
Changes in cash flow from financing activities	(120,000)	(30,000)	624,241	(4,057)	470,184
Changes in non-financing cash flows	-	-	-	(8,232)	(8,232)
Impact of changes in foreign exchange rate	-	-	(11,966)	-	(11,966)
Other non-cash changes	-	34	-	(371,337)	(371,303)
December 31, 2023	$ -	$ -	$ 1,644,604	$ 581,773	$ 2,226,377

	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Bonds payable	Liabilities from financing activities-gross
January 1, 2022	$ 10,000	$ -	$ 1,943,659	$ 400,000	$ 2,353,659
Changes in cash flow from financing activities	110,000	30,000	(1,080,582)	600,881	(339,701)
Changes in non-financing cash flows	-	-	-	(29,503)	(29,503)
Impact of changes in foreign exchange rate	-	-	169,252	-	169,252
Other non-cash changes	-	(34)	-	(5,979)	(6,013)
December 31, 2023	$ 120,000	$ 29,966	$ 1,032,329	$ 965,399	$ 2,147,694

7. Related Party Transactions

(1)Names of related parties and relationship

Names of related parties	Relationship with the Company
BCI Loyalty Inc.	Investments accounted for using equity method of the Group
Due Feng Shipping Co., Ltd. (Note 1)	Investments accounted for using equity method of the Group
Franbo Courage S.A.	Investments accounted for using equity method of the Group
Futian Construction Co., Ltd. (Note 2)	Other related party
Shenglin Construction Co., Ltd.	Other related party
TSAI,PANG-CHUAN、TSAI,CHING-CHUNG、LO,CHUN-YU、SHEN,I-WEN、TAI,CHIH-TSUNG、WU,TIEN-MING、LIU,JUNG-CHIN (Note 3)	Directors

Note 1: The entity was declared to be dissolved on September 15, 2023.

Note 2: After the entity's chairman changed on January 9, 2023, the entity is no longer a related party of the Company.

Note 3: Since June 1, 2023, when the term of the directors of the Company was expired and were fully re-elected, the entity is no longer a related party of the Company.

(2)Significant related party transactions

A. Endorsement and guarantee by related parties

(a) Endorsements and guarantees provided by related parties to the company and subsidiaries

	December 31, 2023	December 31, 2022
TSAI,PANG-CHUAN	$ 4,500,441	$ 6,373,768
TSAI,CHING-CHUNG	4,419,441	6,393,018
	$ 8,919,882	$ 12,766,786

Note: The aforementioned related parties endorsed and guaranteed for the Company and subsidiaries by United States dollars and New Taiwan dollars. The exchange rates of United States dollars translated into New Taiwan dollars were 30.71 on the financial reporting date on December 31, 2023 and 2022, respectively.

(b) To obtain the facilities in relation to the first domestic secured corporate bonds, the Company had the second-tier subsidiary, Franbo Shipping S.A., to be the guarantor according to the requirement of the bank's loan terms, and the endorsed and guaranteed amount was $407,200. The potential losses of the exceeding the endorsement/guarantee were jointly guaranteed and signed by directors. The aforementioned guarantees have been cancelled due to the repayment of corporate bonds at maturity. Refer to Note 6(14) A. for details of the repayment of corporate bonds at maturity.

B. Other

(a) For the years ended December 31, 2023 and 2022, the Company received vessels management and consulting revenue from Due Feng Shipping Co., Ltd. in the amounts of $0 and $50, respectively. As of December 31, 2023 and 2022, the balances of accounts receivable arising from the transaction were $0, respectively.

(b) For the years ended December 31, 2023 and 2022, the Company received vessels management and consulting revenue from Franbo Courage S.A. in the amounts of $336 and $323, respectively. As of December 31, 2023 and 2022, the balances of accounts receivable arising from the transaction were $28, respectively.

(c) For the years ended December 31, 2023 and 2022, the Company received vessels management and consulting revenue from BCI Loyalty Inc. in the amounts of $336 and $323, respectively. As of December 31, 2023 and 2022, the balances of accounts receivable arising from the transaction were $28, respectively.

(d) In September 2022, the property development of the Company's subsidiary, Franbo Asset Management Co., Ltd., appointed Shenglin Construction Co., Ltd., to be responsible for land development analysis, architectural layout, construction and planning and after sales services. Details of the service expenses paid are as follows:

A. For the years ended December 31, 2023 and 2022, expenses were both $7,162, which was accounted as 'inventory - land held for construction site'.

B. As of December 31, 2023 and 2022, balance of other payables was both $0.

(e) In April 2022, the property development of the Company's second-tier subsidiary, FB Propriety Construction and Development Co., Ltd., appointed Futian Construction Co., Ltd., to be responsible for land development, architectural layout, construction and planning and after sales services.

i. Expenses paid in relation to service of land development:

(i). For the years ended December 31, 2023 and 2022, expenses were ($1,881) and $22,452, respectively, which were accounted as 'inventory - land held for construction site'.

(ii) As of December 31, 2023 and 2022, balance of other payables was $0 and $1,881, respectively.

ii. Expenses paid in relation to service of architectural layout and construction:

i. For the years ended December 31, 2023 and 2022, expenses were $7,500 and $0, respectively, which were accounted as 'operating costs'.

ii. As of December 31, 2023 and 2022, balance of other payables was both $0.

iii. For the years ended December 31, 2023 and 2022, expenses received and paid on behalf of the second-tier subsidiary in relation to the signature bonus for acquisition of land held for construction site and each agency fee was $1,154 and $3,164, respectively.

iv. The agreement was terminated on June 15, 2023.

(f) In June 2022, the property development of the Company's second-tier subsidiary, Franbo Justice Construction and Development Co., Ltd., appointed Shenglin Construction Co., Ltd., to execute the purchase of land services.

i. Expenses paid in relation to service of land development:

(i). For the years ended December 31, 2023 and 2022, expenses were $0 and $3,609, respectively, which were accounted as 'inventory - land held for construction site'.

(ii) As of December 31, 2023 and 2022, balance of other payables was both $0.

ii. For the years ended December 31, 2023 and 2022, the expense paid on behalf of the second-tier subsidiary in relation to the signature bonus for acquisition of land held for construction site was $0 and $6,906, respectively.

(h) In June 2022, the Company exercised to directors for the disgorgement of short-swing profits of $166 which was shown as capital surplus in accordance with Securities and Exchange Act Article 157 relating to regulations of short-swing trading.

(3) Key management compensation

	Year ended December 31	
	2023	2022
Salaries and other short-term employee benefits	$ 34,364	$ 33,556
Post-employment benefits	278	262
	$ 34,642	$ 33,818

8. Pledged Assets

Assets	December 31, 2023	December 31, 2022	Purpose
Construction in progress	$ 139,035	$ -	Long-term borrowings
Land held for construction site	629,081	520,151	Long-term borrowings and short-term borrowing
Vessel equipment under finance lease, net (Note 1)	-	1,243,680	Long-term borrowings
Land	19,247	19,247	Collateral for long-term and short-term borrowings
Buildings and structures, net	26,809	27,540	Collateral for long-term and short-term borrowings
Vessels equipment, net	2,655,588	1,016,085	Long-term borrowings
Restricted assets - demand deposits (Note 2)	-	88,752	Bonds payable
Restricted assets - demand deposits (Note 2)	15,355	19,057	Long-term borrowings
Restricted assets - demand deposits (Note 2)	1,618	-	Trust fund for pre-sale construction
(shown as "non-current financial assets at amortised cost")			
Guarantee deposits paid (shown as "other non-current assets, others")	725	620	Guarantees for Maritime, Port Bureau
	$ 3,487,458	$ 2,935,132	

Note 1: The net amount of ship equipment under finance lease is stated at purchase cost.

Note 2: Restricted assets on December 31, 2023 and 2022 - current deposits are listed in " Current financial assets at amortised cost " and " Non-current financial assets at amortised cost "

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) On May 31, 2023, the Company's second-tier subsidiary, Franbo Ace Ltd., signed a credit facility agreement with Mega International Commercial Bank. The total amount of credit agreement was USD 17,250 thousand, the credit term was 7 years, and the Company and the related parties, TSAI,PANG-CHUAN and TSAI,CHING-CHUNG, were joint guarantors and should keep the commitments which were recorded on the credit agreements, the commitments were as follows:

Based on the consolidated financial statements which were annually attested by auditors of the joint guarantor of a juridical person, Franbo Lines Corporation, and the second quarter consolidated financial statements which were annually reviewed by auditors as the calculation basis and would be verified once a half-year. The interest coverage ratio could not be lower than three times (earnings before interest and taxes + interest expenses + depreciations and amortisations/ interest expenses). The net tangible assets value (net assets reduce intangible assets): Not be lower than NT$1 billion. If any of the abovementioned financial ratios cannot be met, they should be improved through a cash capital increase or other methods. Additionally, a lump sum compensation fee of 0.15% of the outstanding balance as of the date of inspection should be paid to the bank.

(2) On May 31, 2023, the Company's second-tier subsidiary, Franbo Art Ltd., signed a credit facility agreement with Mega International Commercial Bank. The total amount of credit agreement was USD 17,250 thousand, the credit term was 7 years, and the Company and the related parties, TSAI,PANG-CHUAN and TSAI,CHING-CHUNG, were joint guarantors and should keep the commitments which were recorded on the credit agreements, the commitments were as follows:

A. Based on the consolidated financial statements which were annually attested by auditors of the joint guarantor of a juridical person, Franbo Lines Corporation, and the second quarter consolidated financial statements which were annually reviewed by auditors as the calculation basis and would be verified once a half-year. The interest coverage ratio could not be lower than three times (earnings before interest and taxes + interest expenses + depreciations and amortisations/ interest expenses). The net tangible assets value (net assets reduce intangible assets): Not be lower than NT$1 billion. If any of the abovementioned financial ratios cannot be met, they should be improved through a cash capital increase or other methods. Additionally, a lump sum compensation fee of 0.15% of the outstanding balance as of the date of inspection should be paid to the bank.

B. From the date of the first withdrawal, the collateral, vessels, should be appraised at least once a year by the appraisal company which was admitted by this bank, and the original of appraisal report should be provided to this bank.

C. Since 2023, LTV ratio is reviewed annually, if the LTV ratio exceeds 70%, the borrower should

repay the certain excess amount of the borrowings or provide collateral approved by the bank to cover the excess borrowings.

D. In the duration of the borrowings, directly or indirectly held equity interests in Franbo Art Ltd. by the joint guarantor of a juridical person, Franbo Lines Corporation, should not be lower than 100%. and its operational control over Franbo Art Ltd should not be changed.

(3) On June 28, 2023, the Company's second-tier subsidiary, Franbo Art Ltd., signed a credit facility agreement with E.SUN BANK. The total amount of credit agreement was USD 17,800 thousand, the credit term was 7 years, and the Company and the related parties, TSAI,PANG-CHUAN and TSAI,CHING-CHUNG, were joint guarantors and should keep the commitments which were recorded on the credit agreements, the commitments were as follows:

A. From the date of the first withdrawal, the collateral, vessels, should be appraised at least once a year by the appraisal company which was admitted by this bank, and the original of appraisal report should be provided to this bank.

B. Since 2023, the LTV ratio is reviewed annually. If the LTV ratio exceeds 80%, the borrower should repay the certain excess amount of the borrowings or provide collateral approved by the bank to restore the LTV ratio to 60%.

(4) Capital expenditures contracted but not yet incurred

	December 31, 2023	December 31, 2022
Ship equipment	$ 1,537,711	$ 3,962,252

(5) The major contractual commitments of the Group's vessels for charter are as follows:

Renters	Vessel Equipment	Charterers	Lease Period	Rent Calculation	Main Terms
Franbo Logos S.A.	ULTRA DURBAN	Non-relative	From February 2022 to April 2024, 2.17 years	Note1	Note 3,4,5
Franbo Logic S.A.	THORCO LOGIC	Non-relative	From May 2021 to September 2025, 4.33 years	Note1	Note 3,4,5
Franbo Lohas S.A.	THORCO LOHAS	Non-relative	From August 2021 to May 2025, 3.75 years	Note1	Note 3,4,5
Franbo Sagacity S.A.	STL HARVEST	Non-relative	From January 2018 to January 2024, 6 years	Note2	-
Franbo Legion Ltd.	FAIRWIND LEGION	Non-relative	From May 2021 to September 2025, 4.33 years	Note1	Note 3,4
FB Pioneer Ltd.	SINOWAY LILY	Non-relative	From August 2019 to April 2026, 6.67 years	Note2	-
FB Navigation Ltd.	CHRISTINA OCEAN	Non-relative	From September 2019 to September 2024, 5 years	Note2	-
Franbo Bright Ltd.	IMARI	Non-relative	From December 2021 to December 2023, 2 years	Note2	Note 3,4
Franbo Ace Ltd.	FRANBO ACE	Non-relative	From March 2023 to March 2028, 5 years	Note2	Note 3,4
Franbo Art Ltd.	MERGANSER	Non-relative	From April 2023 to April 2028, 5 years	Note1	Note 3,4
Franbo Cosmos Ltd.	NORVIC HOUSTION	Non-relative	From September 2023 to September 2028, 5 years	Note1	Note 3,4
Franbo Century Ltd.	NORVIC SINGAPORE	Non-relative	From November 2023 to November 2028, 5 years	Note1	Note 3,4

Note 1: Rent was calculated daily according to the actual days of sailing and was charged twice a month.

Note 2: Rent was calculated daily according to the actual days of sailing and was charged once a month.

Note 3: The lessor shall afford all of employees' board expenses, wages and consular fees when embarkation and disembarkation, as well as insurance expense of vessels and materials for all cabins, deck, engine room and other necessary materials, which including freshwater for boiler and normal freshwater. The lessor shall maintain the ship class and keep the hull, ship engine and equipment in sufficiently effective status during the lease period.

Note 4: The lessee shall pay for fuels (except otherwise regulated), terminal handling charge, pilotage fee, agency fee, commissions, consular fees (except consular fees for sailors) and regular necessary expenses other than the aforementioned expenses. However, if the current vessel entering port for the reason of its own responsibilities, the owner of the vessel shall pay for all incurring expenses.

Note 5: In response to the operating requirement of the lessee and the Group's financial plan, the reasonable compensation was generated from the conditionally earlier termination of the lease contract based on mutual agreement. The three vessels which were terminated renting were returned in the second half of 2020, and the aforementioned compensation for terminating contract and rents receivable arose from continuously renting vessels after terminating contract were used in offsetting the price for purchasing the vessel, FAIRWIND LEGION. The successor lessee had been determined after terminating vessels lease contract.

10. Significant Disaster Loss
None.

11. Significant Events after the Balance Sheet Date

A. The distribution of 2023 earnings and the effective date of the conversion and issuance of the fifth unsecured convertible bonds were resolved by the Company's Board of Directors on March 7, 2024. Refer to Notes 6(14) and 6(16) for more details.

B. On March 7, 2024, the Company passed the resolution of the Board of Directors and planned to convert US$170,000 debts into capital to increase the capital of its 100% owned subsidiary Franbo Asset Management Co., Ltd.

C. On March 7, 2024, the Company passed the resolution of the Board of Directors that its subsidiary Franbo Asset Management Co., Ltd. planned to increase its 100% owned sub-subsidiary Franbo Propriety Buiding Development Co., Ltd. with US$110,000 in cash.

D. On March 7, 2024, the Company passed the resolution of the Board of Directors that its subsidiary New Lucky Lines SA planned to convert a debt of US$3,500,000 into a 100% capital increase in its subsidiary company Franbo Bright Limited.

E. On March 7, 2024, the Company passed the resolution of the Board of Directors that the subsidiary New Lucky Lines SA plans to establish a joint venture with the Group's existing charterers to operate two shipping companies. The share capital of each company is expected to not exceed US$32,000. The subsidiary New Lucky Lines SA is expected to hold 70% of the shares and authorize the chairman to handle follow-up matters.

12. Others

(1) Capital management

The Group’s capital management objective was to secure the ability of going-concern in order to return to the shareholders and maintain optimal capital structure. Because the Group should maintain or adjust the capital structure, the Group’s objectives when managing capital are to secure necessary financial resources and operating plans to meet the needs of operating funds for the next 12 months, capital expenditure, debt repayment and dividend payment.

For the year ended December 31, 2022, the Group’s strategy was the same as that in 2021 and was dedicated to maintaining a stable debt to assets ratio. The Group’s debt to assets ratios were as follows:

	December 31, 2023	December 31, 2022
Total liabilities	$ 2,730,305	$ 2,675,467
Total assets	$ 8,933,085	$ 8,012,292
Debt to assets ratio	31%	33%

(2) Financial instruments

A. Financial instruments by category

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss (Note 1)	$ 9,200	$ 7,816
Financial assets at fair value through other comprehensive income that are designation of equity instrument	2996	-
Financial assets at amortised cost/Loans and receivables		
Cash and cash equivalents	448,715	1,597,253
Accounts receivable	56	56
Finance lease receivables	1,367,725	1,326,826
Guarantee deposits paid (Note 2)	725	620
Other financial assets (Note 3)	16,973	261,727
	$ 1,846,390	$ 3,194,298

	December 31, 2023	December 31, 2022
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ -	$ 120,000
Short-term notes and bills payable	-	29,966
Accounts payable	9,020	377
Other payables (including related parties)	134,567	188,116
Other current liabilities, others	53,951	53,804
Corporate bonds payable (including current portion)	581,773	965,399
Long-term borrowings (including current portion and liabilities directly related to non-current assets held or sale)	1,644,604	1,032,329
Guarantee deposits received	111,597	125,291
Other non-current liabilities, others	55,229	109,180
	$ 2,590,741	$ 2,624,462

Note 1: Shown as “current financial assets at fair value through profit or loss” and “non-current financial assets at fair value through profit or loss”.

Note 2: Shown as “other non-current assets - others”.

Note 3: Shown as “current financial assets at amortised cost” and “non-current financial assets at amortised cost”.

B. Financial risk management policies

(a) The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and

hedges financial risks in close co-operation with the Group's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

ii. The Group's businesses involve some non-functional currency operations (the Group's functional currency: NTD; subsidiaries' functional currency:USD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2023		
(Foreign currency: functional currency)	Foreign currency amount (In thousands)	Exchange rate	Carrying amount (New Taiwan dollar)
Financial assets			
Monetary items			
USD:NTD	$ 21	30.71	$ 645
Non-monetary items			
USD:NTD (Note)	823	30.71	25,278
Financial liabilities			
Monetary items			
USD:NTD	6,171	30.71	189,511

Note: Investments accounted for using equity method.

	December 31, 2022		
(Foreign currency: functional currency)	Foreign currency amount (In thousands)	Exchange rate	Carrying amount (New Taiwan dollar)
Financial assets			
Monetary items			
USD:NTD	$ 10,368	30.71	$ 318,401
Non-monetary items			
USD:NTD (Note)	857	30.71	26,333
Financial liabilities			
Monetary items			
USD:NTD	13,971	30.71	429,049

Note: Investments accounted for using equity method.

iii. Total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2023 and 2022, amounted to ($5,565) and $10,903, respectively.

iv. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2022		
	Sensitivity analysis		
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 6	$ -
Non-monetary items			
USD:NTD	1%	-	253
Financial liabilities			
Monetary items			
USD:NTD	1%	1,895	-

	Year ended December 31, 2021		
	Sensitivity analysis		
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 3,184	$ -
Non-monetary items			
USD:NTD	1%	-	263
Financial liabilities			
Monetary items			
USD:NTD	1%	4,290	-

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise domestic beneficiary certificates and unlisted stocks of equity instruments and foreign corporate bonds. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $78 and $69, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other comprehensive profit or loss for the years ended December 31, 2023 and 2022 would have increased/decreased by $30 and $0, respectively, as a result of gains/losses on equity instruments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 2023 and 2022, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars and US Dollars.

ii. The Group's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

iii. If the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the years ended December 31, 2023 and 2022 would have increased/decreased by $3,289 and $2,065, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

i. .Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at fair value through profit or loss.

ii. According to the Group's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and service terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.

iii. The Group adopts following assumptions under IFRS 9, if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. The Group adopts the assumptions under IFRS 9, the default occurs when the contract

payments are past due over 90 days.

v. The Group classifies customer's accounts receivable, contract assets and rents receivable in accordance with geographic area, credit rating of customer, credit risk on trade and customer types. The Group applies the modified approach based on the loss rate methodology to estimate the expected credit loss.

vi. The Group used the forecastability of adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2023 and 2022, the loss rate methodology is as follows:

	Expected loss rate		
December 31, 2023	Up to 30 days past due	31 days to 90 past due	Over 90 days past due
	0%~0.24%	0.49%~0.73%	100%
	Expected loss rate		
December 31, 2022	Not past due	31 days to 90 past due	Over 90 days past due
	0%~0.22%	0.44%~0.65%	100%

vii. The beginning and ending balances for the years ended December 31, 2022 and 2021 of the Group's application of the modified approach on loss allowance for accounts receivable were all $0. For the years ended December 31, 2023 and 2022, the Group had no impairment loss or benefit of receivables which were generated contracting with customers.

(c) Liquidity risk

i. The objectives for managing liquidity risk are maintaining cash and deposits needed for operations and adequate borrowing credits to ensure the Group is financially flexible.

ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity and undiscounted amount groups and aggregately listed the Group's financial liabilities which were contracted the repayment period:

	December 31, 2023		
	Within 1 year	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities:			
Account payable	$ 9,020	$ -	
Other payables to related parties	134,567	-	-
Other current liabilities, others	53,951	-	
Long-term borrowings (including current portion)	282,618	279,864	1,628,985
Bonds payable (including current portion)	-	465,000	131,500
Other non-current liabilites, others	-	53,951	1,278

	December 31, 2022		
	Within 1 year	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities:			
Short-term borrowings	$ 121,221	$ -	$ -
Account payable	377		
Other payables to related parties	188,116	-	-
Other current liabilities, others	53,804		
Long-term borrowings (including current portion)	238,032	322,092	631,044
Bonds payable (including current portion)	402,090	-	588,300
Other non-current liabilites, others	-	53,804	55,376

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in beneficiary certificates is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value:

(a) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, accounts receivable, finance lease receivable financial assets at amortised cost, guarantee deposits paid (shown as "other non-current assets, others"), short-term borrowings, account payable other payables (including related parties), long-term borrowings (including current portion) and to liabilities directly related to non-current assets held for sale, guarantee deposits and other non-current liabilities-others received are approximate to their fair values.

	December 31, 2023			
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	$ 581,773	$ -	$ -	$ 581,822

	December 31, 2022			
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	$ 965,399	$ -	$ -	$ 966,651

(b) The methods and assumptions of fair value estimate are as follows:

Bonds payable: They are measured at present value, which is calculated based on the cash flow expected to be paid and discounted using a market rate prevailing at balance sheet date.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(a) The related information of natures of the assets and liabilities is as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ 6,316	$ -	$ -	$ 6,316
Callable Bonds	1,480	-	-	1,480
Foreign corporate bond	1,007	-	-	1,007
Option to convert embedded corporate bonds	-	-	397	397
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	2,996	2,996
Non-recurring fair value measurements				
Non-current assets classified as held for sale	-	-	73,086	73,086
	$ 8,803	$ -	$ 76,479	$ 85,282

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ 6,316	$ -	$ -	$ 6,316
Foreign corporate bond	1,480	-	-	1,480
Option to convert embedded corporate bonds	-	-	880	880
Total	$ 7,796	$ -	$ 880	$ 8,676

(b) The methods and assumptions the Group used to measure fair value are as follows:

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Open-end fund	Corporate bond
Market quoted price	Net asset value	Referable redemption price

ii. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions.

iii. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

iv. Due to the lack of sufficient or appropriate observable market information and equity instruments of comparable counterparties, the Group adopted the net asset value method to value equity instruments without active market (such as: unlisted stocks) to approximate the current profitability of the investment target

D. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3 for the year ended December 31, 2023

	2023	2023
	Derivative instruments	Non-derivative instruments
January 1	$ 880	$ -
Gains and losses recognised in profit or loss (Note 1)	(377)	-
Gains or losses recognized in other comprehensive profit or loss (Note 2)	-	(4)
Issued in the period	320	3,000
Conversion or repurchase in the period	(426)	-
December 31	$ 397	$ 2,996

	2023
	Derivative instruments
January 1	$ -
Issued in the period	1,500
Gains and losses recognised in profit or loss (Note 1)	(604)
Conversion or repurchase in the period	(16)
December 31	$ 880

Note 1: Accounted as other gains and losses.

Note 2: Recorded as unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income.

F. The following chart is the movement of Level 3 for the years ended December 31, 2023 and 2022:

G. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

Hybrid instrument:	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Convertible bonds	$ 397	The Binomial-Tree approach to convertible bonds	Stock price volatility	27.46%~46.75%	The higher the price volatility, the higher the fair value
Non-derivative equity instrument:					
Unlisted stocks	$ 2,996	Net asset value	Not applicable.	Not applicable.	Not applicable.
Non-current assets held for sale:					
Vessels equipment	$ 99,680	Market approach	Not applicable.	Not applicable.	Not applicable.

Hybrid instrument:	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Convertible bonds	$ 880	The Binomial-Tree approach to convertible bonds	Stock price volatility	46.94%~51.35%	The higher the price volatility, the higher the fair value

I. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Derivative instruments	Stock price volatility	±5%	$ 60	($ 20)	$ -	$ -
	Stock price volatility	±5%	$ 100	($ 70)	$ -	$ -

			December 31, 2022			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Derivative instruments	Stock price volatility	±5%	$ 40	($ 40)	$ -	$ -

13. Supplementary Disclosures

(1) Significant transactions information

According to the current regulatory requirements, the Company is only required to disclose the information for the year ended December 31, 2023, the required disclosure information of

each investee was prepared according to the 2023 financial statements which were attested by auditors and was disclosed according to each consolidated entities, and the consolidated write-offs and adjustment would not be included into consideration.

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Group's paid-in capital: Please refer to table 4.

E. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 5.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(2) and 12(3).

J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 7.

(3) Information on investments in Mainland China

A. Basic information: None.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Major shareholders information: Please refer to table 8.

14. Segment Information

(1) General information

The Group operates business only in a single industry. The chief operating decision-maker, who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Measurement of segment information

The Group is the only one reportable operating segment, and the reportable operating segment information which is provided to the chief operating decision-maker is the financial statements prepared under generally accepted auditing standards.

(3) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Year ended December 31	
	2023	2022
Revenue from external customers	$ 1,337,660	$ 1,466,949
Inter-segment revenue	-	-
Interest income	33,187	18,816
Interest expense	96,026	61,900
Depreciation and amortisation	250,716	256,669
Reportable segments income before tax	519,031	1,288,615
Assets of reportable segments	8,933,085	8,012,292
Capital expenditure of non-current assets of reportable segment	2,516,754	26,374
Liabilities of reportable segments	2,730,305	2,675,467

(4) Reconciliation for segment income (loss)

The revenue reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income. The amounts provided to the chief operating decision maker with respect to reportable segments income/(loss) before tax, total assets and total liabilities are measured in a manner consistent with that of the financial statements.

(5) Information on products and services

	Year ended December 31	
	2023	2022
Income from lease and management of vessels	$ 1,337,660	$ 1,466,949

(6) Geographical information

Geographical information for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Revenue (Note 1)	Non-current assets (Note 2)	Revenue (Note 1)	Non-current assets (Note 2)
Japan	$ 327,566	$ -	$ 139,257	$ -
China	207,764	-	874,504	-
Denmark	497,629	-	422,166	-
Singapore	175,801	-	30,246	-
Canada	126,520	-	-	-
Ireland	(333)	-	(45)	-
Taiwan	2,041	49,917	175	52,267
Panama	336	1,667,752	323	1,658,512
Marshall	336	5,635,518	323	3,502,796
	$ 1,337,660	$ 7,353,187	$ 1,466,949	$ 5,213,575

Note 1: The revenue is classified by the country where the customer is located.

Note 2: Non-current assets excluded non-current financial assets at fair value through profit or loss, non-current financial assets at amortised cost, investments accounted for using the equity method, deferred income tax assets and other non-current assets, others.

(7) Major customer information

Major customer information of the Group for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Revenue	Segment	Revenue	Segment
T	$ 413,818	All companies and subsidiaries	$ 346,646	All companies and subsidiaries
V	175,779	All companies and subsidiaries	-	All companies and subsidiaries

FRANBO LINES CORPORATION

Loans to others

Year ended December 31, 2023

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2023	Balance at December 31, 2023	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for Creditor Counterparty doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
0	Franbo Lines Corporation	Franbo Asset Management Co., Ltd.	Other receivables due from related parties	Y	$ 200,000	$ 200,000	$ 158,000	-	Short-term financing	$ -	Operating turnover	$ -	None	-	$ 620,278	$ 1,240,556	Note 1 ~ 3
0	Franbo Lines Corporation	FB Propriety Real Estate Development Co., Ltd.	Other receivables due from related parties	Y	200,000	200,000	108,000	-	Short-term financing	-	Operating turnover	-	None	-	620,278	1,240,556	Note 1 ~ 3
1	New Lucky Lines S.A.	Franbo Lines Corporation	Other receivables due from related parties	Y	583,490	153,550	73,704	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	Franbo Logos S.A.	Other receivables due from related parties	Y	36,710	-	-	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	FB Pioneer Ltd.	Other receivables due from related parties	Y	61,420	61,420	19,962	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
	New Lucky Lines S.A.	FB Navigation Ltd.	Other receivables due from related parties	Y	61,420	61,420	5,528	-	Short-term financing				None		1,699,475	5,664,919	
1	New Lucky Lines S.A.	Franbo Logion S.A.	Other receivables due from related parties	Y	138,195	138,195	16,891	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	Franbo Ocean Ltd.	Other receivables due from related parties	Y	337,810	276,300	241,688	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	Franbo Bright Ltd.	Other receivables due from related parties	Y	214,970	214,970	170,748	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	Franbo Ace Ltd.	Other receivables due from related parties	Y	122,840	92,130	-	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	Franbo Art Ltd.	Other receivables due from related parties	Y	122,840	92,130	-	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	Franbo Cosmos Ltd.	Other receivables due from related parties	Y	30,710	-	-	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	Franbo Century Ltd.	Other receivables due from related parties	Y	583,490	552,780	513,164	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	Franbo Brave Ltd.	Other receivables due from related parties	Y	61,420	30,710	-	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	Franbo Bravo Ltd.	Other receivables due from related parties	Y	61,420	30,710	3,378	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	Franbo Legacy Ltd.	Other receivables due from related parties	Y	30,710	30,710	-	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	Franbo Lohas Ltd.	Other receivables due from related parties	Y	61,420	61,420	49,443	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	Franbo Wind S.A.	Other receivables due from related parties	Y	153,550	153,550	18,426	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	Franbo Shipping S.A.	Other receivables due from related parties	Y	61,420	61,420	-	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
2	Uni-Morality Lines Ltd.	Franbo Lines Corporation	Other receivables due from related parties	Y	170,133	110,556	110,556	-	Short-term financing	-	Operating turnover	-	None	-	111,245	111,245	Note 1 ~ 4

FRANBO LINES CORPORATION

Loans to others

Year ended December 31, 2023

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2023	Balance at December 31, 2023	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for Creditor Counterparty doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
3	FWF Shipping Limited.	New Lucky Lines S.A.	Other receivables due from related parties	Y	217,120	214,970	55,094	-	Short-term financing	-	Operating turnover	-	None	-	446,663	446,663	Note 1 ~ 4
3	FWF Shipping Limited.	Franbo Lines Corporation	Other receivables due from related parties	Y	30,710	30,710	5,221	-	Short-term financing	-	Operating turnover	-	None	-	446,663	446,663	Note 1 ~ 4
4	Franbo Shipping S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	122,840	122,840	74,011	-	Short-term financing	-	Operating turnover	-	None	-	149,740	149,740	Note 1 ~ 4
5	Franbo Transportation S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	153,550	122,840	94,280	-	Short-term financing	-	Operating turnover	-	None	-	165,731	165,731	Note 1 ~ 4
6	TW Hornbill Lind S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	239,538	178,118	196,871	-	Short-term financing	-	Operating turnover	-	None	-	106,833	106,833	Note 1 ~ 4
7	Franbo Logos S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	61,420	30,710	3,685	-	Short-term financing	-	Operating turnover	-	None	-	412,181	412,181	Note 1 ~ 4
8	Franbo Logic S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	92,130	92,130	65,412	-	Short-term financing	-	Operating turnover	-	None	-	474,211	474,211	Note 1 ~ 4
9	Franbo Lohas S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	184,260	61,420	-	-	Short-term financing	-	Operating turnover	-	None	-	357,459	357,459	Note 1 ~ 4
10	Franbo Sagacity S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	116,698	76,775	23,647	-	Short-term financing	-	Operating turnover	-	None	-	71,612	71,612	Note 1 ~ 4
11	Franbo Way Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	276,390	122,840	94,280	-	Short-term financing	-	Operating turnover	-	None	-	348,598	348,598	Note 1 ~ 4
12	Franbo Uprightness Corp.	New Lucky Lines S.A.	Other receivables due from related parties	Y	546,638	-	-	-	Short-term financing	-	Operating turnover	-	None	-	-	-	Note 1 ~ 4
13	Franbo Sino Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	190,402	-	-	-	Short-term financing	-	Operating turnover	-	None	-	-	-	Note 1 ~ 4
14	Franbo Ocean Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	61,420	61,420	-	-	Short-term financing	-	Operating turnover	-	None	-	248,201	248,201	Note 1 ~ 4
15	FB Pioneer Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	46,065	30,710	-	-	Short-term financing	-	Operating turnover	-	None	-	53,328	53,328	Note 1 ~ 4
16	FB Navigation Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	46,065	30,710	-	-	Short-term financing	-	Operating turnover	-	None	-	62,847	62,847	Note 1 ~ 4
17	Franbo Legacy Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	276,390	153,550	8,906	-	Short-term financing	-	Operating turnover	-	None	-	249,352	249,352	Note 1 ~ 4
18	Franbo Ace Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	61,420	61,420	25,796	-	Short-term financing	-	Operating turnover	-	None	-	395,177	395,177	Note 1 ~ 4
19	Franbo Art Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	61,420	61,420	14,434	-	Short-term financing	-	Operating turnover	-	None	-	370,471	370,471	Note 1 ~ 4
20	Franbo Cosoms Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	182,260	182,260	105,642	-	Short-term financing	-	Operating turnover	-	None	-	486,167	486,167	Note 1 ~ 4

FRANBO LINES CORPORATION

Loans to others

Year ended December 31, 2023

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2023	Balance at December 31, 2023	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for Creditor Counterparty doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
21	Franbo Brave Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	61,420	61,420	33,167	-	Short-term financing	-	Operating turnover	-	None	-	240,930	240,930	Note 1 ~ 4
22	BCTS Capital Inc.	New Lucky Lines S.A.	Other receivables due from related parties	Y	61,420	61,420	44,837	-	Short-term financing	-	Operating turnover	-	None	-	70,546	70,546	Note 1 ~ 4
23	Dexin Shipping S. A.	Uni-Morality Lines Limited.	Other receivables due from related parties	Y	115,163	-	-	-	Short-term financing	-	Operating turnover	-	None	-	427,586	427,586	Note 1 ~ 4
24	Franbo Asset Management Co., Ltd.	FB Propriety Real Estate Development Co., Ltd.	Other receivables due from related parties	Y	65,000	65,000	-	-	Short-term financing	-	Operating turnover	-	None	-	427,586	427,586	Note 1 ~ 3
24	Franbo Asset Management Co., Ltd.	FB Integrity Real Estate Development Co., Ltd.	Other receivables due from related parties	Y	30,000	30,000	-	-	Short-term financing	-	Operating turnover	-	None	-	128,257	128,257	Note 1 ~ 3
25	Franbo Justice Buiding Development Co., Ltd.	Franbo Asset Management Co., Ltd.	Other receivables due from related parties	Y	140,000	50,000	-	-	Short-term financing	-	Operating turnover	-	None	-	128,257	128,257	Note 1 ~ 3
26	FB Propriety Real Estate Development Co., Ltd.	Franbo Asset Management Co., Ltd.	Other receivables due from related parties	Y	30,000	30,000	-	-	Short-term financing	1.00	Operating turnover	1.00	None	1.00	106,107	106,107	Note 1 ~ 3

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: According to the Company's directions of loans to others, the limit of the Company's loan to individuals could not exceed 10% of the Company's net assets. Except for the limit of the Group's subsidiary, New Lucky Lines S.A., loans to individuals could not exceed 30% of its net assets , other subsidiaries in the Group all could not exceed 100% of the subsidiary's net assets.

Note 3: According to the Company's directions of loans to others, the limit of total loans to others by the Company could not exceed 20% of the Company's net assets, and the limit of total loans to others by the Group's subsidiaries could not exceed 100% of the subsidiary's net assets.

Note 4: The exchange rates of United States dollars were translated into New Taiwan dollars at the rate of 30.71 on the reporting date.

Note 5: The Company will set up a plan to improve the situation of excess capital loans and submit the latest plan to the audit committee for review.

FRANBO LINES CORPORATION

Provision of endorsements and guarantees to others

Year ended December 31, 2023

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Endorser/guarantor	Party being endorsed/ guaranteed: Company name	Party being endorsed/ guaranteed: Relationship with the counterparty	Limit on endorsements/guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023	Outstanding endorsement/ guarantee amount at December 31, 2023	Actual amount drawn down	Amount of endorsements /guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the Endorser/guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements /guarantees to the party in Mainland China	Footnote
0	Franbo Lines Corporation	Franbo Shipping S.A.	Note 2	$ 6,202,780	$ 95,201	$ -	$ -	$ -	0.00%	$ 31,013,900	Y	N	N	Note 3, 4 and 5
0	Franbo Lines Corporation	Franbo Transportation S.A.	Note 2	6,202,780	73,704	-	-	-	0.00%	31,013,900	Y	N	N	Note 3, 4 and 5
0	Franbo Lines Corporation	Franbo Lohas S.A.	Note 2	6,202,780	143,723	-	-	-	0.00%	31,013,900	Y	N	N	Note 3, 4 and 5
0	Franbo Lines Corporation	Franbo Ocean Ltd.	Note 2	6,202,780	319,998	319,998	319,998	-	5.16%	31,013,900	Y	N	N	Note 3, 4 and 5
0	Franbo Lines Corporation	FB Pioneer Ltd.	Note 2	6,202,780	73,704	73,704	73,704	-	1.19%	31,013,900	Y	N	N	Note 3, 4 and 5
0	Franbo Lines Corporation	FB Navigation Ltd.	Note 2	6,202,780	64,491	-	-	-	0.00%	31,013,900	Y	N	N	Note 3, 4 and 5
0	Franbo Lines Corporation	Franbo Legacy Ltd.	Note 2	6,202,780	184,260	184,260	184,260	-	2.97%	31,013,900	Y	N	N	Note 3, 4 and 5
0	Franbo Lines Corporation	Franbo Bright Ltd.	Note 2	6,202,780	184,260	-	-	-	0.00%	31,013,900	Y	N	N	Note 3, 4 and 5
0	Franbo Lines Corporation	Franbo Ace Ltd.	Note 2	6,202,780	552,780	529,748	529,748	-	8.54%	31,013,900	Y	N	N	Note 3, 4 and 5
0	Franbo Lines Corporation	Franbo Art Ltd.	Note 2	6,202,780	552,780	529,748	529,748	-	8.54%	31,013,900	Y	N	N	Note 3, 4 and 5
0	Franbo Lines Corporation	Franbo Cosmos Ltd.	Note 2	6,202,780	569,671	569,671	569,671	-	9.18%	31,013,900	Y	N	N	Note 3, 4 and 5
0	Franbo Lines Corporation	Franbo Century Ltd.	Note 2	6,202,780	552,780	552,780	-	-	8.91%	31,013,900	Y	N	N	Note 3, 4 and 5
0	Franbo Lines Corporation	Franbo Brave Ltd.	Note 2	6,202,780	576,642	576,642	576,642	-	9.30%	31,013,900	Y	N	N	Note 3, 4 and 5
0	Franbo Lines Corporation	Franbo Bravo Ltd.	Note 2	6,202,780	576,642	576,642	576,642	-	9.30%	31,013,900	Y	N	N	Note 3, 4 and 5
1	Franbo Shipping S.A.	Franbo Lines Corporation	Note 2	598,960	407,200	-	-	-	271.94%	748,700	N	Y	N	Note 3, 4 and 5

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Above 50% of equity interests with voting rights of this company were held by the parent company and subsidiaries.

Note 3: According to the Company's directions of endorsement and guarantees, the limit of total endorsed and guaranteed amounts to single affiliated company by the Company, New Lucky Lines S.A. and Uni-Morality Lines Ltd. was 100% of that company's net assets, and other subsidiaries of the Group all could not exceed 400% of that company's net assets.

Note 4: According to the Company's directions of endorsement and guarantees, the total endorsed and guaranteed amount of the Company and the Group's subsidiaries, except for New Lucky Lines S.A. andUni-Morality Lines Ltd. could not exceed 200% and 300% of that company's net assets, the Company and other subsidiaries of the Group all could not exceed 500% of that company's net assets.

Note 5: The exchange rates of United States dollars were translated into New Taiwan dollars at the rate of 30.71 on the reporting date.

FRANBO LINES CORPORATION

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Footnote
				Number of shares (unit)	Carrying amount	Ownership (%)	Fair value	
Franbo Lines Corporation	Corporate bonds with call option(Capable of being called by the issuer) corporate bonds	None	Financial assets at fair value through profit or loss - current	450	$ 1,007	-	$ 1,007	Note 1、2
Franbo Lines Corporation	Neuberger Berman Disruptive Innovation Equity Securities Investment Trust Fund	None	Financial assets at fair value through profit or loss - current	2,000	504	-	504	Note 1、3
Franbo Lines Corporation	Yuanta Taiwan High-yield Leading Company Fund A	None	Financial assets at fair value through profit or loss - current	194,427	3,152	-	3,152	Note 3
Franbo Lines Corporation	Allianz Global Investors Greater China Fund	None	Financial assets at fair value through profit or loss - current	42,088	670	-	670	Note 3
Franbo Lines Corporation	The 1st issuance of Senior Unsecured Callable Range Accrual Interest Rate Linked Financial Debentures Tranche A of Taiwan Cooperative Bank in 2023	None	Financial assets at fair value through profit or loss - current	500	1,480	-	1,480	Note 1、2
Franbo Lines Corporation	BlackRock Global Funds - US Dollar Bond Fund A2	None	Financial assets at fair value through profit or loss - current	965	965	-	965	Note 1、3
FB Integrity Real Estate Development Co., Ltd.	FSITC Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current	5,597	1,025	-	1,025	Note 3
Franbo Asset Management Co., Ltd.	YU DING JIANG Construction Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	300,000	2,996	14.93	2,996	-

Note 1: The exchange rates of United States dollars were translated into New Taiwan dollars at the rate of 30.71 on the reporting date.

Note 2: The market price of the corporate bonds referred to referable redemption price at the balance sheet date.

Note 3: The market price of the open-end funds referred to the net value at the balance sheet date.

FRANBO LINES CORPORATION

Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital

Year ended December 31, 2023

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

					Balance as at January 1, 2023		Addition		Disposal				Balance as at December 31, 2023	
Investor	Marketable securities	General ledger account	Counterparty	Relationship with the counterparty	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
Franbo Lines Corporation	New Lucky Lines S.A.	Investments accounted for using equity method	-	Subsidiaries	123,428,012	$ 5,943,353	31,826,988	$ 1,223,695 (Note 1)	(48,255,000)	$ -	($ 1,502,129) (Note 2)	$ -	107,000,000	$ 5,664,919
New Lucky Lines S.A.	Franbo Ace Ltd.	Investments accounted for using equity method	-	Subsidiaries	13,300,000	498,577	15,500,000	502,529 (Note 3)	(16,800,000)	-	(515,928) (Note 4)	-	12,000,000	395,178
New Lucky Lines S.A.	Franbo Art Ltd.	Investments accounted for using equity method	-	Subsidiaries	8,675,000	266,013	20,125,000	620,386 (Note 5)	(16,800,000)	-	(515,928) (Note 6)	-	12,000,000	370,471
New Lucky Lines S.A.	Franbo Cosmos Ltd.	Investments accounted for using equity method	-	Subsidiaries	11,944,000	368,308	17,832,000	525,565 (Note 7)	(13,276,000)	-	(407,706) (Note 8)	-	16,500,000	486,167

Note 1: From February 2023 to September 2023, the Company newly invested $1,001,645 in New Lucky Lines S.A., and the investment amount included the investment income (loss) and other comprehensive income recog

Note 2: From March 2023 to August 2023, New Lucky Lines S.A. decreased its capital amounting to $1,502,129.

Note 3: In March 2023, New Lucky Lines S.A. newly invested $476,005 in Franbo Ace Ltd., and the investment amount included the investment income (loss) recognised in the year.

Note 4: In August 2023, New Lucky Lines S.A. decreased its capital in Franbo Ace Ltd. amounting to $515,928.

Note 5: From January 2023 to April 2023, New Lucky Lines S.A. newly invested $618,039 in Franbo Art Ltd., and the investment amount included the investment income (loss) and recognised in the year.

Note 6: During November 2023, New Lucky Lines S.A. decreased its capital in Franbo Ace Ltd. amounting to $515,928.

Note 7: From August 2023 to September 2023, New Lucky Lines S.A. newly invested $547,621 in Franbo Cosmos Ltd., and the investment amount included the investment income (loss) recognised in the year.

Note 8: During December 2023, New Lucky Lines S.A. decreased its capital in Franbo Cosmos Ltd. amounting to $407,706.

FRANBO LINES CORPORATION

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

December 31, 2023

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Franbo Lines Corporation	Franbo Asset Management Co., Ltd.	Subsidiaries	$ 158,000	Not applicable	$ -	$ -	$ -	$ -
Franbo Lines Corporation	FB Propriety Real Estate Development Co., Ltd.	Subsidiaries	108,000	Not applicable	-	-	-	-
New Lucky Lines S.A.	Franbo Ocean Ltd.	Subsidiaries	241,688	Not applicable	-	-	8,292.00	-
New Lucky Lines S.A.	Franbo Bright Ltd.	Subsidiaries	170,748	Not applicable	-	-	-	-
New Lucky Lines S.A.	Franbo Century Ltd.	Subsidiaries	513,164	Not applicable	-	-	-	-
Uni-Morality Lines Ltd.	Franbo Lines Corporation	Parent company	110,556	Not applicable	-	-	-	-
Franbo Transportation S.A.	New Lucky Lines S.A.	Parent company	106,871	Not applicable	-	-	-	-
TW Hornbill Lines S.A.	New Lucky Lines S.A.	Parent company	105,642	Not applicable	-	-	-	-

FRANBO LINES CORPORATION

Significant inter-company transactions during the reporting periods

Year ended December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Transactions amount between the parent company and subsidiaries or inter-subsidiaries transactions reaching $10 million were as follows:

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Franbo Lines Corporation	Franbo Ocean Ltd.	1	Endorsements and guarantees	$ 319,998	Note 4	4%
0	Franbo Lines Corporation	FB Pioneer Ltd.	1	Endorsements and guarantees	73,704	Note 4	1%
0	Franbo Lines Corporation	Franbo Legacy Ltd.	1	Endorsements and guarantees	184,260	Note 4	2%
0	Franbo Lines Corporation	Franbo Ace Ltd.	1	Endorsements and guarantees	529,748	Note 4	6%
0	Franbo Lines Corporation	Franbo Art Ltd.	1	Endorsements and guarantees	529,748	Note 4	6%
0	Franbo Lines Corporation	Franbo Cosmos Ltd.	1	Endorsements and guarantees	569,671	Note 4	6%
0	Franbo Lines Corporation	Franbo Brave Ltd.	1	Endorsements and guarantees	576,642	Note 4	6%
0	Franbo Lines Corporation	Franbo Bravo Ltd.	1	Endorsements and guarantees	576,642	Note 4	6%
0	Franbo Lines Corporation	Uni-Morality Lines Ltd.	1	Other payables	110,556	Note 4, 6	1%
0	Franbo Lines Corporation	Franbo Asset Management Co., Ltd.	1	Other receivables	158,000	Note 6	2%
0	Franbo Lines Corporation	FB Propriety Real Estate Development Co., Ltd.	1	Other receivables	108,000	Note 6	1%
0	Franbo Lines Corporation	Franbo Logion S.A.	1	Vessels management revenue	13,341	Note 5	1%
0	Franbo Lines Corporation	Franbo Logic S.A.	1	Vessels management revenue	13,341	Note 5	1%
0	Franbo Lines Corporation	Franbo Lohas S.A.	1	Vessels management revenue	13,341	Note 5	1%
0	Franbo Lines Corporation	Franbo Legion Ltd.	1	Vessels management revenue	13,341	Note 5	1%
0	Franbo Lines Corporation	Franbo Bright Ltd.	1	Vessels management revenue	12,884	Note 5	1%
0	Franbo Lines Corporation	Franbo Ace Ltd.	1	Vessels management revenue	12,709	Note 5	1%
0	Franbo Lines Corporation	Franbo Art Ltd.	1	Vessels management revenue	12,161	Note 5	1%
1	New Lucky Lines S.A.	Franbo Shipping S.A.	3	Other payables	74,011	Note 4, 6	1%
1	New Lucky Lines S.A.	Franbo Transportation S.A.	3	Other payables	94,280	Note 4, 6	1%
1	New Lucky Lines S.A.	TW Hornbill Line S.A.	3	Other payables	106,871	Note 4, 6	1%
1	New Lucky Lines S.A.	Franbo Logic S.A.	3	Other payables	65,412	Note 4, 6	1%
1	New Lucky Lines S.A.	Franbo Sagacity S.A.	3	Other payables	23,647	Note 4, 6	0%
1	New Lucky Lines S.A.	Franbo Way Ltd.	3	Other payables	94,280	Note 4, 6	1%
1	New Lucky Lines S.A.	Franbo Ace Ltd.	3	Other payables	25,796	Note 4, 6	0%
1	New Lucky Lines S.A.	Franbo Art Ltd.	3	Other payables	14,434	Note 4, 6	0%
1	New Lucky Lines S.A.	Franbo Cosmos Ltd.	3	Other payables	105,642	Note 4, 6	1%
	New Lucky Lines S.A.	Franbo Brave Ltd.	3	Other payables	33,167	Note 4, 6	0%
1	New Lucky Lines S.A.	BCTS Capital Inc.	3	Other payables	44,837	Note 4, 6	1%
1	New Lucky Lines S.A.	Franbo Lines Corporation	3	Other receivables	73,704	Note 4, 6	1%
1	New Lucky Lines S.A.	FB Pioneer Ltd.	3	Other receivables	19,962	Note 4, 6	0%

FRANBO LINES CORPORATION

Significant inter-company transactions during the reporting periods

Year ended December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Transactions amount between the parent company and subsidiaries or inter-subsidiaries transactions reaching $10 million were as follows:

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	New Lucky Lines S.A.	Franbo Legion Ltd.	3	Other receivables	16,891	Note 4, 6	0%
1	New Lucky Lines S.A.	Franbo Ocean Ltd.	3	Other receivables	241,688	Note 4, 6	3%
1	New Lucky Lines S.A.	Franbo Bright Ltd.	3	Other receivables	170,748	Note 4, 6	2%
1	New Lucky Lines S.A.	Franbo Century Ltd.	3	Other receivables	513,164	Note 4, 6	6%
1	New Lucky Lines S.A.	Franbo Lohas S.A.	3	Other receivables	49,443	Note 4, 6	1%
1	New Lucky Lines S.A.	Franbo Wind S.A.	3	Other receivables	18,426	Note 4, 6	0%
2	FWF Shipping Limited	New Lucky Lines S.A.	3	Other receivables	55,094	Note 4, 6	1%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1)Parent company is ‘0’.

(2)The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose repeatedly. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

Note 3: Regarding the percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on the ending balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the current year to consolidated total operating revenues for income statement accounts.

Note 4: The amount was converted into New Taiwan dollars using the average of the monthly buying and selling exchange rate of USD during the reporting period.

Note 5: It was a loan in nature.

FRANBO LINES CORPORATION

Information on investees

Year ended December 31, 2023

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Name of investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net income of investee as of December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				December 31, 2023	December 31, 2022	Number of shares	Ownership (%)	Book value			
Franbo Lines Corporation	New Lucky Lines S.A.	Marshall	Investment in other area Note 5	$ 3,309,348	$ 3,809,831	107,000,000	100	$ 5,664,919	$ 229,309	$ 229,309	Note 1, 8 and 9
Franbo Lines Corporation	Uni-Morality Lines Ltd.	Hong Kong	Investment in other area	37,700	37,700	1,000,000	100	111,245	(63)	(63)	Note 1, 8 and 9
Franbo Lines Corporation	Franbo Asset Management Co., Ltd.	Taiwan	Note 7	450,000	300,000	45,000,000	100	427,586	(21,198)	(21,198)	Note 1, 7 and 9
Franbo Lines Corporation	Taiwan Offshore Engineering Co., Ltd.	Taiwan	Note 6	4	30	-	-	-	(13)	(4)	Note 3, 9 and 10
Franbo Lines Corporation	BCTS Capital Inc.	Marshall	Investment in other area	57,400	57,409	2,000,000	100	70,546	1,396	1,396	Note 1, 8 and 9
Franbo Lines Corporation	FWF Shipping Ltd.	Marshall	Investment in other area	159,682	284	5,000,000	100	446,663	295,187	295,187	Note 1, 8 and 9
New Lucky Lines S.A.	Franbo Shipping S.A.	Panama	Note 5	184,260	184,260	6,000,000	100	149,740	13,776	13,776	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Transportation S.A.	Panama	Note 5	195,670	195,670	6,371,535	100	165,731	10,354	10,354	Note 2, 8 and 9
New Lucky Lines S.A.	TW Hornbill Line S.A.	Panama	Note 5	126,995	126,995	3,500,000	100	106,833	25	25	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Logos S.A.	Panama	Note 5	291,745	291,745	9,500,000	100	412,181	(1,668)	(1,668)	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Logic S.A.	Panama	Note 5	291,745	291,745	9,500,000	100	474,211	29,622	29,622	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Lohas S.A.	Panama	Note 5	98,272	98,272	3,200,000	100	357,459	44,953	44,953	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Sagacity S.A.	Panama	Note 4 and 5	61,420	61,420	2,000,000	100	71,612	(2,779)	(2,779)	Note 2, 8 and 9
New Lucky Lines S.A.	Prevalent Creation Corp.	Seychelles	Note 4	921	921	30,000	100	496	(27)	(27)	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Way Ltd.	Marshall	Note 5	153,550	153,550	5,000,000	100	348,598	18,141	18,141	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Uprightness Corp.	Marshall	Note 5	-	184,260	-	100	-	621	621	Note 2, 8, 9 and 12
New Lucky Lines S.A.	Franbo Sino Ltd.	Marshall	Note 5	-	69,998	-	100	-	57,553	57,553	Note 2, 8, 9 and 12
New Lucky Lines S.A.	Franbo Ocean Ltd.	Marshall	Note 5	153,550	153,550	5,000,000	100	248,201	40,586	40,586	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Legion Ltd.	Marshall	Note 5	261,035	261,035	8,500,000	100	302,076	19,723	19,723	Note 2, 8 and 9
New Lucky Lines S.A.	FB Pioneer Ltd.	Marshall	Note 5	33,781	33,781	1,100,000	100	53,328	(2,330)	(2,330)	Note 2, 8 and 9
New Lucky Lines S.A.	FB Navigation Ltd.	Marshall	Note 5	35,624	35,624	1,160,000	100	62,847	1,287	1,287	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Legacy Ltd.	Marshall	Note 5	122,840	122,840	4,000,000	100	249,352	8,835	8,835	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Ace Ltd.	Marshall	Note 5	368,520	498,443	12,000,000	100	395,177	26,904	26,904	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Bright Ltd.	Marshall	Note 5	107,485	107,485	3,500,000	100	102,622	(14,195)	(14,195)	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Cosmos Ltd.	Marshall	Note 5	506,715	366,800	16,500,000	100	486,167	(22,372)	(22,372)	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Art Ltd.	Marshall	Note 5	368,520	266,409	12,000,000	100	370,471	2,381	2,381	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Century Ltd.	Marshall	Note 5	429,940	275,530	14,000,000	100	417,374	(13,161)	(13,161)	Note 2, 8 and 9

FRANBO LINES CORPORATION

Information on investees

Year ended December 31, 2023

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Name of investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net income of investee as of December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				December 31, 2023	December 31, 2022	Number of shares	Ownership (%)	Book value			
New Lucky Lines S.A.	Franbo Brave Ltd.	Marshall	Note 5	240,613	193,473	7,835,000	100	240,930	393	393	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Bravo Ltd.	Marshall	Note 5	193,473	193,473	6,300,000	100	193,376	(22)	(22)	Note 2, 8 and 9
FWF Shipping Ltd.	Franbo Wind S.A.	Marshall	Note 5	184,200	-	600,000	100	101,374	7,216	7,216	Note 2, 8 and 9
Uni-Morality Lines Ltd.	Dexin Shipping S.A.	Panama	Note 5	-	22,592	-		-	-	-	Note 2, 8, 9 and 11
Uni-Morality Lines Ltd.	Due Feng Shipping Co.,Ltd.	Hong Kong	Note 5	995	1,096	-	22	-	(16)	(3)	Note 3, 8, 9 and 12
Franbo Asset Management Co., Ltd.	FB Propriety Real Estate Development Co., Ltd.	Taiwan	Note 7	120,000	85,000	12,000,000	100	106,107	(13,709)	(13,709)	Note 2, 7 and 9
Franbo Asset Management Co., Ltd.	Franbo Justice Buiding Development Co., Ltd.	Taiwan	Note 7	130,000	130,000	13,000,000	100	128,257	(1,624)	(1,624)	Note 2, 7 and 9
Franbo Asset Management Co., Ltd.	FB Integrity Real Estate Development Co., Ltd.	Taiwan	Note 7	70,000	-	7,000,000	100	69,865	(135)	(135)	Note 2, 7 and 9
BCTS Capital Inc.	Franbo Courage S.A.	Panama	Note 5	12,791	12,791	416,500	49	13,566	1,606	787	Note 3, 8 and 9
BCTS Capital Inc.	BCI Loyalty Inc.	Marshall	Note 5	10,834	10,834	352,800	49	11,712	1,286	630	Note 3, 8 and 9

Note 1: The relationship between this investee and the Company was subsidiary company.

Note 2: The relationship between this investee and the Company was second-tier subsidiary company.

Note 3: The relationship between this investee and the Company was investment accounted for using equity method.

Note 4: The main business activities was domestic and foreign management consulting service of steamship.

Note 5: The main business activities were domestic and foreign shipping business and ocean freight transportation forwarding services.

Note 6: The main business activities were plumbing engineering and energy technical service.s

Note 7: The main business activities was property investment trading.

Note 8: The exchange rates of United States dollars were translated into New Taiwan dollars at the rate of 30.71 on the reporting date and at the average rate of 29.80 in the financial statements period.

Note 9: Valuations were based on each investee’s financial statements which were attested by auditors.

Note 10: It was an investee which was invested by the Group in March 2017. In August 2019, TAIWAN OFFSHORE ENGINEERING CO.,LTD. decreased its capital, and the Group collected the investment proceeds in the amount of $2,970. As of December 31, 2022, this company had not formally operated.

Note 11: The investment company handled the capital reduction in March 2023

Note 12: The investment company handled the capital reduction in December 2023

FRANBO LINES CORPORATION

Major shareholders information

December 31, 2023

Table 8

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
Zhengzhan Investment Advisory Co., Ltd.	48,038,398	16.42

5. The parent company-only financial statement for the most recent year, certified by the CPAs.

FRANBO LINES CORPORATION

PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023 AND 2022

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

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 material 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:

5. Assessed and tested the implementation effectiveness of internal control in relation to credit business in sales cycle.
6. Examined contracts to confirm the amounts of revenue were calculated according to contracts.
7. Verified the collection record of banks and counterparties were in agreement.
8. 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:

7. 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.

8. 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.

9. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

10. 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.

11. 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.

12. 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	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 surplus					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
Issuance 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 loss for the year	6(5)	-	-	-	-	-	-	-	-	(17,603)	(4)	(17,607)
Total comprehensive income(loss)		-	-	-	-	-	-	-	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
Issuance 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
Proceeds from liquidation of investments accounted for using equity method	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
Repayments of bonds	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.

FRANBO LINES CORPORATION

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

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

1. History and Organisation

(1) Franbo Lines Corporation (the "Company") was incorporated on September 29, 1998, and was primarily engaged in the shipping agency, consulting service and ocean freight forwarder, etc.

(2) The Company' shares are traded in the Taipei Exchange starting from October 9, 2014.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These parent company only financial statements were authorised for issuance by the Board of Directors on March 7, 2024.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023
Amendments to IAS 12, 'International tax reform - pillar two model rules'	May 23, 2023

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(2) Basis of preparation

A. Except for financial assets (including derivative instruments) at fair value through profit or loss , the parent company only financial statements have been prepared under the historical cost convention.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The

parent company only financial statements are presented in New Taiwan dollar, which is the Company's functional currency.

A. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

B. Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

C. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

D. All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty,

result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income. Financial assets at amortised cost or fair value through other comprehensive income are designated as at fair value through profit or loss at initial recognition when they eliminate or significantly reduce a measurement or recognition inconsistency.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Company's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts receivable

A. Accounts receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

For financial assets at amortised cost including accounts receivable or contract assets that have a significant financing component, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

The Company derecognises a financial asset when one of the following conditions is met:

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(11) Investments accounted for using equity method / subsidiaries and associates

A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

B. Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Company are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses in proportion to its ownership.

D. In accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers", the profit or loss and other comprehensive income or loss presented on the parent company only financial statements are consistent with the profit or loss and the amortisation of other comprehensive income attributable to owners of the parent company presented on the consolidated financial statements. In addition, owner's equity presented on the parent company only financial statements is consistent with equity attributable to owners of parent presented in the consolidated financial statements.

E. Associates are all entities over which the Company has significant influence but not control. In

general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

F. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

G. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises the Company's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.

H. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

I. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(12) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful

lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	5 to 50 years
Transportation equipment	5 years
Office equipment	5 years

(13) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 5 years.

(14) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(15) Borrowings

A. Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(16) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(17) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when

there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(18) Bonds payable

Ordinary corporate bonds issued by the Company are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(19) Convertible bonds payable

Convertible bonds issued by the Company contain conversion options (that is, the bondholders have the right to convert the bonds into the Company's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Company classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

A. The embedded call options and put options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.

B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.

C. The embedded conversion options which meet the definition of an equity instrument are initially recognised in 'capital surplus—share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.

D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.

E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and 'capital surplus—share options'.

(20) Employee benefits

A. Salaries and other short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(21) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(22) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new

shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(23) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(24) Revenue recognition

A. Income from vessels management and freight

The Company's revenue from contracts with customers primarily arose from providing services, including vessels management service and carriage service of cargo. The aforementioned services were all separate pricing or negotiation, and the contract period was the basis for vessels management and carriage of cargo. Because the Company provided vessels management and carriage service of cargo in the contract period, revenue was recognised over time in the accounting period when the Company provided service to customers.

B. The Company and customers sign a contract which is consistent with market practice. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money. The Company provided charter service and vessels management, service revenue was recognised over time in the accounting period when the Company provided service to customers.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

Impairment assessment of investments accounted for using equity method

(1) As for the impairment assessment of vessels and equipment of investments accounted for using equity method, the main business of the subsidiary held by the Company was ocean freight forwarder. When there were indications showing that the vessels and equipment of some subsidiaries might have been impaired, the appraiser who was appointed by the management measured the recoverable amount of vessels and equipment by using fair values less disposal costs. As the aforementioned estimates of recoverable amount primarily relied on the appraisal report of the appraiser, the data resources and assumptions by the appraiser might have significant influence on the result.

(2) As of December 31, 2023, the Company did not recognise any impairment loss on the investments accounted for using equity method.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash:		
Cash on hand and petty cash	$ 50	$ 50
Checking accounts and demand deposits	31,491	96,969
Cash equivalents:		
Time deposits	-	101,368
Repurchase bonds	-	18,728
	$ 31,541	$ 217,115

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Company's demand deposits had been transferred into "current financial assets at amortised cost" and "non-current financial assets at amortised cost" due to being pledged and restricted, please refer to Note 8, pledged assets.

C. The aforementioned time deposits and repurchase bonds are both within three months of maturity, were not pledged as collateral and were classified as cash equivalents based on their nature.

(2) Financial assets at fair value through profit or loss

Items	December 31, 2023	December 31, 2022
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 5,635	$ 8,844
Callable Bonds	1,472	-
Foreign corporate bonds	1,177	1,232
Valuation adjustment	(506)	(2,260)
	$ 7,778	$ 7,816
Non-Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Derivative instruments	$ 397	$ 880

A. Amounts recognised in (loss) profit in relation to financial assets at fair value are listed below:

	Year ended December 31	
	2023	2022
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 1,568	($ 1,813)
Callable Bonds	40	-
Foreign corporate bonds	167	(337)
Derivative instruments	(377)	(604)
	$ 1,398	($ 2,754)

The amount of (loss) income was shown as "other gains and losses", please refer to Note 6(18) for details.

B. The Company has no financial assets at fair value through profit or loss pledged to others as collateral.

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at amortised cost

On December 31, 2023: No such transactions.

Items	December 31, 2022
Current items:	
Time deposits with maturity over three months	$ 153,550
Restricted bank deposits	88,752
	$ 242,302

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. For the years ended December 31, 2023 and 2022, interest income from demand deposits and time deposits were recognised under interest income from bank deposits.

C. Details of the Company's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

(4) Accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable	$ 19,052	$ 6,198
Less: Allowance for doubtful accounts	-	-
	$ 19,052	$ 6,198

A. The ageing analysis of accounts receivable (including related parties) that were past due but not

impaired is as follows:

	December 31, 2023	December 31, 2022
Up to 30 days	$ 16,262	$ 4,299
31 to 90 days	2,790	1,899
	$ 19,052	$ 6,198

The above ageing analysis was based on invoice date.

D. On December 31, 2023, December 31, 2022 and January 1, 2022, the balances of the receivables (including related parties) from the Company's and customers contracts were $19,052 $6,198 and $7,575, respectively.

E. The Company did not hold any collateral for the security of accounts receivable.

F. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was $19,052 and $6,198, respectively.

E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Investments accounted for using equity method

Changes in the year were as follows:

	2023	2022
At January 1	$ 6,425,050	3,122,560
Addition of investments accounted for using equity method (Note 1, 2, 3)	1,343,556	1,703,631
Capital decrease in investments accounted for using equity method (Note 4、5)	(1,534,641)	(93,791)
Proceeds from liquidation of investments accounted for using equity method (Note 6)	(26)	-
Earnings distribution of investments accounted for using equity method	504,627	1,349,676
Share of profit of investments accounted for using equity method	-	(26,714)
Other equity-share of other comprehensive income accounted for using equity method	(4)	
Other equity - exchange differences on translation of foreign financial statements	(17,603)	369,688
At December 31	$ 6,720,959	$ 6,425,050

	December 31, 2023	December 31, 2022
Subsidiaries (Note 7):		
New Lucky Lines S.A.	$ 5,664,919	$ 5,943,353
Uni-Morality Lines Ltd.	111,245	111,307
BCTS Capital Inc.	70,546	69,169
FWF Shipping Ltd.	446,663	2,403
Franbo Asset Management Co., Ltd.	427,586	298,788
	6,720,959	6,425,020
Associates:		
Taiwan Offshore Engineering Co., Ltd. (Note 6)	-	30
	$ 6,720,959	$ 6,425,050

The carrying amount of the Company's interests in all individually immaterial associates and the Company's share of the operating results are summarised below:

As of December 31, 2023 and 2022, the carrying amount of the Company's individually immaterial associates amounted to $0 and $30, respectively.

	Year ended December 31	
	2023	2022
Loss for the year from continuing operations	($ 4)	(1)
Other comprehensive income, net of tax	-	-
Total comprehensive loss	($ 4)	($ 1)

Note 1: For the years ended December 31, 2023 and 2022, the Company acquired 31,827 thousand shares and 45,428 thousand shares of the subsidiary, New Lucky Line S.A., through increasing its investment in the subsidiary amounting to USD31,827 thousand and USD 45,428 thousand, respectively.

Note 2: For the year ended December 31, 2023, the Company increased capital of 6,000 thousand shares in the subsidiary, FWF Shipping Ltd., by USD 6,000 thousand.

Note 3: For the years ended December 31, 2023 and 2022, the Company acquired 15,000 thousand shares and 29,650 thousand shares of the subsidiary, Franbo Asset Management Co., Ltd., through increasing its investment in the subsidiary amounting to NTD 150,000 thousand and NTD 296,500 thousand, respectively.

Note 4: For the year ended December 31, 2023, the subsidiary, Uni-Morality Lines LTD., decreased its capital, and the Company collected the investment proceeds in the amount of USD 43,888 thousand.

Note 5: For the year ended December 31, 2022, the subsidiary, New Lucky Line S.A., decreased its capital, and the Company collected the investment proceeds in the amount of USD 3,050 thousand.

Note 6: In March 2017, the Company invested $3,000 in Taiwan Offshore Engineering Co., Ltd. and acquired 30% equity interests. In August 2019, Taiwan Offshore Engineering Co., Ltd. decreased its capital, therefore the Company collected investment proceeds in the amount of $2,970. Additionally, the Company returned proceeds from liquidation of investments amounting to $26 and completed the liquidation in January 2024.

Note 7: Please refer to Note 4(3)B in the consolidated financial statements for the year ended December 31, 2023 for the information regarding the Company's subsidiaries.

(6) Property, plant and equipment

A. The carrying amount information of property, plant and equipment were as follows:

	December 31, 2023	December 31, 2022
Land	$ 19,247	$ 19,247
Buildings and structures	26,809	27,540
Transportation equipment	2,209	3,530
Office equipment	1,138	1,568
	$ 49,403	$ 51,885

B. Changes of property, plant and equipment in the year were as follows:

Cost	2023			
Assets	January 1	Additions	Disposals	December 31
Land	$ 19,247	$ -	$ -	$ 19,247
Buildings and structures	42,193	-	-	42,193
Transportation equipment	7,748	-	-	7,748
Office equipment	4,700	-	-	4,700
	$ 73,888	$ -	$ -	$ 73,888

Accumulated depreciation	2023			
Assets	January 1	Depreciation charge	Disposals	December 31
Buildings and structures	$ 14,653	$ 731	$ -	$ 15,384
Transportation equipment	4,218	1,321	-	5,539
Office equipment	3,132	430	-	3,562
	$ 22,003	$ 2,482	$ -	$ 24,485

Cost	2022			
Assets	January 1	Additions	Disposals	December 31
Land	$ 19,247	$ -	$ -	$ 19,247
Buildings and structures	42,193	-	-	42,193
Transportation equipment	7,958	-	(210)	7,748
Office equipment	3,254	1,564	(118)	4,700
	$ 72,652	$ 1,564	($ 328)	$ 73,888

Accumulated depreciation	2022			
Assets	January 1	Depreciation charge	Disposals	December 31
Buildings and structures	$ 13,780	$ 873	$ -	$ 14,653
Transportation equipment	2,655	1,563	-	4,218
Office equipment	2,950	300	(118)	3,132
	$ 19,385	$ 2,736	($ 118)	$ 22,003

C. For the years ended December 31, 2023 and 2022, the Company had no borrowing costs capitalised as property, plant and equipment.

D. The significant components of buildings include main plants and decorative accessories, and is/are depreciated over 50 and 5 years, respectively.

E. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8, pledged assets.

(7) Short-term borrowings

On December 31, 2023: No such transactions.

Type of borrowings	December 31, 2022	Collateral
Bank borrowings		
Unsecured borrowings	$ 90,000	None
Secured bank borrowings	10,000	SME credit insurance fund guarantee
Secured bank borrowings	20,000	Land, buildings and structures
	$ 120,000	
Interest rate range	2.19%~2.37%	

For collaterals of aforementioned bank borrowings, please refer to Note 8 for details.

(8) Short-term notes and bills payable

On December 31, 2023: No such transactions.

	December 31, 2022
Commecial papers	$ 30,000
Less:Unamortized discount	(34)
	$ 29,966
Interest rate range	2.44%

The aforementioned commercial paper payable was guaranteed by China Bills Finance Corporation.

(9) Other payables

	December 31, 2023	December 31, 2022
Rewards payable	$ 25,259	$ 30,492
Employees' compensation and directors' remuneration payable	10,620	26,316
Others	6,741	2,771
	$ 42,620	$ 59,579

(10) Bonds payable

	December 31, 2023	December 31, 2022
The first domestic secured corporate bonds	$ -	$ 400,000
The fifth domestic unsecured convertible bonds	465,000	588,300
The sixth domestic unsecured convertible bonds	131,500	
Less: Discount on bonds payable	(14,727)	(22,901)
	581,773	965,399
Less: current portion (shown as long-term liabilities, current portion)	-	(400,000)
	$ 581,773	$ 565,399

A. On November 25, 2020, the Company issued the first domestic secured corporate bonds at face value in the amount of $400,000 for the year ended December 31, 2020, the primary issuance terms were as follows:

(a) Total issuance amount: $400,000.

(b) Issuance price: Issued at par value of $1,000.

(c) Coupon rate: 0.57%.

(d) Terms of interest repayment: The bonds interest is calculated at simple rate once every year based on the coupon rate starting from the issuance date.

(e) Repayment term: The bonds are repaid in lump sum upon the maturity of the bonds.

(f) Issuance duration: 3 years (November 25, 2020 to November 25, 2023).

(g) Guarantee method: The joint guarantor was the second-tier subsidiary, Franbo Shipping S.A., and TAIWAN COOPERATIVE BANK performed guarantees for corporate bonds according to appointment contract.

(h) Trustee bank: Taipei Fubon Commercial Bank Co., Ltd. (The former JihSun International Commercial Bank Co., Ltd. merged with Taipei Fubon Commercial Bank Co., Ltd.)

(i) The company has repaid the par amount of the bonds on the maturity date using cash capital increase,issuance of new shares and the sixth domestic unsecured conversion of corporate bonds.

B. The terms of the fifth domestic unsecured convertible bonds issued by the Company are as follows:

(a) The Company issued $600,000, 0% the fifth domestic secured convertible bonds and issued at 101% of the face value, as approved by the regulatory authority. The bonds mature 3 years from the issue date (July 28, 2022 ~ July 28, 2025), and bondholders' convertible bonds will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on July 28, 2022.

(b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months (October 29, 2022) of the bonds issue to the maturity date (July 28, 2025), except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares. As of December 31, 2023, the bonds with a face value of $133,400 had been converted into 7,375 thousand common shares and were transferred to 'ordinary share' of $73,745.

(c) The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model specified in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the reset conversion price, the conversion price will not be adjusted; the conversion price on issuance was NT$19.99 per share. As of December 31, 2023, the conversion price of the convertible bonds was adjusted to NT$17.86.

(d) The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months (October 29, 2022) of the bonds issue to 40 days before the maturity date (June 18, 2025), or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months (October 29, 2022) of the bonds issue to 40 days before the maturity date (June 18, 2025).

(e) Under the terms of the bonds, all bonds redeemed, matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished. As of December 31, 2023, the bonds totaling $1,600 (face value) were repurchased and were retired by the Company from the Taipei Exchange.

(f) Regarding the issuance of the aforementioned convertible bonds, the equity conversion options amounting to $31,003 were separated from the liability component and were recognised in‘capital surplus—share options’ in accordance with IAS 32. As of December 31, 2023, after conversion, repurchase and writing off of corporate bonds, the balance of the aforementioned‘capital surplus - share options’ was $24,027. The call options embedded in bonds payable were separated from their host contracts and were recognised in ‘financial assets at fair value through profit or loss’ in net amount in accordance with IAS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rate of the bonds payable after such separation was 1.55%.

C. The terms of the sixth domestic unsecured convertible bonds issued by the Company are as follows:

(a) The Company issued $400,000, 0% the sixth domestic secured convertible bonds and issued at 100% of the face value, as approved by the regulatory authority. The bonds mature 3 years from the issue date (August 23, 2023 ~ August 23, 2026), and bondholders’ convertible bonds will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on August 23, 2023.

(b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months (November 24, 2023) of the bonds issue to the maturity date (August 23, 2026), except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares. As of December 31, 2023, the bonds with a face value of $268,500 had been converted into 16,472 thousand common shares and were transferred to ‘ordinary share’ of $164,724.

(c) The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model specified in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the reset conversion price, the conversion price will not be adjusted; the conversion price on issuance was NT$16.48 per share. As of December 31, 2023, the conversion price of the convertible bonds was adjusted to NT$16.30.

(d) The Company may repurchase all the bonds outstanding in cash at the bonds’ face value at any time after the following events occur: (i) the closing price of the Company’s common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months (November 24, 2023) of the bonds issue to 40 days before the maturity date (July 14, 2026), or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months (November 24, 2023) of the bonds issue to 40 days before the maturity date(July 14, 2026).

(e) Under the terms of the bonds, all bonds redeemed, matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

(f) Regarding the issuance of the aforementioned convertible bonds, the equity conversion options amounting to $8,552 were separated from the liability component and were recognised in‘capital surplus—share options’ in accordance with IAS 32. As of December 31, 2023, after conversion, repurchase and writing off of corporate bonds, the balance of the aforementioned‘capital surplus - share options’ was $2,812. The call options embedded in bonds payable were separated from their host contracts and were recognised in ‘financial assets at fair value through profit or loss’ in net amount in accordance with IAS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rate of the bonds payable after such separation was 1.05%.

(11) Long-term borrowings

On December 31, 2023: No such transactions.

Type of borrowings	Borrowing period and repayment term	Collateral	December 31, 2022
TAIWAN COOPERATIVE BANK			
Secured borrowings	Borrowing period is from January 2012 to January 2032; principal and interest is payable monthly.	Land, buildings and structures	$ 21,890
Less: Current portion			(2,190)
			$ 19,700
Interest rate range			2.33%

For collaterals of the aforementioned bank borrowings, please refer to Note 8 for details.

(12) Pensions

A. Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

B. The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2023 and 2022, were $1,843 and $1,698, respectively.

(13) Share-based payment

A. The Company’s share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (thousand shares)	Vesting conditions
Cash capital increase reserved for employee preemption	August 15, 2022	1,750 thousand shares	Vested immediately
Cash capital increase reserved for employee preemption	August 4, 2023	1,361 thousand shares	Vested immediately

The share-based payment arrangements above are settled by equity.

B. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (NTD)	Exercise price (NTD)	Expected price volatility (Note 1)	Expected option life	Expected dividends	Risk-free interest rate (Note 2)	Fair value per share (NTD)
Cash capital increase reserved for employee preemption	August 15, 2022	$ 21.4	$ 18.28	53.13% (Note 1)	28 days	$ -	0.81%	$ 3.29
Cash capital increase reserved for employee preemption	August 4, 2023	16.5	14.20	34.63 (Note 2)	60 days	-	1.02%	2.48

Note 1: Expected price volatility rate was estimated by using the average annualised volatility of return rate of the Company's stock price between August 15, 2021 and August 15, 2022.

Note 2: Expected price volatility rate was estimated by using the average annualised volatility of return rate of the Company's stock price between August 5, 2022 and August 4, 2023.

Note 3: Referred to Taiwan 1-Year government bond yield.

C. For the years ended December 31, 2023 and 2022, the Company had expenses due to share-based payments transactions in the amounts of $3,376 and $5,758, respectively.

(14) Share capital

A. As of December 31, 2023, the Company had authorised capital in the amount of $3,500,000 and paid-in capital in the amount of $2,924,827, which consisted of 292,483 thousand shares with a par value of NT$10. All proceeds from shares issued have been collected.

B. Movements in the number of the Company's ordinary shares outstanding are as follows: (Unit: thousand shares)

	2023	2022
At January 1	239,157	188,636
Cash capital increase	30,000	50,000
Conversion of convertible bonds (Note)	23,326	521
At December 31	292,483	239,157

Note: For the year ended December 31, 2023, the number of common stocks converted from convertible bonds was 23,326 thousand shares with a par value of $10 (in dollars) per share. As of December 31, 2023, the number of shares of which the registration has not yet been completed amounted to 22,452 thousand shares. On March 7, 2024, the Board of Directors resolved the effective date of conversion and issuance of new shares, and the related registration procedures are in progress. For the year ended December 31, 2022, the number of common stocks converted from convertible bonds was 521 thousand shares with a par value of $10 (in dollars) per share. As of December 31, 2022, the registration has not yet been completed. On March 3, 2023, the Board of Directors resolved the effective date of conversion and issuance of new shares, and the registration has been completed.

C. On March 4, 2022, the Board of Directors of the Company approved to increase cash capital, and the capital increase had been approved by the Financial Supervisory Commission. The effective date was set on September 1, 2022, and the Company increase by issuing 50,000 thousand new shares with a par value of NT$10, the acquisition price was $18.28 per share, and the total stock proceeds was $914,000 which had been collected in full amount. The registration of the capital increase had been completed. The capital increase generated premiums on issuance in the amount of $414,000, and the net premium amount was $419,715 after deducting necessary cost of increasing capital by issuing new shares and plus actual transference amount which was acquired by employees.

D. On May 4, 2023, the Board of Directors of the Company approved to increase cash capital which had been approved by the Financial Supervisory Commission. The effective date was set on Augest 14, 2023, and the Company increased capital by issuing 30,000 thousand new shares with a par value of NT$10, the acquisition price was NT$14.20 per share, and the total stock proceeds was $426,000 which had been collected in the full amount. The registration of the capital increase was completed. The capital increase generated premiums on issuance in the amount of $126,000, and the net premium amount was $128,376 after deducting necessary cost of increasing capital by issuing new shares and plus actual transference amount which was acquired by employees.

(15) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(16) Retained earnings

A. After annual settlement, the current year's earnings, if any, shall first be used to pay profit-seeking enterprise income tax and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve amount equals total capital amount. After that, special reserve shall be set aside or reversed in accordance with the related laws or the regulations made by the regulatory authority. The remainder along with the beginning undistributed earnings will be accumulated distributable earnings which shall be appropriated after being proposed by the Board of Directors and being resolved by the shareholders.

For the aforementioned appropriation of earnings, the Board of Directors may, upon special resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, distribute dividends and bonus, capital surplus or legal reserve, in whole or in part, in the form of cash, and reported to the shareholders. The above distribution is not subject to approval by the shareholders.

B. In order to continually expand the scale of operation, increase competitiveness as well as cooperate with the Company's long-term development, future capital requirements and long-term financial plan, the dividend policy is to distribute as stock dividend and as cash dividends. Cash dividends shall not be less than 10% of the total dividends distributed to shareholders. The appropriation of dividends and bonus were proportionately based on each shareholders' shareholding ratio, if the Company had no retained earnings, the Company could not appropriate dividends and bonus.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. On May 26, 2022, the shareholders of the Company resolved the appropriation of 2021 earnings, and the cash dividends was $150,909 (NT$0.8 per share).

E. On March 3, 2023, the Board of the Directors of the Company resolved the appropriation of 2022 earnings, and the cash dividends was $358,735 (NT$1.5 per share), which was reported to shareholders on June 1, 2023.

F. On March 7, 2024, the Board of Directors of the Company resolved the appropriation of 2023 earnings, and the cash dividends amounted to $148,786 (NT$0.5 per share).

(17) Operating revenue

	Year ended December 31	
	2023	2022
Revenue from contracts with customers	$ 131,335	$ 63,261

Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of services over time in the following major categories:

Year ended December 31, 2023	Transportation revenue	Vessels management revenue	Total
Revenue from external customer contracts	$ 2,041	$ 129,294	$ 131,335
Timing of revenue-over time	$ 2,041	$ 129,294	$ 131,335

Year ended December 31, 2022	Transportation revenue	Vessels management revenue	Total
Revenue from external customer contracts	$ -	$ 63,261	$ 63,261
Timing of revenue-over time	$ -	$ 63,261	$ 63,261

Note: Refer to Note 7 for related information.

(18) Other gains and losses

	Year ended December 31	
	2023	2022
Foreign exchange gains, net	($ 4,734)	$ 10,408
Net gains (losses) on financial assets at fair value through profit or loss	1,398	(2,754)
Gain on bond redemption	-	110
Others	(1)	(1,189)
	($ 3,337)	$ 6,575

(19) Finance costs

	Year ended December 31	
	2023	2022
Interest expense:		
Bank borrowings	$ 1,940	$ 3,083
Bonds payable	12,146	6,041
Short-term notes and bills payable	312	259
	$ 14,398	$ 9,383

(20) Expenses by nature

	Year ended December 31	
	2023	2022
Employee benefit expense	$ 65,799	$ 99,632
Depreciation charges on property, plant and equipment	2,482	2,736
Other expenses	38,010	25,570
Total operating costs and operating expenses	$ 106,291	$ 127,938

(21) Employee benefit expense

	Year ended December 31	
	2023	2022
Wages and salaries	$ 54,319	$ 86,996
Share-based payment	3,376	5,758
Labour and health insurance fees	4,298	3,592
Pension costs	1,843	1,698
Other personnel expenses	1,963	1,588
	$ 65,799	$ 99,632

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 1% for employees' compensation and shall not be higher than 5% for directors' remuneration.

B. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at $5,310 and $13,158, respectively; while directors' remuneration was accrued at $5,310 and $13,158, respectively. The aforementioned amounts were recognised in salary expenses and other expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on certain percentages of distributable profit of current year as of the end of reporting period.

Employees' compensation amounting to $13,158 and directors' remuneration amounting to $13,158 of 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2022 financial statements, Additionally, employees' remuneration for the previous year has not yet been fully distributed.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(22) Income tax

A. Income tax expense

Components of income tax expense:

	Year ended December 31	
	2023	2022
Current tax:		
Current tax on profits for the year	$ 28,166	$ -
Tax on undistributed earnings	52,824	5,893
Total current tax	80,990	5,893
Deferred tax:		
Origination and reversal of temporary differences	13,639	2,811
Income tax expense	$ 94,629	$ 8,704

B. Reconciliation between income tax expense and accounting profit:

	Year ended December 31	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate	$ 103,806	$ 257,723
Effects from items adjusted in accordance with tax regulation	6,975	7,432
Tax on undistributed surplus earnings	52,824	5,893
Temporary difference not recognised as deferred tax assets	-	(12,556)
Temporary difference not recognised as deferred tax liabilities	(59,037)	(257,619)
Change in assessment of realisation of deferred tax assets	(9,939)	2,346
Taxable loss not recognised as deferred tax assets	-	5,485
Income tax expense	$ 94,629	$ 8,704

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	2023		
	January 1	Recognised in profit or loss	December 31
Deferred income tax assets			
Temporary differences:			
Exchange losses	$ -	$ 664	$ 664
Tax losses	14,764	(14,764)	-
	$ 14,764	($ 14,100)	$ 664
Deferred income tax liabilities			
Temporary differences:			
Exchange gains	($ 461)	$ 461	$ -

	2022		
	January 1	Recognised in profit or loss	December 31
Deferred income tax assets			
Temporary differences:			
Exchange losses	$ 4	($ 4)	$ -
Tax losses	17,110	(2,346)	14,764
	$ 17,114	($ 2,350)	$ 14,764
Deferred income tax liabilities			
Temporary differences:			
Exchange gains	$ -	($ 461)	($ 461)

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

On December 31, 2023: No such transactions.

December 31, 2022						
Year incurred	Amount assessed/filed	Amount	Used amount	Unused amount	Unrecognised deferred tax assets	Expiry year
2013	Amount assessed	$ 16,063	$ -	$ 16,063	$ -	2023
2014	Amount assessed	35,774	-	35,774	-	2024
2015	Amount assessed	15,177	-	15,177	-	2025
2020	Amount assessed	6,810	-	6,810	-	2029
2021	Amount filed	22,655	-	22,655	22,655	2030
2022	Amount expected to be filed	27,425	-	27,425	27,425	2031
		$ 123,904	$ -	$ 123,904	$ 50,080	

E. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2023	December 31, 2022
Deductible temporary differences	$ -	$ 126,513

F. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2023 and 2022, the amounts of temporary difference unrecognised as deferred tax liabilities were $2,344,676 and $2,049,490, respectively.

G. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority. As of the reporting date, the Company had no significant and pending tax administrative remedies.

H. The Controlled Foreign Company (CFC) system came into effect on January 1, 2023. The Company recognises investment income related to the CFC and accrued income tax in accordance with the relevant regulations.

(23) Earnings per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to the parent	$ 424,402	250,992	$ 1.69
Diluted earnings per share			
Profit attributable to the parent	$ 424,402	250,992	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	10,651	34,103	
Employees' compensation	-	377	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 435,053	285,472	$ 1.52

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to the parent	$ 1,279,911	205,356	$ 6.23
Diluted earnings per share			
Profit attributable to the parent	$ 1,279,911	205,356	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	4,243	12,967	
Employees' compensation	-	728	
Profit attributable to ordinary shareholders of the Company plus assumed conversion of all dilutive potential ordinary shares	$ 1,284,154	219,051	$ 5.86

(24) Supplemental cash flow information

Financing activities with no cash flow effects:

	Year ended December 31	
	2023	2022
Non-current financial assets at amortised cost transferred to current financial assets at amortised cost	$ -	$ 88,752
Bonds payable, current portion	$ -	$ 400,000
Long-term borrowings, current portion	$ -	$ 2,190
Convertible bonds converted to share capital and capital surplus	$ 380,967	$ 9,690

(25) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Bonds payable	Liabilities from financing activities-gross
January 1, 2023	$ 120,000	$ 29,966	$ 21,890	$ 965,399	$ 1,137,255
Changes in cash flow from financing activities	(120,000)	(30,000)	(21,890)	(4,057)	(175,947)
Changes in non-financing cash flows	-	-	-	(8,232)	(8,232)
Other non-cash changes	-	34	-	(371,337)	(371,303)
December 31, 2023	$ -	$ -	$ -	$ 581,773	$ 581,773

	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Bonds payable	Liabilities from financing activities-gross
January 1, 2022	$ 10,000	$ -	$ 24,043	$ 400,000	$ 434,043
Changes in cash flow from financing activities	110,000	30,000	(2,153)	600,881	738,728
Changes in non-financing cash flows	-	-	-	(29,503)	(29,503)
Other non-cash changes	-	(34)	-	(5,979)	(6,013)
December 31, 2022	$ 120,000	$ 29,966	$ 21,890	$ 965,399	$ 1,137,255

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
New Lucky Lines S.A. (collectively referred to herein as the "NL")	The Company's subsidiary
FWF Shipping Ltd. (collectively referred to herein as the "FWF")	The Company's subsidiary
Uni-Morality Lines Ltd. (collectively referred to herein as the "Uni-Morality")	The Company's subsidiary
BCTS Capital Inc.	The Company's subsidiary
Franbo Asset Management Co., Ltd. (collectively referred to herein as the "Franbo Asset Management")	The Company's subsidiary
Franbo Shipping S.A. (collectively referred to herein as the "Shipping")	The Company's second tier-subsidiary (Note 1)
Franbo Transportation S.A.	The Company's second tier-subsidiary (Note 1)
Franbo Charity S.A.	The Company's second tier-subsidiary (Note 1)
TW Hornbill Line S.A. (collectively referred to herein as the "Hornbill")	The Company's second tier-subsidiary (Note 1)
Franbo Logos S.A. (collectively referred to herein as the "Logos")	The Company's second tier-subsidiary (Note 1)
Franbo Logic S.A. (collectively referred to herein as the "Logic")	The Company's second tier-subsidiary (Note 1)
Franbo Lohas S.A. (collectively referred to herein as the "Lohas")	The Company's second tier-subsidiary (Note 1)
Prevalent Creation Corp.	The Company's second tier-subsidiary (Note 1)
Franbo Sagacity S.A.	The Company's second tier-subsidiary (Note 1)
Franbo Way Ltd. (collectively referred to herein as the "Way")	The Company's second tier-subsidiary (Note 1)
Franbo Uprightness Corp. (collectively referred to herein as the "Uprightness")	The Company's second tier-subsidiary (Note 1)
Franbo Sino Ltd.	The Company's second tier-subsidiary (Note 1)
Franbo Ocean Ltd. (collectively referred to herein as the "Ocean")	The Company's second tier-subsidiary (Note 1)

Names of related parties	Relationship with the Company
Franbo Legion Ltd. (collectively referred to herein as the "Legion")	The Company's second tier-subsidiary (Note 1)
FB Pioneer Ltd.	The Company's second tier-subsidiary (Note 1)
FB Navigation Ltd.	The Company's second tier-subsidiary (Note 1)
Franbo Legacy Ltd. (collectively referred to herein as the "Legacy")	The Company's second tier-subsidiary (Note 1)
Franbo Bright Ltd.	The Company's second tier-subsidiary (Note 1)
Franbo Ace Ltd. (collectively referred to herein as the "Ace")	The Company's second tier-subsidiary (Note 1)
Franbo Cosmos Ltd. (collectively referred to herein as the "Cosmos")	The Company's second tier-subsidiary (Note 1)
Franbo Art Ltd. (collectively referred to herein as the "Art")	The Company's second tier-subsidiary (Note 1)
Franbo Century Ltd. (collectively referred to herein as the "Century")	The Company's second tier-subsidiary (Note 1)
Franbo Brave Ltd. (collectively referred to herein as the "Brave")	The Company's second tier-subsidiary (Note 1)
Franbo Bravo Ltd. (collectively referred to herein as the "Bravo")	The Company's second tier-subsidiary (Note 1)
Franbo Justice Line Ltd.	The Company's second tier-subsidiary (Note 2)
Dexin Shipping S.A.	The Company's second tier-subsidiary (Note 3)
Due Feng Shipping Co., Ltd. (Note 4)	Investments accounted for using equity method of the Company's subsidiary
BCI Loyalty Inc.	Investments accounted for using equity method of the Company's subsidiary
Franbo Courage S.A.	Investments accounted for using equity method of the Company's subsidiary
Franbo Propriety Building Development Co., Ltd.	The Company's second tier-subsidiary (Note 5)
	The Company's second tier-subsidiary (Note 6)
Franbo Justice Building Development Co., Ltd.	The Company's second tier-subsidiary (Note 7)
TSAI,PANG-CHUAN、TSAI,CHING-CHUNG、LO,CHUN-YU、SHEN,I-WEN、TAI,CHIH-TSUNG、WU,TIEN-MING、LIU,JUNG-CHIN (Note 8)	Directors

Note 1: The Company reinvested in New Lucky Lines S.A. and indirectly held 100% equity interest in this company.

Note 2: The Company reinvested in FWF Shipping Ltd., and indirectly held 100% equity interest in this company.

Note 3: The Company reinvested in Uni-Morality Lines Ltd. and indirectly held 100% equity interest in this company.

Note 4: The company was declared to be dissolved on September 15, 2023.

Note 5: It was the Company's second-tier subsidiary which was established in April 2022, and the Company had completed the investment of capital in this company in April 2022.

Note 6: It was the Company's second-tier subsidiary which was established in July 2022, and the Company had completed the investment of capital in this company in July 2022.

Note 7: It was the Company's second-tier subsidiary which was established in May 2023, and the Company had completed the investment of capital in this company in May 2023.

Note 8: Since the term of office of the company's directors expired on June 1, 2023, and the general re-election, he is no longer a related person of the company.

(2) Significant related party transactions

A. Operating revenue

(a) ISM vessels management revenue

	Year ended December 31	
	2023	2022
Logos	$ 13,341	$ 5,380
Logic	13,341	5,380
Lohas	13,341	5,380
Legion	13,341	5,380
Bright	12,884	4,304
Ace	12,709	-
Art	12,161	-
Legacy	5,603	5,380
	96,721	31,204
Other subsidiaries	18,447	16,784
Associates	672	696
	$ 115,840	$ 48,684

The Company signed the vessels management revenue with aforementioned related parties and provided assistance in relation of shipping agent.

(b) Vessels operation escrow revenue

	Year ended December 31	
	2023	2022
Bright	$ 1,834	$ 1,761
Logos	1,805	1,737
Logic	1,805	1,734
Lohas	1,805	1,734
Legion	1,805	1,734
Ace	1,758	-
Art	1,587	-
Way	-	1,737
Legacy	-	1,460
Uprightness	-	1,357
Hornbill	-	1,150
	12,399	14,404
Other subsidiaries	1,055	-
	$ 13,454	$ 14,404

The Company signed vessels operation escrow agreement with aforementioned related parties, respectively, and provided services in relation to vessels operation escrow, and the Company charged vessels operation escrow revenue according to the registered tonnage of vessel.

B. Receivables from related parties

	December 31, 2023	December 31, 2022
Accounts receivable:		
Ace	$ 2,053	$ -
Art	2,053	-
Cosmos	2,050	-
Century	1,879	-
Logos	1,981	906
Logic	1,981	906
Lohas	1,981	906
Legion	1,981	906
Bright	1,988	821
Legacy	-	634
Way	-	548
	17,947	5,627
Other subsidiaries	1,049	515
Associates	56	56
	$ 19,052	$ 6,198

C. Loans

	December 31, 2023	December 31, 2022
(a) Loans from related parties:		
Other receivables		
Franbo Asset Management	$ 158,000	$ -
Franbo Propriety Building Development	108,000	-
	$ 266,000	$ -

	December 31, 2023	December 31, 2022
(b) Borrowings from related parties:		
Other receivables		
NL	$ 73,704	$ 318,468
FWF	5,221	-
Uni-Morality	110,556	110,556
	$ 78,925	$ 429,024

D. Endorsements and guarantees

(a) The amount endorsed/guaranteed by the Company for related party is as follows:

	December 31, 2023	December 31, 2022
Brave	$ 576,642	$ 576,642
Bravo	576,642	576,642
Cosmos	569,671	569,671
Ace	529,748	552,780
Art	529,748	552,780
Century	552,780	552,780
Lohas	-	143,723
	3,335,231	3,525,018
Other subsidiaries	577,962	995,618
	$ 3,913,193	$ 4,520,636

Note 1: The exchange rates of United States dollars were translated into New Taiwan dollars at the rates of 30.71 on the reporting dates for the years ended December 31, 2023 and 2022.

Note 2: Aforementioned amounts endorsed/guaranteed by the Company for related party were actual facilities on the endorsement and guarantees contracts which were signed by the Company and banks.

Note 3: As of December 31, 2023 and 2022, the actual amounts drawn from the endorsements and guarantees for subsidiaries by the Company were $3,360,413 and $3,967,856, respectively.

(b) Endorsements and guarantees provided by related parties to the Company

	December 31, 2023	December 31, 2022
TSAI,PANG-CHUAN	$ 829,900	$ 709,000
TSAI,CHING-CHUNG	829,900	709,000
	$ 1,659,800	$ 1,418,000

(c) To obtain the facilities in relation to the first domestic secured corporate bonds, the Company had the second-tier subsidiary, Franbo Shipping S.A., to be the guarantor according to the requirement of the bank's loan terms, and the endorsed and guaranteed amount was $407,200. The potential losses of the exceeding the endorsement/guarantee were jointly guaranteed and signed by directors. The aforementioned guarantees have been cancelled due to the repayment of corporate bonds at maturity. Refer to Note 6(10) A. for details of the repayment of corporate bonds at maturity.

E. For the years ended December 31, 2023 and 2022, please refer to Note 6(5) for details of the Company's capital increase in the wholly owned subsidiaries, NL company and Franbo Asset Management Co., Ltd..

F. In June 2022, the Company exercised to directors for the disgorgement of short-swing profits of $166 which was shown as capital surplus in accordance with Securities and Exchange Act Article 157 regarding to regulations of short-swing trading.

(3) Key management compensation

	Year ended December 31	
	2023	2022
Salaries and other short-term employee benefits	$ 34,364	$ 26,463
Post-employment benefits	278	262
	$ 34,642	$ 26,725

8. Pledged Assets

Assets	December 31, 2023	December 31, 2022	Purpose
Land	$ 19,247	$ 19,247	Short-term borrowings and long-term borrowings
Buildings and structures, net	26,809	27,540	Short-term borrowings and long-term borrowings
Restricted assets - demand deposits (Note)	-	88,752	Bonds payable and
Guarantee deposits paid (shown as "other non-current assets, others")	600	600	Guarantees for Maritime Port Bureau
	$ 46,656	$ 136,139	

Note: Restricted assets on December 31, 2023 and 2022- current deposits are listed in " Current financial assets at amortised cost " and " Non-current financial assets at amortised cost "

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) On May 31, 2023, the Company's second-tier subsidiary, Franbo Ace Ltd., signed a credit facility agreement with Mega International Commercial Bank. The total amount of credit agreement was USD 17,250 thousand, the credit term was 7 years, and the Company and the related parties, TSAI,PANG-CHUAN and TSAI,CHING-CHUNG, were joint guarantors and should keep the commitments which were recorded on the credit agreements, the commitments were as follows:

Based on the consolidated financial statements which were annually attested by auditors of the joint guarantor of a juridical person, Franbo Lines Corporation, and the second quarter consolidated financial statements which were annually reviewed by auditors as the calculation basis and would be verified once a half-year. The interest coverage ratio could not be lower than three times (earnings before interest and taxes + interest expenses + depreciations and amortisations/ interest expenses). The net tangible assets value (net assets reduce intangible assets): Not be lower than NT$1 billion. If any of the abovementioned financial ratios cannot be met, they should be improved through a cash capital increase or other methods. Additionally, a lump sum compensation fee of 0.15% of the outstanding balance as of the date of inspection should be paid to the bank.

(2) On May 31, 2023, the Company's second-tier subsidiary, Franbo Art Ltd., signed a credit facility agreement with Mega International Commercial Bank. The total amount of credit agreement was USD 17,250 thousand, the credit term was 7 years, and the Company and the related parties, TSAI,PANG-CHUAN and TSAI,CHING-CHUNG, were joint guarantors and should keep the commitments which were recorded on the credit agreements, the commitments were as follows:

A. Based on the consolidated financial statements which were annually attested by auditors of the joint guarantor of a juridical person, Franbo Lines Corporation, and the second quarter consolidated financial statements which were annually reviewed by auditors as the calculation basis and would be verified once a half-year. The interest coverage ratio could not be lower than three times (earnings before interest and taxes + interest expenses + depreciations and amortisations/ interest expenses). The net tangible assets value (net assets reduce intangible assets): Not be lower than NT$1 billion. If any of the abovementioned financial ratios cannot be met, they should be improved through a cash capital increase or other methods. Additionally, a lump sum compensation fee of 0.15% of the outstanding balance as of the date of inspection should be paid to the bank.

B. From the date of the first withdrawal, the collateral, vessels, should be appraised at least once a year by the appraisal company which was admitted by this bank, and the original of appraisal report should be provided to this bank.

C. Since 2023, LTV ratio is reviewed annually, if the LTV ratio exceeds 70%, the borrower should repay the certain excess amount of the borrowings or provide collateral approved by the bank to cover the excess borrowings.

D. In the duration of the borrowings, directly or indirectly held equity interests in Franbo Art Ltd. by the joint guarantor of a juridical person, Franbo Lines Corporation, should not be lower than 100%. and its operational control over Franbo Art Ltd should not be changed.

(3) On June 28, 2023, the Company's second-tier subsidiary, Franbo Art Ltd., signed a credit facility agreement with E.SUN BANK. The total amount of credit agreement was USD 17,800 thousand, the credit term was 7 years, and the Company and the related parties, TSAI,PANG-CHUAN and TSAI,CHING-CHUNG, were joint guarantors and should keep the commitments which were recorded on the credit agreements, the commitments were as follows:

A. From the date of the first withdrawal, the collateral, vessels, should be appraised at least once a year by the appraisal company which was admitted by this bank, and the original of appraisal report should be provided to this bank.

B. Since 2023, the LTV ratio is reviewed annually. If the LTV ratio exceeds 80%, the borrower should repay the certain excess amount of the borrowings or provide collateral approved by the bank to restore the LTV ratio to 60%.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

A. The distribution of 2023 earnings and the effective date of the conversion and issuance of the fifth unsecured convertible bonds were resolved by the Company's Board of Directors on March 7, 2024. Refer to Notes 6(14) and 6(16) for more details.

B. On March 7, 2024, the Company passed the resolution of the Board of Directors and planned to convert US$170,000 debts into capital to increase the capital of its 100% owned subsidiary Franbo Asset Management Co., Ltd.

C. On March 7, 2024, the Company passed the resolution of the Board of Directors that its subsidiary Franbo Asset Management Co., Ltd. planned to increase its 100% owned sub-subsidiary Franbo Propriety Building Development Co., Ltd. with US$110,000 in cash.

D. On March 7, 2024, the Company passed the resolution of the Board of Directors that its subsidiary New Lucky Lines SA planned to convert a debt of US$3,500,000 into a 100% capital increase in its subsidiary company Franbo Bright Limited.

E. On March 7, 2024, the Company passed the resolution of the Board of Directors that the subsidiary New Lucky Lines SA plans to establish a joint venture with the Group's existing charterers to operate two shipping companies. The share capital of each company is expected to not exceed US$32,000. The subsidiary New Lucky Lines SA is expected to hold 70% of the shares and authorize the chairman to handle follow-up matters.

12. Others

(1) Capital management

The Company's capital management objective was to secure the ability of going-concern in order to return to the shareholders and maintain optimal capital structure. Because the Company should maintain or adjust the capital structure, the Company's objectives when managing capital are to secure necessary financial resources and operating plans to meet the needs of operating funds for the next 12 months, capital expenditure, debt repayment and dividend payment.

For the year ended December 31, 2023, the Company's strategy was the same as that in 2022 and was dedicated to maintaining a stable debt to assets ratio. The Company's debt to assets ratios were as follows:

	December 31, 2023	December 31, 2022
Total liabilities	$ 894,476	$ 1,631,828
Total assets	$ 7,097,256	$ 6,968,653
Debt to assets ratio	13%	23%

(2) Financial instruments

A. Financial instruments by category

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 7,778	$ 7,816
Financial assets at amortised cost/Loans and receivables		
Cash and cash equivalents	31,541	217,115
Accounts receivable due from related parties	19,052	6,198
Other receivables due from related parties	266,000	-
Guarantee deposits paid (Note 1)	600	600
Other financial assets (Note 2)	-	242,302
	$ 324,971	$ 474,031

	December 31, 2023	December 31, 2022
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ -	$ 120,000
Short-term notes and bills payable	-	29,966
Other payables (including related parties)	232,101	488,598
Corporate bonds payable (including current portion)	581,773	965,399
Long-term borrowings (including current portion)	-	21,890
	$ 813,874	$ 1,625,853

Note 1: Shown as "other non-current assets - others".

Note 2: Shown as "current financial assets at amortised cost" and "non-current financial assets at amortised cost".

B. Financial risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

i. The Company operates internationally and is exposed to exchange rate risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

ii. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

(Foreign currency: functional currency)	December 31, 2023 Foreign currency amount (In thousands)	Exchange rate	Carrying amount (New Taiwan dollar)
Financial assets			
Monetary items			
USD:NTD	$ 641	30.71	$ 19,685
Non-monetary items			
USD:NTD (Note)	204,929	30.71	6,293,373
Financial liabilities			
Monetary items			
USD:NTD	6,171	30.71	189,511

Note: Investments accounted for using equity method.

(Foreign currency: functional currency)	December 31, 2022 Foreign currency amount (In thousands)	Exchange rate	Carrying amount (New Taiwan dollar)
Financial assets			
Monetary items			
USD:NTD	$ 10,570	30.71	$ 324,605
Non-monetary items			
USD:NTD (Note)	199,487	30.71	6,126,232
Financial liabilities			
Monetary items			
USD:NTD	13,971	30.71	429,049

Note: Investments accounted for using equity method.

iii. Total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2023 and 2022, amounted to ($4,734) and $10,408, respectively.

iv. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2023		
	Sensitivity analysis		
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 197	$ -
Non-monetary items			
USD:NTD	1%	-	62,934
Financial liabilities			
Monetary items			
USD:NTD	1%	1,895	-

	Year ended December 31, 2022		
	Sensitivity analysis		
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 3,246	$ -
Non-monetary items			
USD:NTD	1%	-	61,262
Financial liabilities			
Monetary items			
USD:NTD	1%	4,290	-

Price risk

i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

ii. The Company's investments in equity securities comprise domestic beneficiary certificates of equity instruments and foreign corporate bonds. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $68 and $69, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss.

Cash flow and fair value interest rate risk

i. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 2023 and 2022, the Company's borrowings at variable rate were mainly denominated in New Taiwan dollars and US Dollars.

ii. The Company's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

iii. If the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the years ended December 31, 2023 and 2022 would have increased/decreased by $0 and $44, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at fair value through profit or loss.

ii. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and service terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.

iii. The Company adopts following assumptions under IFRS 9, if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

v. The Company classifies customer's accounts receivable, contract assets and rents receivable in accordance with geographic area, credit rating of customer, credit risk on trade and customer types. The Company applies the modified approach based on the loss rate methodology to estimate the expected credit loss.

vi. The Company used the forecastability of adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2023 and 2022, the loss rate methodology is as follows:

	Expected loss rate		
December 31, 2023	Up to 30 days past due	31 days to 90 days past due	Over 90 days past due
	0.24%	0.49%~0.73%	100%
	Expected loss rate		
December 31, 2022	Not past due	31 days to 90 days past due	Over 90 days past due
	0.22%	0.44%~0.65%	100%

vii. The beginning and ending balances for the years ended December 31, 2023 and 2022 of the Company's application of the modified approach on loss allowance for accounts receivable were all $0. For the years ended December 31, 2023 and 2022, the Company had no impairment loss or benefit of receivables which were generated contracting with customers.

(c) Liquidity risk

i. The objectives for managing liquidity risk are maintaining cash and deposits needed for operations and adequate borrowing credits to ensure the Company is financially flexible.

ii. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity and undiscounted amount groups and aggregately listed the Company's financial liabilities which were contracted the repayment period:

	December 31, 2023		
	Within 1 year	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities:			
Short-term borrowings	$ -	$ -	$ -
Other payables to related parties	232,101	-	-
Long-term borrowings (including current portion)	-	465,000	131,500
		-	-
Bonds payable (including current portion)	-	-	-

	December 31, 2022		
	Within 1 year	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities:			
Short-term borrowings	$ 121,221	$ -	$ -
Other payables to related parties	488,598	-	-
Long-term borrowings (including current portion)	2,676	2,676	18,593
Bonds payable (including current portion)	402,090	-	588,300

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in beneficiary certificates is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value:

(a) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, accounts receivable (including related parties), other receivables (including related parties), financial assets at amortised cost, guarantee deposits paid (shown as "other non-current assets, others"), short-term borrowings, other payables (including related parties), long-term borrowings (including current portion), guarantee deposits received are approximate to their fair values.

	December 31, 2023			
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	$ 581,773	$ -	$ -	$ 581,822

	December 31, 2022			
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	$ 965,399	$ -	$ -	$ 966,651

(b) The methods and assumptions of fair value estimate are as follows:

Bonds payable: They are measured at present value, which is calculated based on the cash flow expected to be paid and discounted using a market rate prevailing at balance sheet date.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is are as follows:

(a) The related information of natures of the assets and liabilities is as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ 5,291	$ -	$ -	$ 5,291
Foreign corporate bond	1,480	-	-	1,480
Option to convert embedded	1,007	-	-	1,007
corporate bonds	-	-	397	397
Total	$ 7,778	$ -	$ 397	$ 8,175

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ 6,920	$ -	$ -	$ 6,920
Foreign corporate bond	896	-	-	896
Option to convert embedded corporate bonds	-	-	880	880
Total	$ 7,816	$ -	$ 880	$ 8,696

(b) The methods and assumptions the Company used to measure fair value are as follows:

i. The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Open-end fund	Corporate bond
Market quoted price	Net asset value	Referable redemption price

ii. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Company must make reasonable estimates based on its assumptions.

iii. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

D. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3 for the year ended December 31, 2023 and 2022:

	2023	2022
	Derivative instruments	Derivative instrume
January 1	$ 880	$
Issued in the period	320	1,5
Gains and losses recognised in profit or loss (Note)	(377)	(6
Conversion or repurchase in the period	(426)	(
December 31	$ 397	$ 8

Note: Accounted as other gains and losses.

F. Except for the content described in the list E, there was no transfer into or out from Level 3 for the years ended December 31, 2023 and 2022.

G. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

Hybrid instrument:	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Convertible bonds	$ 397	The Binomial-Tree approach to convertible bonds	Stock price volatility	27.46%~46.75%	The higher the price volatility , the higher the fair value

Hybrid instrument:	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Convertible bonds	$ 880	The Binomial-Tree approach to convertible bonds	Stock price volatility	46.94%~51.35%	The higher the price volatility , the higher the fair value

I. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Derivative instruments	Stock price volatility	±5%	$ 60	($ 20)	$ -	$ -
Derivative instruments	Stock price volatility	±5%	$ 100	($ 70)	$ -	$ -

			December 31, 2022			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Derivative instruments	Stock price volatility	±5%	$ 40	($ 40)	$ -	$ -

13. Supplementary Disclosures

(1) Significant transactions information

According to the current regulatory requirements, the Company is only required to disclose the information for the year ended December 31, 2023, the required disclosure information of each investee was prepared according to the 2023 financial statements which were attested by auditors and was disclosed according to each consolidated entities, and the consolidated write-offs and adjustment would not be included into consideration.

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: Please refer to table 4.

E. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 5.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to 6(2)、12(3).

J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 7.

(3) Information on investments in Mainland China

A. Basic information: None.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Major shareholders information: Please refer to table 8.

14. Segment Information

Not applicable.

FRANBO LINES CORPORATION

Loans to others

Year ended December 31, 2023

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2023	Balance at December 31, 2023	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for Creditor Counterparty doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
0	Franbo Lines Corporation	Franbo Asset Management Co., Ltd.	Other receivables due from related parties	Y	$ 200,000	$ 200,000	$ 158,000	-	Short-term financing	$ -	Operating turnover	$ -	None	-	$ 620,278	$ 1,240,556	Note 1 ~ 3
0	Franbo Lines Corporation	FB Propriety Real Estate Development Co., Ltd.	Other receivables due from related parties	Y	200,000	200,000	108,000	-	Short-term financing	-	Operating turnover	-	None	-	620,278	1,240,556	Note 1 ~ 3
1	New Lucky Lines S.A.	Franbo Lines Corporation	Other receivables due from related parties	Y	583,490	153,550	73,704	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	Franbo Logos S.A.	Other receivables due from related parties	Y	36,710	-	-	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	FB Pioneer Ltd.	Other receivables due from related parties	Y	61,420	61,420	19,962	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
	New Lucky Lines S.A.	FB Navigation Ltd.	Other receivables due from related parties	Y	61,420	61,420	5,528	-	Short-term financing				None		1,699,475	5,664,919	
1	New Lucky Lines S.A.	Franbo Logion S.A.	Other receivables due from related parties	Y	138,195	138,195	16,891	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	Franbo Ocean Ltd.	Other receivables due from related parties	Y	337,810	276,300	241,688	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	Franbo Bright Ltd.	Other receivables due from related parties	Y	214,970	214,970	170,748	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	Franbo Ace Ltd.	Other receivables due from related parties	Y	122,840	92,130	-	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	Franbo Art Ltd.	Other receivables due from related parties	Y	122,840	92,130	-	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	Franbo Cosmos Ltd.	Other receivables due from related parties	Y	30,710	-	-	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	Franbo Century Ltd.	Other receivables due from related parties	Y	583,490	552,780	513,164	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	Franbo Brave Ltd.	Other receivables due from related parties	Y	61,420	30,710	-	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	Franbo Bravo Ltd.	Other receivables due from related parties	Y	61,420	30,710	3,378	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	Franbo Legacy Ltd.	Other receivables due from related parties	Y	30,710	30,710	-	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	Franbo Lohas Ltd.	Other receivables due from related parties	Y	61,420	61,420	49,443	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	Franbo Wind S.A.	Other receivables due from related parties	Y	153,550	153,550	18,426	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
1	New Lucky Lines S.A.	Franbo Shipping S.A.	Other receivables due from related parties	Y	61,420	61,420	-	-	Short-term financing	-	Operating turnover	-	None	-	1,699,475	5,664,919	Note 1 ~ 4
2	Uni-Morality Lines Ltd.	Franbo Lines Corporation	Other receivables due from related parties	Y	170,133	110,556	110,556	-	Short-term financing	-	Operating turnover	-	None	-	111,245	111,245	Note 1 ~ 4

FRANBO LINES CORPORATION

Loans to others

Year ended December 31, 2023

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2023	Balance at December 31, 2023	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for Creditor Counterparty doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
3	FWF Shipping Limited.	New Lucky Lines S.A.	Other receivables due from related parties	Y	217,120	214,970	55,094	-	Short-term financing	-	Operating turnover	-	None	-	446,663	446,663	Note 1 ~ 4
3	FWF Shipping Limited.	Franbo Lines Corporation	Other receivables due from related parties	Y	30,710	30,710	5,221	-	Short-term financing	-	Operating turnover	-	None	-	446,663	446,663	Note 1 ~ 4
4	Franbo Shipping S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	122,840	122,840	74,011	-	Short-term financing	-	Operating turnover	-	None	-	149,740	149,740	Note 1 ~ 4
5	Franbo Transportation S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	153,550	122,840	94,280	-	Short-term financing	-	Operating turnover	-	None	-	165,731	165,731	Note 1 ~ 4
6	TW Hornbill Lind S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	239,538	178,118	196,871	-	Short-term financing	-	Operating turnover	-	None	-	106,833	106,833	Note 1 ~ 4
7	Franbo Logos S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	61,420	30,710	3,685	-	Short-term financing	-	Operating turnover	-	None	-	412,181	412,181	Note 1 ~ 4
8	Franbo Logic S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	92,130	92,130	65,412	-	Short-term financing	-	Operating turnover	-	None	-	474,211	474,211	Note 1 ~ 4
9	Franbo Lohas S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	184,260	61,420	-	-	Short-term financing	-	Operating turnover	-	None	-	357,459	357,459	Note 1 ~ 4
10	Franbo Sagacity S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	116,698	76,775	23,647	-	Short-term financing	-	Operating turnover	-	None	-	71,612	71,612	Note 1 ~ 4
11	Franbo Way Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	276,390	122,840	94,280	-	Short-term financing	-	Operating turnover	-	None	-	348,598	348,598	Note 1 ~ 4
12	Franbo Uprightness Corp.	New Lucky Lines S.A.	Other receivables due from related parties	Y	546,638	-	-	-	Short-term financing	-	Operating turnover	-	None	-	-	-	Note 1 ~ 4
13	Franbo Sino Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	190,402	-	-	-	Short-term financing	-	Operating turnover	-	None	-	-	-	Note 1 ~ 4
14	Franbo Ocean Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	61,420	61,420	-	-	Short-term financing	-	Operating turnover	-	None	-	248,201	248,201	Note 1 ~ 4
15	FB Pioneer Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	46,065	30,710	-	-	Short-term financing	-	Operating turnover	-	None	-	53,328	53,328	Note 1 ~ 4
16	FB Navigation Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	46,065	30,710	-	-	Short-term financing	-	Operating turnover	-	None	-	62,847	62,847	Note 1 ~ 4
17	Franbo Legacy Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	276,390	153,550	8,906	-	Short-term financing	-	Operating turnover	-	None	-	249,352	249,352	Note 1 ~ 4
18	Franbo Ace Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	61,420	61,420	25,796	-	Short-term financing	-	Operating turnover	-	None	-	395,177	395,177	Note 1 ~ 4
19	Franbo Art Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	61,420	61,420	14,434	-	Short-term financing	-	Operating turnover	-	None	-	370,471	370,471	Note 1 ~ 4
20	Franbo Cosoms Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	182,260	182,260	105,642	-	Short-term financing	-	Operating turnover	-	None	-	486,167	486,167	Note 1 ~ 4

FRANBO LINES CORPORATION

Loans to others

Year ended December 31, 2023

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2023	Balance at December 31, 2023	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for Creditor Counterparty doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
21	Franbo Brave Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	61,420	61,420	33,167	-	Short-term financing	-	Operating turnover	-	None	-	240,930	240,930	Note 1 ~ 4
22	BCTS Capital Inc.	New Lucky Lines S.A.	Other receivables due from related parties	Y	61,420	61,420	44,837	-	Short-term financing	-	Operating turnover	-	None	-	70,546	70,546	Note 1 ~ 4
23	Dexin Shipping S. A.	Uni-Morality Lines Limited.	Other receivables due from related parties	Y	115,163	-	-	-	Short-term financing	-	Operating turnover	-	None	-	427,586	427,586	Note 1 ~ 4
24	Franbo Asset Management Co., Ltd.	FB Propriety Real Estate Development Co., Ltd.	Other receivables due from related parties	Y	65,000	65,000	-	-	Short-term financing	-	Operating turnover	-	None	-	427,586	427,586	Note 1 ~ 3
24	Franbo Asset Management Co., Ltd.	FB Integrity Real Estate Development Co., Ltd.	Other receivables due from related parties	Y	30,000	30,000	-	-	Short-term financing	-	Operating turnover	-	None	-	128,257	128,257	Note 1 ~ 3
25	Franbo Justice Buiding Development Co., Ltd.	Franbo Asset Management Co., Ltd.	Other receivables due from related parties	Y	140,000	50,000	-	-	Short-term financing	-	Operating turnover	-	None	-	128,257	128,257	Note 1 ~ 3
26	FB Propriety Real Estate Development Co., Ltd.	Franbo Asset Management Co., Ltd.	Other receivables due from related parties	Y	30,000	30,000	-	-	Short-term financing	1.00	Operating turnover	1.00	None	1.00	106,107	106,107	Note 1 ~ 3

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: According to the Company's directions of loans to others, the limit of the Company's loan to individuals could not exceed 10% of the Company's net assets. Except for the limit of the Group's subsidiary, New Lucky Lines S.A., loans to individuals could not exceed 30% of its net assets , other subsidiaries in the Group all could not exceed 100% of the subsidiary's net assets.

Note 3: According to the Company's directions of loans to others, the limit of total loans to others by the Company could not exceed 20% of the Company's net assets, and the limit of total loans to others by the Group's subsidiaries could not exceed 100% of the subsidiary's net assets.

Note 4: The exchange rates of United States dollars were translated into New Taiwan dollars at the rate of 30.71 on the reporting date.

Note 5: The Company will set up a plan to improve the situation of excess capital loans and submit the latest plan to the audit committee for review.

FRANBO LINES CORPORATION

Provision of endorsements and guarantees to others

Year ended December 31, 2023

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Endorser/guarantor	Party being endorsed/ guaranteed: Company name	Party being endorsed/ guaranteed: Relationship with the counterparty	Limit on endorsements/guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023	Outstanding endorsement/ guarantee amount at December 31, 2023	Actual amount drawn down	Amount of endorsements /guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the Endorser/guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements /guarantees to the party in Mainland China	Footnote
0	Franbo Lines Corporation	Franbo Shipping S.A.	Note 2	$ 6,202,780	$ 95,201	$ -	$ -	$ -	0.00%	$ 31,013,900	Y	N	N	Note 3, 4 and 5
0	Franbo Lines Corporation	Franbo Transportation S.A.	Note 2	6,202,780	73,704	-	-	-	0.00%	31,013,900	Y	N	N	Note 3, 4 and 5
0	Franbo Lines Corporation	Franbo Lohas S.A.	Note 2	6,202,780	143,723	-	-	-	0.00%	31,013,900	Y	N	N	Note 3, 4 and 5
0	Franbo Lines Corporation	Franbo Ocean Ltd.	Note 2	6,202,780	319,998	319,998	319,998	-	5.16%	31,013,900	Y	N	N	Note 3, 4 and 5
0	Franbo Lines Corporation	FB Pioneer Ltd.	Note 2	6,202,780	73,704	73,704	73,704	-	1.19%	31,013,900	Y	N	N	Note 3, 4 and 5
0	Franbo Lines Corporation	FB Navigation Ltd.	Note 2	6,202,780	64,491	-	-	-	0.00%	31,013,900	Y	N	N	Note 3, 4 and 5
0	Franbo Lines Corporation	Franbo Legacy Ltd.	Note 2	6,202,780	184,260	184,260	184,260	-	2.97%	31,013,900	Y	N	N	Note 3, 4 and 5
0	Franbo Lines Corporation	Franbo Bright Ltd.	Note 2	6,202,780	184,260	-	-	-	0.00%	31,013,900	Y	N	N	Note 3, 4 and 5
0	Franbo Lines Corporation	Franbo Ace Ltd.	Note 2	6,202,780	552,780	529,748	529,748	-	8.54%	31,013,900	Y	N	N	Note 3, 4 and 5
0	Franbo Lines Corporation	Franbo Art Ltd.	Note 2	6,202,780	552,780	529,748	529,748	-	8.54%	31,013,900	Y	N	N	Note 3, 4 and 5
0	Franbo Lines Corporation	Franbo Cosmos Ltd.	Note 2	6,202,780	569,671	569,671	569,671	-	9.18%	31,013,900	Y	N	N	Note 3, 4 and 5
0	Franbo Lines Corporation	Franbo Century Ltd.	Note 2	6,202,780	552,780	552,780	-	-	8.91%	31,013,900	Y	N	N	Note 3, 4 and 5
0	Franbo Lines Corporation	Franbo Brave Ltd.	Note 2	6,202,780	576,642	576,642	576,642	-	9.30%	31,013,900	Y	N	N	Note 3, 4 and 5
0	Franbo Lines Corporation	Franbo Bravo Ltd.	Note 2	6,202,780	576,642	576,642	576,642	-	9.30%	31,013,900	Y	N	N	Note 3, 4 and 5
1	Franbo Shipping S.A.	Franbo Lines Corporation	Note 2	598,960	407,200	-	-	-	271.94%	748,700	N	Y	N	Note 3, 4 and 5

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Above 50% of equity interests with voting rights of this company were held by the parent company and subsidiaries.

Note 3: According to the Company's directions of endorsement and guarantees, the limit of total endorsed and guaranteed amounts to single affiliated company by the Company, New Lucky Lines S.A. and Uni-Morality Lines Ltd. was 100% of that company's net assets, and other subsidiaries of the Group all could not exceed 400% of that company's net assets.

Note 4: According to the Company's directions of endorsement and guarantees, the total endorsed and guaranteed amount of the Company and the Group's subsidiaries, except for New Lucky Lines S.A. andUni-Morality Lines Ltd. could not exceed 200% and 300% of that company's net assets, the Company and other subsidiaries of the Group all could not exceed 500% of that company's net assets.

Note 5: The exchange rates of United States dollars were translated into New Taiwan dollars at the rate of 30.71 on the reporting date.

FRANBO LINES CORPORATION

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Footnote
				Number of shares (unit)	Carrying amount	Ownership (%)	Fair value	
Franbo Lines Corporation	Corporate bonds with call option(Capable of being called by the issuer) corporate bonds	None	Financial assets at fair value through profit or loss - current	450	$ 1,007	-	$ 1,007	Note 1、2
Franbo Lines Corporation	Neuberger Berman Disruptive Innovation Equity Securities Investment Trust Fund	None	Financial assets at fair value through profit or loss - current	2,000	504	-	504	Note 1、3
Franbo Lines Corporation	Yuanta Taiwan High-yield Leading Company Fund A	None	Financial assets at fair value through profit or loss - current	194,427	3,152	-	3,152	Note 3
Franbo Lines Corporation	Allianz Global Investors Greater China Fund	None	Financial assets at fair value through profit or loss - current	42,088	670	-	670	Note 3
Franbo Lines Corporation	The 1st issuance of Senior Unsecured Callable Range Accrual Interest Rate Linked Financial Debentures Tranche A of Taiwan Cooperative Bank in 2023	None	Financial assets at fair value through profit or loss - current	500	1,480	-	1,480	Note 1、2
Franbo Lines Corporation	BlackRock Global Funds - US Dollar Bond Fund A2	None	Financial assets at fair value through profit or loss - current	965	965	-	965	Note 1、3
FB Integrity Real Estate Development Co., Ltd.	FSITC Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current	5,597	1,025	-	1,025	Note 3
Franbo Asset Management Co., Ltd.	YU DING JIANG Construction Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	300,000	2,996	14.93	2,996	-

Note 1: The exchange rates of United States dollars were translated into New Taiwan dollars at the rate of 30.71 on the reporting date.

Note 2: The market price of the corporate bonds referred to referable redemption price at the balance sheet date.

Note 3: The market price of the open-end funds referred to the net value at the balance sheet date.

FRANBO LINES CORPORATION

Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital

Year ended December 31, 2023

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

					Balance as at January 1, 2023		Addition		Disposal				Balance as at December 31, 2023	
Investor	Marketable securities	General ledger account	Counterparty	Relationship with the counterparty	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
Franbo Lines Corporation	New Lucky Lines S.A.	Investments accounted for using equity method	-	Subsidiaries	123,428,012	$ 5,943,353	31,826,988	$ 1,223,695 (Note 1)	(48,255,000)	$ -	($ 1,502,129) (Note 2)	$ -	107,000,000	$ 5,664,919
New Lucky Lines S.A.	Franbo Ace Ltd.	Investments accounted for using equity method	-	Subsidiaries	13,300,000	498,577	15,500,000	502,529 (Note 3)	(16,800,000)	-	(515,928) (Note 4)	-	12,000,000	395,178
New Lucky Lines S.A.	Franbo Art Ltd.	Investments accounted for using equity method	-	Subsidiaries	8,675,000	266,013	20,125,000	620,386 (Note 5)	(16,800,000)	-	(515,928) (Note 6)	-	12,000,000	370,471
New Lucky Lines S.A.	Franbo Cosmos Ltd.	Investments accounted for using equity method	-	Subsidiaries	11,944,000	368,308	17,832,000	525,565 (Note 7)	(13,276,000)	-	(407,706) (Note 8)	-	16,500,000	486,167

Note 1: From February 2023 to September 2023, the Company newly invested $1,001,645 in New Lucky Lines S.A., and the investment amount included the investment income (loss) and other comprehensive income recog

Note 2: From March 2023 to August 2023, New Lucky Lines S.A. decreased its capital amounting to $1,502,129.

Note 3: In March 2023, New Lucky Lines S.A. newly invested $476,005 in Franbo Ace Ltd., and the investment amount included the investment income (loss) recognised in the year.

Note 4: In August 2023, New Lucky Lines S.A. decreased its capital in Franbo Ace Ltd. amounting to $515,928.

Note 5: From January 2023 to April 2023, New Lucky Lines S.A. newly invested $618,039 in Franbo Art Ltd., and the investment amount included the investment income (loss) and recognised in the year.

Note 6: During November 2023, New Lucky Lines S.A. decreased its capital in Franbo Ace Ltd. amounting to $515,928.

Note 7: From August 2023 to September 2023, New Lucky Lines S.A. newly invested $547,621 in Franbo Cosmos Ltd., and the investment amount included the investment income (loss) recognised in the year.

Note 8: During December 2023, New Lucky Lines S.A. decreased its capital in Franbo Cosmos Ltd. amounting to $407,706.

FRANBO LINES CORPORATION

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

December 31, 2023

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Franbo Lines Corporation	Franbo Asset Management Co., Ltd.	Subsidiaries	$ 158,000	Not applicable	$ -	$ -	$ -	$ -
Franbo Lines Corporation	FB Propriety Real Estate Development Co., Ltd.	Subsidiaries	108,000	Not applicable	-	-	-	-
New Lucky Lines S.A.	Franbo Ocean Ltd.	Subsidiaries	241,688	Not applicable	-	-	8,292.00	-
New Lucky Lines S.A.	Franbo Bright Ltd.	Subsidiaries	170,748	Not applicable	-	-	-	-
New Lucky Lines S.A.	Franbo Century Ltd.	Subsidiaries	513,164	Not applicable	-	-	-	-
Uni-Morality Lines Ltd.	Franbo Lines Corporation	Parent company	110,556	Not applicable	-	-	-	-
Franbo Transportation S.A.	New Lucky Lines S.A.	Parent company	106,871	Not applicable	-	-	-	-
TW Hornbill Lines S.A.	New Lucky Lines S.A.	Parent company	105,642	Not applicable	-	-	-	-

FRANBO LINES CORPORATION

Significant inter-company transactions during the reporting periods

Year ended December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Transactions amount between the parent company and subsidiaries or inter-subsidiaries transactions reaching $10 million were as follows:

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Franbo Lines Corporation	Franbo Ocean Ltd.	1	Endorsements and guarantees	$ 319,998	Note 4	4%
0	Franbo Lines Corporation	FB Pioneer Ltd.	1	Endorsements and guarantees	73,704	Note 4	1%
0	Franbo Lines Corporation	Franbo Legacy Ltd.	1	Endorsements and guarantees	184,260	Note 4	2%
0	Franbo Lines Corporation	Franbo Ace Ltd.	1	Endorsements and guarantees	529,748	Note 4	6%
0	Franbo Lines Corporation	Franbo Art Ltd.	1	Endorsements and guarantees	529,748	Note 4	6%
0	Franbo Lines Corporation	Franbo Cosmos Ltd.	1	Endorsements and guarantees	569,671	Note 4	6%
0	Franbo Lines Corporation	Franbo Brave Ltd.	1	Endorsements and guarantees	576,642	Note 4	6%
0	Franbo Lines Corporation	Franbo Bravo Ltd.	1	Endorsements and guarantees	576,642	Note 4	6%
0	Franbo Lines Corporation	Uni-Morality Lines Ltd.	1	Other payables	110,556	Note 4, 6	1%
0	Franbo Lines Corporation	Franbo Asset Management Co., Ltd.	1	Other receivables	158,000	Note 6	2%
0	Franbo Lines Corporation	FB Propriety Real Estate Development Co., Ltd.	1	Other receivables	108,000	Note 6	1%
0	Franbo Lines Corporation	Franbo Logion S.A.	1	Vessels management revenue	13,341	Note 5	1%
0	Franbo Lines Corporation	Franbo Logic S.A.	1	Vessels management revenue	13,341	Note 5	1%
0	Franbo Lines Corporation	Franbo Lohas S.A.	1	Vessels management revenue	13,341	Note 5	1%
0	Franbo Lines Corporation	Franbo Legion Ltd.	1	Vessels management revenue	13,341	Note 5	1%
0	Franbo Lines Corporation	Franbo Bright Ltd.	1	Vessels management revenue	12,884	Note 5	1%
0	Franbo Lines Corporation	Franbo Ace Ltd.	1	Vessels management revenue	12,709	Note 5	1%
0	Franbo Lines Corporation	Franbo Art Ltd.	1	Vessels management revenue	12,161	Note 5	1%
1	New Lucky Lines S.A.	Franbo Shipping S.A.	3	Other payables	74,011	Note 4, 6	1%
1	New Lucky Lines S.A.	Franbo Transportation S.A.	3	Other payables	94,280	Note 4, 6	1%
1	New Lucky Lines S.A.	TW Hornbill Line S.A.	3	Other payables	106,871	Note 4, 6	1%
1	New Lucky Lines S.A.	Franbo Logic S.A.	3	Other payables	65,412	Note 4, 6	1%
1	New Lucky Lines S.A.	Franbo Sagacity S.A.	3	Other payables	23,647	Note 4, 6	0%
1	New Lucky Lines S.A.	Franbo Way Ltd.	3	Other payables	94,280	Note 4, 6	1%
1	New Lucky Lines S.A.	Franbo Ace Ltd.	3	Other payables	25,796	Note 4, 6	0%
1	New Lucky Lines S.A.	Franbo Art Ltd.	3	Other payables	14,434	Note 4, 6	0%
1	New Lucky Lines S.A.	Franbo Cosmos Ltd.	3	Other payables	105,642	Note 4, 6	1%
	New Lucky Lines S.A.	Franbo Brave Ltd.	3	Other payables	33,167	Note 4, 6	0%
1	New Lucky Lines S.A.	BCTS Capital Inc.	3	Other payables	44,837	Note 4, 6	1%
1	New Lucky Lines S.A.	Franbo Lines Corporation	3	Other receivables	73,704	Note 4, 6	1%
1	New Lucky Lines S.A.	FB Pioneer Ltd.	3	Other receivables	19,962	Note 4, 6	0%

FRANBO LINES CORPORATION

Significant inter-company transactions during the reporting periods

Year ended December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Transactions amount between the parent company and subsidiaries or inter-subsidiaries transactions reaching $10 million were as follows:

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	New Lucky Lines S.A.	Franbo Legion Ltd.	3	Other receivables	16,891	Note 4, 6	0%
1	New Lucky Lines S.A.	Franbo Ocean Ltd.	3	Other receivables	241,688	Note 4, 6	3%
1	New Lucky Lines S.A.	Franbo Bright Ltd.	3	Other receivables	170,748	Note 4, 6	2%
1	New Lucky Lines S.A.	Franbo Century Ltd.	3	Other receivables	513,164	Note 4, 6	6%
1	New Lucky Lines S.A.	Franbo Lohas S.A.	3	Other receivables	49,443	Note 4, 6	1%
1	New Lucky Lines S.A.	Franbo Wind S.A.	3	Other receivables	18,426	Note 4, 6	0%
2	FWF Shipping Limited	New Lucky Lines S.A.	3	Other receivables	55,094	Note 4, 6	1%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1)Parent company is ‘0’.

(2)The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose repeatedly. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

Note 3: Regarding the percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on the ending balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the current year to consolidated total operating revenues for income statement accounts.

Note 4: The amount was converted into New Taiwan dollars using the average of the monthly buying and selling exchange rate of USD during the reporting period.

Note 5: It was a loan in nature.

FRANBO LINES CORPORATION

Information on investees

Year ended December 31, 2023

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Name of investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net income of investee as of December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				December 31, 2023	December 31, 2022	Number of shares	Ownership (%)	Book value			
Franbo Lines Corporation	New Lucky Lines S.A.	Marshall	Investment in other area Note 5	$ 3,309,348	$ 3,809,831	107,000,000	100	$ 5,664,919	$ 229,309	$ 229,309	Note 1, 8 and 9
Franbo Lines Corporation	Uni-Morality Lines Ltd.	Hong Kong	Investment in other area	37,700	37,700	1,000,000	100	111,245	(63)	(63)	Note 1, 8 and 9
Franbo Lines Corporation	Franbo Asset Management Co., Ltd.	Taiwan	Note 7	450,000	300,000	45,000,000	100	427,586	(21,198)	(21,198)	Note 1, 7 and 9
Franbo Lines Corporation	Taiwan Offshore Engineering Co., Ltd.	Taiwan	Note 6	4	30	-	-	-	(13)	(4)	Note 3, 9 and 10
Franbo Lines Corporation	BCTS Capital Inc.	Marshall	Investment in other area	57,400	57,409	2,000,000	100	70,546	1,396	1,396	Note 1, 8 and 9
Franbo Lines Corporation	FWF Shipping Ltd.	Marshall	Investment in other area	159,682	284	5,000,000	100	446,663	295,187	295,187	Note 1, 8 and 9
New Lucky Lines S.A.	Franbo Shipping S.A.	Panama	Note 5	184,260	184,260	6,000,000	100	149,740	13,776	13,776	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Transportation S.A.	Panama	Note 5	195,670	195,670	6,371,535	100	165,731	10,354	10,354	Note 2, 8 and 9
New Lucky Lines S.A.	TW Hornbill Line S.A.	Panama	Note 5	126,995	126,995	3,500,000	100	106,833	25	25	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Logos S.A.	Panama	Note 5	291,745	291,745	9,500,000	100	412,181	(1,668)	(1,668)	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Logic S.A.	Panama	Note 5	291,745	291,745	9,500,000	100	474,211	29,622	29,622	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Lohas S.A.	Panama	Note 5	98,272	98,272	3,200,000	100	357,459	44,953	44,953	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Sagacity S.A.	Panama	Note 4 and 5	61,420	61,420	2,000,000	100	71,612	(2,779)	(2,779)	Note 2, 8 and 9
New Lucky Lines S.A.	Prevalent Creation Corp.	Seychelles	Note 4	921	921	30,000	100	496	(27)	(27)	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Way Ltd.	Marshall	Note 5	153,550	153,550	5,000,000	100	348,598	18,141	18,141	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Uprightness Corp.	Marshall	Note 5	-	184,260	-	100	-	621	621	Note 2, 8, 9 and 12
New Lucky Lines S.A.	Franbo Sino Ltd.	Marshall	Note 5	-	69,998	-	100	-	57,553	57,553	Note 2, 8, 9 and 12
New Lucky Lines S.A.	Franbo Ocean Ltd.	Marshall	Note 5	153,550	153,550	5,000,000	100	248,201	40,586	40,586	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Legion Ltd.	Marshall	Note 5	261,035	261,035	8,500,000	100	302,076	19,723	19,723	Note 2, 8 and 9
New Lucky Lines S.A.	FB Pioneer Ltd.	Marshall	Note 5	33,781	33,781	1,100,000	100	53,328	(2,330)	(2,330)	Note 2, 8 and 9
New Lucky Lines S.A.	FB Navigation Ltd.	Marshall	Note 5	35,624	35,624	1,160,000	100	62,847	1,287	1,287	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Legacy Ltd.	Marshall	Note 5	122,840	122,840	4,000,000	100	249,352	8,835	8,835	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Ace Ltd.	Marshall	Note 5	368,520	498,443	12,000,000	100	395,177	26,904	26,904	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Bright Ltd.	Marshall	Note 5	107,485	107,485	3,500,000	100	102,622	(14,195)	(14,195)	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Cosmos Ltd.	Marshall	Note 5	506,715	366,800	16,500,000	100	486,167	(22,372)	(22,372)	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Art Ltd.	Marshall	Note 5	368,520	266,409	12,000,000	100	370,471	2,381	2,381	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Century Ltd.	Marshall	Note 5	429,940	275,530	14,000,000	100	417,374	(13,161)	(13,161)	Note 2, 8 and 9

FRANBO LINES CORPORATION

Information on investees

Year ended December 31, 2023

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Name of investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net income of investee as of December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				December 31, 2023	December 31, 2022	Number of shares	Ownership (%)	Book value			
New Lucky Lines S.A.	Franbo Brave Ltd.	Marshall	Note 5	240,613	193,473	7,835,000	100	240,930	393	393	Note 2, 8 and 9
New Lucky Lines S.A.	Franbo Bravo Ltd.	Marshall	Note 5	193,473	193,473	6,300,000	100	193,376	(22)	(22)	Note 2, 8 and 9
FWF Shipping Ltd.	Franbo Wind S.A.	Marshall	Note 5	184,200	-	600,000	100	101,374	7,216	7,216	Note 2, 8 and 9
Uni-Morality Lines Ltd.	Dexin Shipping S.A.	Panama	Note 5	-	22,592	-		-	-	-	Note 2, 8, 9 and 11
Uni-Morality Lines Ltd.	Due Feng Shipping Co.,Ltd.	Hong Kong	Note 5	995	1,096	-	22	-	(16)	(3)	Note 3, 8, 9 and 12
Franbo Asset Management Co., Ltd.	FB Propriety Real Estate Development Co., Ltd.	Taiwan	Note 7	120,000	85,000	12,000,000	100	106,107	(13,709)	(13,709)	Note 2, 7 and 9
Franbo Asset Management Co., Ltd.	Franbo Justice Buiding Development Co., Ltd.	Taiwan	Note 7	130,000	130,000	13,000,000	100	128,257	(1,624)	(1,624)	Note 2, 7 and 9
Franbo Asset Management Co., Ltd.	FB Integrity Real Estate Development Co., Ltd.	Taiwan	Note 7	70,000	-	7,000,000	100	69,865	(135)	(135)	Note 2, 7 and 9
BCTS Capital Inc.	Franbo Courage S.A.	Panama	Note 5	12,791	12,791	416,500	49	13,566	1,606	787	Note 3, 8 and 9
BCTS Capital Inc.	BCI Loyalty Inc.	Marshall	Note 5	10,834	10,834	352,800	49	11,712	1,286	630	Note 3, 8 and 9

Note 1: The relationship between this investee and the Company was subsidiary company.

Note 2: The relationship between this investee and the Company was second-tier subsidiary company.

Note 3: The relationship between this investee and the Company was investment accounted for using equity method.

Note 4: The main business activities was domestic and foreign management consulting service of steamship.

Note 5: The main business activities were domestic and foreign shipping business and ocean freight transportation forwarding services.

Note 6: The main business activities were plumbing engineering and energy technical service.s

Note 7: The main business activities was property investment trading.

Note 8: The exchange rates of United States dollars were translated into New Taiwan dollars at the rate of 30.71 on the reporting date and at the average rate of 29.80 in the financial statements period.

Note 9: Valuations were based on each investee’s financial statements which were attested by auditors.

Note 10: It was an investee which was invested by the Group in March 2017. In August 2019, TAIWAN OFFSHORE ENGINEERING CO.,LTD. decreased its capital, and the Group collected the investment proceeds in the amount of $2,970. As of December 31, 2022, this company had not formally operated.

Note 11: The investment company handled the capital reduction in March 2023

Note 12: The investment company handled the capital reduction in December 2023

FRANBO LINES CORPORATION

Major shareholders information

December 31, 2023

Table 8

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
Zhengzhan Investment Advisory Co., Ltd.	48,038,398	16.42

FRANBO LINES CORPORATION
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 1

Item	Description	Amount
Cash:		
Cash on hand and petty cash		$ 50
Cash in Bank:		
Chenking accounts		1
Demand deposits (NTD)		30,862
Foreign currency demand deposits	(USD 20 thousand, conversion rate: 30.71)	628
		$ 31,541

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FRANBO LINES CORPORATION
STATEMENT OF CHANGES ON INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 2

	Beginning balance		Addition		Decrease		Ending balance			Market value or net Assets value		
Name	Shares in thousand	Aomunt	Shares in thousand	Aomunt	Shares in thousand	Aomunt	Shares in thousand	Precentage of Ownership	Aomunt	Unit Price (in dollars) (Note 1)	Total amount	Collateral
New Lucky Lines S.A.	123,428	$ 5,943,353	31,827	$ 1,223,695	(48,255)	($ 1,502,129)	107,000	100%	$ 5,664,919	$ 52.94	$ 5,664,919	None
Uni-Morality Lines Ltd.	1,000	111,307	-	-	-	(62)	1,000	100%	111,245	111.25	111,245	None
BCTS Capital Inc.	2,000	69,169	-	1,377	-	-	2,000	100%	70,546	35.27	70,546	None
FWF Shipping Ltd.	10	2,403	6,000	476,772	(1,010)	(32,512)	5,000	100%	446,663	89.33	446,663	None
Franbo Asset Management Co., Ltd.	30,000	298,788	15,000	128,798	-	-	45,000	100%	427,586	9.50	427,586	None
Taiwan Offshore Engineering Co.,Ltd.	3	30	-	-	(3)	(30)	-	100%	-	-	-	None
	$ 156,441	$ 6,425,050	$ 52,827	$ 1,830,642	($ 49,268)	($ 1,534,733)	$ 160,000		$ 6,720,959		$ 6,720,959	

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FRANBO LINES CORPORATION
STATEMENT OF BONDS PAYABLE
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 3

Bonds Name	Trustee	Issuance Date	Interest Payment Date	Coupon Rate	Total Issuance Amount	Amount repurchased	Amount conversion	Enging Balance	Unamortised Premiums (Discounts)	Carrying Amount	Repayment Term	Collateral	Note
The first domestic secured corporated bonds	Bank SinoPac	2022.7.28	-	Note	$ 600,000	($ 1,600)	($ 133,400)	$ 465,000	($ 11,158)	$ 453,842	Note	None	
The sixth domestic unsecured convertible bonds	Bank SinoPac	2023.8.23	-	Note	400,000	-	(268,500)	$ 131,500	(3,569)	127,931	Note	None	
					$ 1,000,000	($ 1,600)	($ 401,900)	$ 596,500	($ 14,727)	$ 581,773			
								Less: Current portion		-			
										$ 581,773			

Note: Refer to Note 6(10) corporate bonds payable for details.

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FRANBO LINES CORPORATION
STATEMENT OF OPERATING REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 4

Item	Quantity	Amount
Operating revenue		
Vessels management revenue		$ 129,294
Freight revenue	1,480.64 tons	2,041
		$ 131,335

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FRANBO LINES CORPORATION
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 5

Item		Amount
Vessels management cost		
Rent expenses for vessels	$	1,998
Certificate inspection fee		1,238
Others (below 5%)		278
Indirect operating costs		
Indirect labor		14,568
Traveling expense		1,910
Others (below 5%)		2,229
Operatubg costs	$	22,221

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FRANBO LINES CORPORATION
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 6

Item	Selling Expenses	Administrative Expenses	Total	Note
Wages and salaries	$ 8,736	$ 34,391	$ 43,127	
Traveling expense	620	$ 987	1,607	
Entertainment expense	619	3,897	4,516	
Professional service expense	-	3,735	3,735	
Other expenses (each item not exceeding 5%)	1,340	29,745	31,085	
	$ 11,315	$ 72,755	$ 84,070	

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FRANBO LINES CORPORATION
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 6

Function / Nature	Year ended December 31					
	2023			2022		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee Benefit Expense (Note)	$ 16,583	$ 49,216	$ 65,799	$ 13,281	86,351	$ 99,632
Wages and salaries	14,568	36,697	51,265	11,587	67,094	78,681
Labour and health insurance fees	1,005	3,293	4,298	853	2,739	3,592
Pension costs	501	1,342	1,843	431	1,267	1,698
Directors' remuneration	-	6,430	6,430	-	14,073	14,073
Other personnel expenses	509	1,454	1,963	410	1,178	1,588
Depreciation Expense	-	2,482	2,482	-	2,736	2,736
Amortisation Expense	-	152	152	-	158	158

Note 1: For the years ended December 31, 2023 and 2022, the Company had 54 and 50 employees, excluding 5 non-employee directors for both years.

Note 2. (1) For the years ended December 31, 2023 and 2022, average employee benefit expense are $1,211 and $1,901, respectively. (Including salary expenses and share-based payments in the amount of $3,376 and $5,758, respectively)

(2) For the years ended December 31, 2023 and 2022, average employees' salary expenses are $1,046 and $1,748, respectively.(Including salary expenses and share-based payments in the amount of $3,376 and $5,758, respectively)

(3) Adjustments of average employees salaries: (40.16%).

(4) The Company has set up an audit committee to substitute supervisor and does not recognise supervisors' remuneration.

(5) The Company's compensation policy: According to the Article 19-1 of the Company's Articles of Incorporation, directors' remunerations should not be higher than 5%, in addition, taking into consideration the Company's operating result and directors' performance and contributions to the Company to grant reasonable remunerations. The remunerations for general manager, vice general manager and managers were based on the Company's salary payment standards, their academic background and operation performance. The Company's employees' salaries assessment standard was based on their academic background, skills, difficulty degree of jobs and Other environmental hazard. regulations were executed and based on the Company's "regulations of salary management" and "regulations of performance assessment management".

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VII. A review and analysis of Company financial position and financial performance, and a listing of risks

1. Financial position

Financial Position Analysis and Comparison Table

Unit: NT$1,000

Item \ Year	2023	2022	Difference	
			Amount	%
Current assets	1,532,866	2,737,033	(1,204,167)	-44.00
Property, plant, and equipment	5,764,213	2,505,565	3,258,648	130.06
Intangible assets	513	382	131	34.29
Other assets	1,635,493	2,769,312	(1,133,819)	-40.94
Total assets	8,933,085	8,012,292	920,793	11.49
Current liabilities	507,668	1,028,962	(521,294)	-50.66
Non- current liabilities	2,222,637	1,646,505	576,132	34.99
Total liabilities	2,730,305	2,675,467	54,838	2.05
Share capital	2,924,827	2,391,567	533,260	22.30
Capital reserve	1,392,634	1,107,999	284,635	25.69
Retained earnings	1,796,519	1,730,852	65,667	3.79
Other equity	88,800	106,407	(17,607)	-16.55
Total equity	6,202,780	5,336,825	865,955	16.23

1. The items of which changes in assets, liabilities, and shareholders' equity in 2023 and 2022 amount to NT$10 million and reach 20% or more are explained as follows:
   (1) Decrease in current assets: mainly due to the cash capital increase in 2023 to repay short-term borrowings, resulting in a significant decrease in current assets.
   (2) Increase in property, plant, and equipment: mainly due to the delivery of 4 ships in 2023.
   (3) Decrease in other assets: mainly due to the delivery of four ships with prepaid equipment in 2023.
   (4) Decrease in current liabilities: mainly due to the cash capital increase in 2023 to repay short-term borrowings, resulting in a significant decrease in current liabilities.
   (5) Increase in non-current liabilities: mainly due to bank borrowings for three ships to be delivered in 2023.
   (6) Increase in share capital: mainly due to the cash capital increase of NT$300,000,000 in 2023 and the conversion of corporate bonds.
   (7) Increase in capital reserve: mainly due to the premium issuance of cash capital increase in 2023 and the conversion of corporate bonds.
2. Explanation of future response plans with significant impact: There are no major abnormalities in the Company's overall performance, and thus there is no need to formulate response plans.

2. Financial performance:

(1) Financial performance analysis:

Unit: NT$1,000

Item \ Year	2023	2022	Amount increased / decreased	Variation Ratio (%)
Operating revenue	1,337,660	1,466,949	(129,289)	-8.81
Operating cost	727,426	698,938	28,488	4.08
Gross operating profit	610,234	768,011	(157,777)	-20.54
Operating expense	97,838	133,647	(35,809)	-26.79
Operating profit	512,396	634,364	(121,968)	-19.23
Non-operating revenue and expense	6,635	654,251	(647,616)	-98.99
Net profit before tax	519,031	1,288,615	(769,584)	-59.72
Net profit for the period	424,402	1,279,911	(855,509)	-66.84
Other comprehensive income for the period	(17,607)	369,688	(387,295)	-104.76
Total comprehensive income for the period	406,795	1,649,599	(1,242,804)	-75.34

The items of which changes in operating income, operating net income and net profit before tax in 2023 and 2022 amount to NT$10 million and reach 20% or more are explained as follows:

(1) Decrease in gross operating profit: mainly due to the decrease in average daily rent in 2023 compared with that in 2022.

(2) Decrease in operating expenses: mainly due to the decrease in profits in 2023, the provision of year-end bonuses, and the decrease in remuneration for directors and employees.

(3) Decrease in non-operating income and expenses: mainly due to more profits from disposing of ships in 2022.

(4) Decrease in other comprehensive income for the current period: mainly due to the relatively small fluctuation of the exchange rate of the New Taiwan dollar against the US dollar in 2023, resulting in a decrease in the exchange difference recognized in the translation of the financial statements of foreign operating institutions.

3. Cash flow:

(1) Analysis and explanation for the cash flow changes during the most recent year (2023)

Unit: NT$1,000

	2023	2022	Amount of change	Change percentage (%)
Operatingactivities	477,987	354,992	122,995	34.68
Investment activities	(2,151,134)	325,795	(2,476,929)	-760.27
Financing activities	522,236	381,853	140,383	36.76

Analysis of changes in increase and decrease ratios:

(1) Operating activities:

The net cash inflow from operating activities in 2023 increased compared with that in 2022, mainly due to the decrease in inventory—construction land—purchased in 2023 compared with that in 2022.

(2) Investing activities:

The net cash outflow from investing activities in 2023 increased compared with that in 2022, mainly due to the cash outflow from the delivery of 4 ships in 2023.

(3) Fundraising activities:

The cash inflow from fundraising activities in 2023 increased compared with that in 2022, mainly due to bank borrowings for the delivery of three of the ships in 2023.

(2) Improvement plan of liquidity shortage and analysis of cash liquidity in the next year:

Cash balance at the beginning of the period	Annual cash flow from business activities	Annual cash inflow (outflow)	Remaining (insufficient) amount of cash	Remedial measures for insufficient cash	
				Investment plan	Financial plan
448,715	548,393	(1,686,482)	(1,138,089)	—	1,153,283

Analysis of cash flow changes in the next year:

(1) Operating activities: The bulk shipping market is expected to be relatively stable in the coming year, and fleet rentals will remain stable, resulting in cash inflows from operating activities remaining at NT$500-600 million.

(2) Investment activities: It is estimated that in the next year, in response to the Group's business plan, the payment for the construction of two new ships will still need to be made in 2024, resulting in net cash outflows from investment activities.

(3) Financing activities: It is estimated that the final payment of the two newly-built ships has been made by bank financing, and cash dividends will be paid in 2024, and thus the net cash inflow from financing activities is estimated.

4. The impact of major capital expenditures on financial business in the most recent year:

(1) Major capital expenditures and their application:

April 10, 2024; Unit: US$1,000

Planned items	Completion date Date	Total funds Total amount	Actual capital expenditures		Remarks
			2023	2024	
Franbo Ace Ltd.	112	28,750	17,250	-	Built a new energy-saving ship which was delivered in March 2023.
Franbo Art Ltd.	112	28,750	20,125	-	Built a new energy-saving ship which was delivered in April 2023.
Franbo Wind S.A.	112	7,000	7,000		Purchased an existing ship, which was chartered and operated from September 2023.
Franbo Cosmos Ltd.	112	29,720	20,804	-	Built a new energy-saving ship which was delivered in September 2023.
Franbo Century Ltd.	112	29,720	20,804	-	Built a new energy-saving ship which was delivered in November 2023.
Franbo Brave Ltd.	113	31,295	-	6,260	Built a new energy-saving ship which was delivered in June 2024.
Franbo Bravo Ltd.	113	31,295	-	3,130	Built a new energy-saving ship which was delivered in September 2024.

(2) Impact on financial business:

Based on the considerations of ship operation, in addition to continuously expanding the fleet, it is expected that the Group shall increase revenue and profits, actively expand the maritime contracting business, and reduce operational risks and stabilize the profits through stable ship chartering business, hence providing customers with safe, stable, and fast transport services.

5. The reinvestment policy in the most recent year, the main reasons for its profits or losses, the improvement plan and the investment plan for the next year:

(1) Reinvestment policy of Company:

The Company's reinvestment object is mainly the companies in the shipping industry. In

addition to compliance with the investment cycle provisions of the internal control system, the Company manages the reinvestment businesses in accordance with the Management Operation of Related Party Transactions and the Supervision and Management Operation of Subsidiaries established by the Company, taking into account the laws and regulations in the place where the reinvestment companies are located and their actual operating conditions, and assists the reinvestment companies to establish appropriate internal control systems.

(2) Main reasons for profit or loss from reinvestment in recent year, improvement plan and investment plan for the next year:

December 31, 2023; Unit: NT$1,000

Description / Items	Investment amount	Nature of business	The recognized investment gains and losses of the invested company for the most recent year	Improvement plan
New Lucky Lines S.A.	3,309,348	Investment holdings and notes	229,309	
Uni-Morality Lines Ltd.	37,700	Investment holdings	(63)	
Franbo Asset Management Co., Ltd.	450,000	Investment in real estate property trading and development	(21,198)	Some of the construction lands are under development
Taiwan Offshore Engineering Co., Ltd.	4	Pipeline engineering industry and energy technology service industry	(4)	The company has been cancelled.
BCTS Capital Inc.	57,409	Investment holdings	1,396	
FWF Shipping Ltd.	159,682	Investment holdings and note 1	295,187	
Franbo Shipping S.A.	184,260	Note 1	13,776	
Franbo Transportation S.A.	195,670	Note 1	10,354	
TW Hornbill Line S. A.	126,995	Note 1	25	
Franbo Logos S.A.	291,745	Note 1	(1,668)	Note 2
Franbo Logic S.A.	291,745	Note 1	29,622	
Franbo Lohas S.A.	98,272	Note 1	44,953	
Franbo Sagacity S.A.	61,420	Ship management consulting services and note 1	(2,779)	The ship has been disposed in January 2024.
Prevalent Creation Corp.	921	Ship management consulting services	(27)	
Franbo Way Ltd.	153,550	Note 1	18,141	
Franbo Uprightness Corp.	-	Note 1	621	
Franbo Sino Ltd.	-	Note 1	57,553	
Franbo Ocean Ltd.	153,550	Note 1	40,586	
Franbo Legion Ltd.	261,035	Note 1	19,723	
FB Pioneer Ltd.	33,781	Note 1	(2,330)	Note 2
FB Navigation Ltd.	35,624	Note 1	1,287	
Franbo Legacy Ltd.	122,840	Note 1	8,835	
Franbo Ace Ltd.	368,520	Note 1	26,904	
Franbo Bright Ltd.	107,485	Note 1	(14,195)	Note 2
Franbo Cosmos Ltd.	506,715	Note 1	(22,372)	Note 2
Franbo Art Ltd.	368,520	Note 1	2,381	
Franbo Century Ltd.	429,940	Note 1	(13,161)	Note 2
Franbo Brave Ltd.	240,613	Note 1	393	Not yet constructed
Franbo Bravo Ltd.	193,473	Note 1	(22)	Not yet constructed
Franbo Wind S.A.	184,260	Note 1	7,216	
Dexin Shipping S.A.	-	Note 1	-	
Due Feng Shipping Co., Ltd.	995	Note 1	(3)	The ship has been disposed.
FB Propriety Construction and Development Co., Ltd.	120,000	Investment in real estate property trading and development	(13,709)	Not yet developed.
FB Justice Construction and Development Co., Ltd.	130,000	Investment in real estate property trading and development	(1,624)	Not yet developed.

Description / Items	Investment amount	Nature of business	The recognized investment gains and losses of the invested company for the most recent year	Improvement plan
FB Integrity Real Estate Development Co., Ltd.	70,000	Investment in real estate property trading and development	(135)	Not yet developed.
Franbo Courage S.A.	12,791	Note 1	787	
BCI Loyalty INC.	10,834	Note 1	630	

Note 1: The shipping industry and ocean freight forwarding industry of domestic and foreign ships.

Note 2: Re-negotiate the charter contract with the charterer and strive for a rent increase.

The subsidiaries and affiliated enterprises that the Company reinvests in, as well as those engaged in domestic and foreign shipping and ocean freight forwarding, have their own exclusive ships. The goods, routes, freight rates, daily rents, whether the ships are old or new, and years of docking maintenance undertaken by each subsidiary and affiliated enterprise vary and affect the profitability of individual subsidiaries and affiliated enterprises. On the whole, the profit and loss of subsidiaries, affiliated enterprises and joint ventures recognized by the equity method in 2023 was NT$504,627,000. In the next year, the Company will continue to strive towards younger age of the fleet, building energy-saving new ships, investing in younger second-hand ships, and strengthening management, training, auditing, and scheduling capabilities, thus being able to operate steadily and improve business performance in the fierce competition of the global shipping market.

6. Risk matters shall be analyzed and evaluated for the following events in the latest year and as of the publication date of the annual report:

（1）The impact of interest rate, exchange rate change and inflation on the Company's loss and profit and future countermeasures:

1. The impact of the interest rate change on the Company's loss and profit and future countermeasures:

The shipping industry is a capital-intensive industry. Due to the characteristics of the industry, the Company needs to invest huge amounts of money to expand its operating fleet. Therefore, the existing debt is mainly to cover the ship price. The Company began investing in the construction industry in 2022. The construction industry is also a highly capital-intensive industry. Most of the land acquired is mortgaged to banks for financing to build houses. The Company's interest expenses in 2023 and 2022 was NT$96,026,000 and NT$61,900,000 respectively, accounting for 7.18% and 4.22% of the net operating income. The Company's operating profit and financial structure for the long term have been good, so the Company has the ability to maintain a good credit status of paying a debt. To optimize borrowing arrangements, the Company negotiates borrowing terms with multiple banks to achieve a more favorable interest rate level. At present, the interbank offered rate is at a flat level, and it is expected that there will be no significant changes in the rate in the next year. Therefore, the interest burden of the Company's existing liabilities will not have a significant influence. The Company closely grasps relevant information on interest rate changes, evaluates the future trend of interest rates, and adjusts short-term, medium-term, and long-term lines of credit in accordance with interest rate conditions in a timely manner to reduce the impact of interest rate changes on the Company's finances.

2. The impact of the exchange rate change on the Company's loss and profit and future countermeasures:

The income, costs, and main ship financing generated by the Group's operating activities are mostly denominated in US dollars. Exchange rate fluctuations have little impact on the Group's loss and profit and can generate natural hedge functions, so as to effectively reduce the impact of exchange rate fluctuations on the Company's loss and profit. The Company's consolidated exchange loss in 2023 is NT$5,565,000, and the exchange gain in 2022 is NT$10,903,000, accounting for 0.42% and 0.74% of net operating income respectively, and thus exchange rate changes will not have a significant impact on the Group's profits and losses.

The Company adopts a prudent and conservative approach to the management of foreign currency funds. On ordinary days, the Company closely observes information on exchange rate market changes, tries its best to avoid adverse effects caused by exchange rate fluctuations, and maintains contact with major correspondent banks to keep track of exchange rate trends at all times.

3. The impact of inflation on the Company's loss and profit and future countermeasures:

Up to now, inflation has not had a significant adverse impact on the Company's operation. If the overall operation cost increases due to inflation, the Company will adjust the price in time. The Company has maintained good interaction with customers, chartering companies, suppliers, and shipyards for a long time since the Company's operation. At the same time, the Company is always aware of the fluctuations in the original materials and fuel market prices, and provides relevant information to the management as a basis for decision-making and review, so as to cope with the possibility of changes in costs due to inflation and avoid adverse effects on the Company.

（2）The policies for engaging in high-risk and highly leveraged investments, providing loans to others, endorsements, and derivative product transactions, the main reasons for the profit and loss, and future countermeasures:

1. The policies for engaging in high-risk and highly leveraged investments, the main reasons for the profit and loss, and future countermeasures:

The Group focuses on its own business operations and has not ventured into other high-risk industries. Moreover, the Group's financial policies adhere to the prudent and conservative principle, and it does not make high leverage investments, so the risk is limited.

2. The policies for engaging in high-risk and highly leveraged investments, the main reasons for endorsements, the profit and loss, and future countermeasures:

The Company's capital loans and endorsements are only targeted at subsidiaries and sub-subsidiaries. Relevant operations are handled in accordance with the Company's Procedures for Lending Funds to Others and the Endorsement and Guarantee Operation Procedures, as a management system to standardize risk matters such as capital loans and endorsements, in order to effectively control the operational risks of the Company.

3. The policies for engaging in derivative product transactions, the main reasons for the profit and loss, and future countermeasures:

The Company is not engaged in derivative financial product trading.

（3）Future R&D plan and estimated investment cost:

The Company's business mainly focuses on managing ships and providing freight transport services, and has not been involved in ship construction, so it is not applicable.

（4）The impact of significant domestic and foreign policies and changes in the law on the Company's financial operations and countermeasures:

The Company was registered in the Republic of China, but some ships are registered as owners in the name of Panama Sub-subsidiaries and Marshall Islands Sub-subsidiaries. The main operating entities include New Lucky incorporated in Marshall Islands, HK Uni-Morality

incorporated in Hong Kong, etc., and financial services are the main economic activities. Panama and Marshall Islands are currently the leading state of the ship's registry in the world, with an open economy and no foreign exchange controls. The political and economic environment in the three regions is stable. As of the date of publication of the annual report, the Company is not aware of any significant changes in shipping policies and laws in the Republic of China, Panama, the Marshall Islands or Hong Kong that may affect its financial operations.

Since the shipping routes of the Company and reinvestment companies cover Asia, the Americas and Oceania, in the case of making a contract or having a dispute with a third party, the laws and litigation procedures shall be in accordance with the circumstances of individual cases, so that the Company needs to comply with laws and regulations of different countries, or carry out the procedures in different countries, which requires certain transnational operations and risk management capabilities. For the purpose of operation, the Company and reinvestment companies have already insured their ships for shipping related insurance, to better avoid operational risks. However, the Company focuses on cultivating and selecting management teams with a complete background in learning economics and excellent foreign language skills; At the same time, it is required that relevant personnel shall fully understand international differences and continuously pay attention to adjustments and changes in relevant laws and regulations; When necessary, they consult relevant experts at home and abroad, supplemented by years of experience accumulated by the management team and maritime expertise, in order to carry out risk management and crisis management with a rapid and correct decision-making process.

（5）The impact of science and technology changes and industry changes on the Company's financial operations and countermeasures:

The Company provides ship transportation services and has not engaged in production and manufacturing activities, and sea transportation is still the most economical transport option to this day. The foreseeable science and technology changes shall not have a significant impact on the Company's financial operations.

The Company has established an internal control system for information management operations and personal data protection management operations to ensure the security of the network and information, but the Company still cannot guarantee that it can protect network and computer systems from attacks from third parties. Under these attacks, the Company may lose important data, and ship navigation positioning systems and electronic charts may also be attacked by hackers so that they gain control and extort money from the Company, resulting in business interruption or damage to ships. To ensure internal information security, the Company has dedicated information personnel responsible for inspecting the operational security of the information system, controlling colleagues' usage of the system, setting daily and scheduled backups of important data, and promoting relevant information security concepts and correct operation methods.

The Company continuously reviews and evaluates its information security regulations and procedures to ensure their appropriateness and effectiveness, but the Company cannot guarantee that the Company will not be affected by the risks and attacks of constantly changing information security threats. Network attacks may also attempt to steal company business secrets and other confidential information, such as proprietary information of customers or other interested persons and personal information of company employees; Regarding the security of ship information systems, the Company also maintains close contact with professional insurance companies to understand information related to information safety insurance and will consider purchasing in accordance with needs.

（6）The impact of the Company's image change on crisis management and countermeasures:

The Company adheres to the business philosophy of "Integrity, Honesty, Fairness, and

Ethics" and strives to provide customers with efficient, comprehensive, high-quality, and reliable services. The Company's working principle is to promote the team spirit of the Company, cultivate a good company culture, and strive to achieve the vision and goals of a socially responsible enterprise. The Company's shares were officially listed in Taipei Exchange in October, 2014, so it continued to improve its governance and daily operating procedures, and the Company has effectively improved its internal management, customer satisfaction and company image; This will also provide the ability to respond to greater opportunities and challenges in the future. As of now, there have been no incidents that endanger the Company's image. The Corporate Governance System assessment released by the Company in the Corporate Governance Center in 2022 showed that the assessment results fell to 36% - 50%, indicating that the Company needs to further improve and make efforts to promote and implement corporate governance. The Company will continue to uphold the principle of integrity and honesty, strengthen the efficiency of corporate governance operations, improve the sustainable development of enterprises, and create a sound ESG ecosystem.

（7）Expected benefits and potential risks of merger and acquisition and countermeasures:

The Company has not had any plans to acquire another company in the most recent year or as of the date of publication of the annual report, so it is not applicable.

（8）Expected benefits and potential risks of expanding plants and countermeasures:

The Company has not had any plans to expand plants in the most recent year or as of the date of publication of the annual report, so it is not applicable.

（9）Risks due to the concentration of purchase or sales and countermeasures:

1. Risks due to the concentration of purchase and countermeasures

The Company mainly purchases fuel for ship operation. In order to balance the bargaining power of centralized purchasing and the risk of over-centralized purchasing, the Company carefully selects a few well-known international oil suppliers for purchasing, mainly foreign oil companies. In the bunkering arrangement, after considering the condition of freight forwarding, the voyage, the weather, the stock and the price difference between supply ports, etc., the Company makes the purchase at reasonable prices through comprehensive analysis, thus effectively diversifying purchasing sources and lowering costs. In addition, the Company continues to maintain business contacts with multiple international fuel suppliers, and can always obtain fuel market information and sufficient fuel supply; The Company can also adjust suppliers after internal evaluation in accordance with the prices offered by the suppliers, quality of goods and supply stability, so that the risk of centralized purchase can be diversified.

2. Risks due to the concentration of sales and countermeasures

The Group belongs to the shipping service industry, so the main revenue is from ship management and freight. In the most recent year, the proportion of the Group's top three customers in the revenue for that year is: T Company (18.03%), N Company (13.14%), and D Company (12.91%), with the revenue from the remaining single customers no more than 10%. The operating strategy is to provide stable income and reduce operational risks for the charterers the Company has long-term cooperation with, let part of the ships collect cargo on their own, or adopt the way of voyage chartering, to strive for larger voyage income, voyage contracts, and other freight arrangements to diversify and avoid the potential risks of concentrated sales.

（10） The impacts and risks due to significant transfer or exchange of stocks of Directors, Supervisors, or major shareholders holding more than 10% of the shares and countermeasures: None.

（11） The impact and risks due to the change of management rights on the Company and

countermeasures:

The Company has not changed management rights in the most recent year or as of the date of publication of the annual report.

（12） Lawsuits or non-contentious matters:

1. For lawsuits, non-contentious matters or administrative disputes that have been established by judgment in the most recent year and as of the date of publication of the annual report or that are currently ongoing in the Company, and whose results may have a significant impact on shareholders' equity or securities prices, the fact in contention, the amount of the contract, lawsuit start date, main parties involved, and the current situation shall be disclosed: None.
2. For Directors, Supervisors, President, the person in charge, the major shareholders holding more than 10% of the shares and subsidiary companies, lawsuits, non-contentious matters or administrative disputes that have been established by judgment in the most recent year and as of the date of publication of the annual report or that are currently ongoing, and whose results may have a significant impact on shareholders' equity or securities prices: None.
3. Incidents related to Article 157 of the Securities and Exchange Act that occurred on Directors, Supervisors, President, the major shareholders holding more than 10% of the shares and the Company's handling at present: None.

（13） Other important risks and countermeasures:

1. Risk of hull collision damage or loss:

During the operation, the ships can be influenced by the risk of maritime accidents caused by uncontrollable factors or human factors, such as collision, mechanical breakdown, or awful weather. To manage the potential impact of that risk on the Company's operations, all ships are insured against hull damage and war to reduce operational risks. In addition to maintaining the effectiveness of insurance, the Company also strengthens the training and management of relevant personnel regarding the safety and seaworthiness of ships to effectively manage the risk.

2. Liability insurance for a third party:

Claims for crew injuries, cargo losses, and responsibilities for cleaning caused by pollution may occur during ship operation. To manage the potential impact of this risk on the Company, all ships are in the International Shipowners Mutual Insurance Association and purchase shipowners' liability insurance to reduce the negative impact on the Company caused by third-party liability during operation. On the bright side, the Company also strengthens the training and management of relevant personnel regarding the safety and seaworthiness of ships to effectively manage the risk.

3. Risk due to changes in oil price:

In principle, the Company does not need to bear the cost of oil for ships of both time-based chartering and bare chartering, so the impact of oil price fluctuations on the Company is limited to self-operated ships in the spot market. The actual freight rates on spot market for bulk shipping, in principle, are adjusted based on the ups and downs of oil prices, so the impact of changes in oil prices on the Company is less risky.

4. Risk of encountering pirates:

If the Company's ship operation navigation route may include waters or countries concerning anti-terrorism, the Company will negotiate with all charterers to avoid dangerous waters as much as possible or avoid nearshore navigation to reduce risks. If the Company's ships need to sail across high-risk waters, the Company's ships will follow armed escort

fleets stationed in different countries or hire armed mercenaries to escort, to strengthen protection to avoid pirate hijacking incidents. In addition to providing valuable insurance coverage and additional insurance coverage in areas other than those covered by insurance, the Company's relevant departments shall provide the latest anti-theft information on each ship at any time and assist the captain and crew of each ship in familiarizing themselves with anti-theft exercises to enhance the autonomous anti-terrorism ability of ships.

5. Risk of crew turnover

As a professional shipowner, the Company must hire a large number of crew members. In recent years, the shipping market has experienced significant fluctuations, resulting in difficulties in recruiting crew members and varying qualities of the crew members, leading to an increase in operating costs and risks.

Most of the non-senior crew members currently employed by the Company are from Vietnam, and their recruitment, dispatch, and management are handled by a well-known Vietnamese local human resources agency with experience in seafarer dispatch management and relevant qualifications. Qualified local crew members with relevant knowledge backgrounds are selected to meet the Company's needs of seafarers while professionalism and cost are balanced.

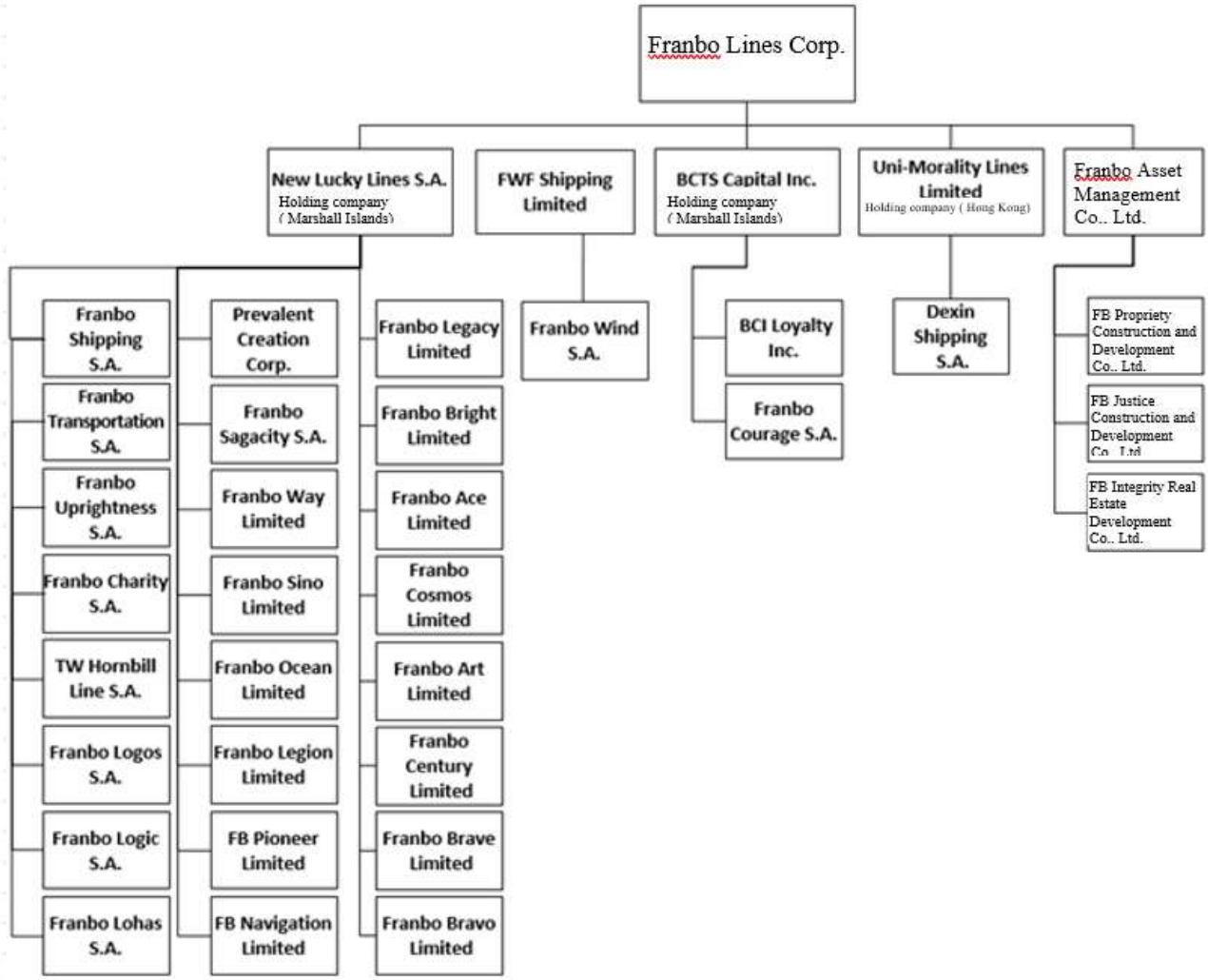
7. Other Important Matters: None.

VIII. Special items to be included

1. Information related to Company's affiliates

(1) Overview of affiliates

(1) Organizational chart of affiliates



(2) Affiliated company's basic information (As of December 31, 2023)

Unit: US$1,000

Name of company	Date of establishment	Address	Paid-in capital	Main Business or Production Item
Franbo Shipping S.A.	2006/06/09	Banco General Tower, 19th Floor,Aquilino De la Guardia Street,Marbella, Panama City, Republic of Panama	6,000	Marine transportation
Franbo Transportation S.A.	2005/01/27		6,372	Marine transportation
Franbo Charity S.A.	2012/11/08		0	Marine transportation
Franbo Sagacity S.A.	2011/12/11		2,000	Ship management consultant and Marine transportation
TW Hornbill Line S.A.	2012/02/29	60th Floor, BICSA Financial Center, Balboa Avenue, Panama City, Republic of Panama	3,500	Marine transportation
Franbo Logos S.A.	2014/09/05		9,500	Marine transportation
Franbo Logic S.A.	2014/09/05		9,500	Marine transportation
Franbo Lohas S.A.	2014/09/05		3,200	Marine transportation
Dexin Shipping S.A.	2015/03/26		-	Marine transportation
New Lucky Lines S.A.	2007/04/24	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands MH 96960	107,000	Investment in other regions
Franbo Wind S.A.	2011/04/26		6,000	Marine transportation
Franbo Way Limited	2017/09/27		5,000	Marine transportation
Franbo Uprightness Corp.	2018/01/16		-	Marine transportation
Franbo Sino Limited	2018/02/13		-	Marine transportation
Franbo Ocean Limited	2018/09/02		5,000	Marine transportation
Franbo Legion Limited	2020/05/12	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands MH 96960	8,500	Marine transportation
FB Pioneer Limited	2019/05/09		1,100	Marine transportation
FB Navigation Limited	2019/05/09		1,160	Marine transportation
Franbo Legacy Limited	2021/03/15		4,000	Marine transportation
Franbo Bright Limited	2021/05/20		3,500	Marine transportation
Franbo Ace Limited	2021/05/20		12,000	Marine transportation
Franbo Cosmos Limited	2021/05/20		16,500	Marine transportation
Franbo Art Limited	2021/08/05		12,000	Marine transportation
Franbo Century Limited	2021/08/13		14,000	Marine transportation
Franbo Brave Limited	2021/11/05		7,835	Marine transportation
Franbo Bravo Limited	2021/11/05		6,300	Marine transportation
BCTS Capital Inc.	2020/09/25		2,000	Investment in other regions
FWF Shipping Limited	2020/12/17		5,000	Investment in other regions and Marine transportation
Prevalent Creation Corp.	2008/11/10	24, Lesperance Complex, Providence Industrial Estate, Mahe, Seychelles	30	Ship management consultant
Uni-Morality Lines Limited	2010/05/14	Unit 1801-2, 18/F, Jubilee Centre,46 Gloucester Road, Wanchai, Hong Kong	1,000	Investment in other regions

Unit: NT$1,000

Name of company	Date of establishment	Address	Paid-in capital	Main Business or Production Item
Franbo Asset Management Co., Ltd.	2020/07/13	3F, No. 31 Haibian Road, Lingya District, Kaohsiung City	450,000	Real estate property trading and development
FB Propriety Construction and Development Co., Ltd.	2022/04/19		120,000	Real estate property trading and development
FB Justice Construction and Development Co., Ltd.	2022/07/05		130,000	Real estate property trading and development
FB Integrity Real Estate Development Co., Ltd.	2023/05/02		70,000	Real estate property trading and development

(3) The information of the same shareholders determined to have the control and subordination relationship: Not applicable.

(4) The industry covered by the business of the whole affiliated enterprises: The business operated by the Company and its affiliated enterprises is bulk shipping services.

(5) Information of the directors, supervisors, and president of each affiliated enterprise:

December 31, 2023; Unit: 1,000 shares

Enterprise name	Title	Name or representative	Shareholding held	
			Number of shares	Shareholding proportion
New Lucky Lines S.A.	Director	Tsai, Ching-Chuang; Tsai, Pang-Chuan; Tsai, Ping-Jui	107,000	100%
Franbo Shipping S.A.	Director		6,000	100%
Franbo Transportation S.A.	Director		6,372	100%
Franbo Wind S.A.	Director	Tsai, Pang-Chuan; Tsai, Ching-Chuang; Tsai, Ping-Jui	6,000	100%
Franbo Charity S.A	Director		-	100%
TW Hornbill Line S.A.	Director		3,500	100%
Franbo Logos S.A.	Director		9,500	100%
Franbo Logic S.A.	Director		9,500	100%
Franbo Lohas S.A.	Director		3,200	100%
Franbo Sagacity S.A.	Director		2,000	100%
Franbo Way Limited	Director		5,000	100%

Enterprise name	Title	Name or representative	Shareholding held	
			Number of shares	Shareholding proportion
Franbo Uprightness Corp.	Director	Tsai, Pang-Chuan; Tsai, Ching-Chuang; Tsai, Ping-Jui	-	100%
Franbo Sino Limited	Director		-	100%
Franbo Ocean Limited	Director		5,000	100%
Franbo Legion Limited	Director		8,500	100%
FB Pioneer Limited	Director		1,100	100%
FB Navigation Limited	Director		1,160	100%
Franbo Legacy Limited	Director		4,000	100%
Franbo Bright Limited	Director		3,500	100%
Franbo Ace Limited	Director		12,000	100%
Franbo Cosmos Limited	Director		16,500	100%
Franbo Art Limited	Director		12,000	100%
Franbo Century Limited	Director		14,000	100%
Franbo Brave Limited	Director		7,835	100%
Franbo Bravo Limited	Director		6,300	100%
Dexin Shipping S.A.	Director		-	100%
BCTS Capital Inc.	Director		2,000	100%
FWF Shipping Limited	Director		5,000	100%
Prevalent Creation Corp.	Director	Tsai, Ching-Chuang	30	100%
Uni-Morality Lines Limited	Director	Tsai, Pang-Chuan	1,000	100%
Franbo Asset Management Co., Ltd.			45,000	100%
FB Propriety Construction and Development Co., Ltd.	Director	Tsai, Ching-Chuang	12,000	100%
FB Justice Construction and Development Co., Ltd.	Director	Tsai, Ching-Chuang	13,000	100%
FB Integrity Real Estate Development Co., Ltd.	Director	Tsai, Ching-Chuang	7,000	100%

(6) Financial status and operating results of each affiliated enterprises (as of December 31, 2023)

Unit: US$1,000 (except that the earnings per share are US dollars)

Enterprise name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Profit or loss for current period (after tax)	Earnings per share (NT$)
Franbo Shipping S.A.	6,000	5,060	184	4,876	526	473	442	0.07
Franbo Transportation S.A.	6,372	5,748	351	5,397	482	413	332	0.05
Franbo Wind S.A.	6,000	6,892	660	6,232	233	220	232	0.04
TW Hornbill Line S.A.	3,500	3,497	18	3,479	-	(25)	1	0.00
Franbo Logos S.A.	9,500	14,647	1,225	13,422	2,859	(74)	(54)	(0.01)
Franbo Logic S.A.	9,500	16,876	1,434	15,442	3,880	872	951	0.10
Franbo Lohas S.A.	3,200	14,859	3,219	11,640	4,583	1,649	1,443	0.45
Franbo Sagacity S.A.	2,000	3,162	830	2,332	421	(93)	(89)	(0.04)
Prevalent Creation Corp.	30	16	-	16	-	(1)	(1)	(0.03)
Franbo Way Limited	5,000	11,448	97	11,351	1,351	466	582	0.12
Franbo Sino Limited	-	-	-	-	-	-	-	-
Franbo Oecan Limited	5,000	16,033	7,951	8,082	2,069	1,875	1,303	0.26
Franbo Legion Limited	8,500	10,758	922	9,836	3,340	412	633	0.07
FB Pioneer Limited	1,100	3,778	2,041	1,737	621	(14)	(75)	(0.07)
FB Navigation Limited	1,160	3,267	1,221	2,046	614	80	41	0.04
Franbo Legacy Limited	4,000	8,574	454	8,120	2,062	433	284	0.07
Franbo ACE Limited	12,000	29,854	16,986	12,868	4,004	1,292	864	0.07
Franbo Bright Limited	3,500	9,210	5,868	3,342	2,635	(318)	(456)	(0.13)
Franbo Cosmos Limited	16,500	33,820	17,989	15,831	495	(620)	(718)	(0.04)
Franbo ART Limited	12,000	29,507	17,443	12,064	2,657	200	76	0.01
Franbo Century Limited	14,000	30,665	17,074	13,591	215	(421)	(423)	(0.03)
Franbo Brave Limited	7,835	7,845	-	7,845	-	(1)	13	0.00
Franbo Bravo Limited	6,300	6,407	110	6,297	-	(1)	(1)	0.00
New Lucky Lines S.A.	107,000	208,889	24,424	184,465	-	(32)	7,361	0.07
BCTS Capital Inc.	2,000	2,297	-	2,297	-	(1)	45	0.02
FWF Shipping Limited	5,000	15,636	1,091	14,545	13,558	9,112	9,476	1.90
Dexin Shipping S.A.	-	-	-	-	-	-	-	-
Uni-Morality Lines Limited	1,000	3,622	-	3,622	-	(2)	(2)	0.00

Unit: NT$1,000(except that the earnings per share are NT$)

Enterprise name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Profit or loss for current period (after tax)	Earnings per share (NT$)
FB Propriety Construction and Development Co., Ltd.	120,000	214,107	108,000	106,107	-	(7,888)	(13,709)	(1.14)
FB Justice Construction and Development Co., Ltd.	130,000	143,892	15,635	128,257	-	(143)	(1,624)	(0.12)
FB Integrity Real Estate Development Co., Ltd.	70,000	104,152	34,288	69,865	-	(84)	(135)	(0.02)
Franbo Asset Management Co., Ltd.	450,000	635,059	207,473	427,586	-	(1,288)	(21,198)	(0.47)

(2) Declaration of the consolidated financial report of affiliated enterprises:

The companies that shall be brought by the Company in the year 2023 (from January 1, 2023 to December 31, 2023) to draw up consolidated financial statements of affiliated enterprises in accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises and the companies that shall be brought to draw up consolidated financial statements for parent companies and subsidiary companies in accordance with International Financial Reporting Standards 10 shall be the same. And the relevant information that shall be disclosed in the consolidated financial statements of affiliated enterprises has already been disclosed in the previous consolidated financial reports of the parent and subsidiary companies, so no separate consolidated financial statements of affiliated enterprises will be drawn up.

It is hereby certified

Company name: Franbo Lines Corp.

Chairman: Tsai, Pang-Chuan

March 7, 2024

(3) Relationship report: not applicable.

2. Handling of Privately Placed Negotiable Securities in the most recent year and as of the date of publication of the annual report:None.

3. Shares held or disposed of by subsidiaries in the most recent year and as of the date of publication of the annual report: None.

4. Other necessary supplementary explanations: None.

IX. In the most recent year and up to the date of publication of the annual report, the events that have a significant impact on shareholders' equity or securities prices as specified in Subparagraph 2, Paragraph 3, Article 36 of the Securities Exchange Act: None.

Franbo Lines Corp.

Chairman: Tsai, Pang-Chuan