

# 2023 ANNUAL REPORT

TAIEX: 2606



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APPENDIX OF 2023 ANNUAL REPORT – THE NOTES OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE NOTES OF THE PARENT COMPANY ONLY FINANCIAL STATEMENT

## One. Letter to Shareholders

### I. Introduction

In 2023, global economic growth was influenced by macroeconomic turbulence, international geopolitical conflicts, rising inflation and interest rates, and extreme weather conditions. Similarly, the demand for dry bulk was affected by multiple uncertain factors:

In February, there was an imbalance between ship supply and demand, compounded by the Lunar New Year holiday, resulting in the Baltic Dry Index (BDI) hitting its lowest point of the year.

In March, China's steel-producing hub, Tangshan, restarted steel production restrictions, causing a sharp decline in iron ore prices.

In July, the International Maritime Organization (IMO) held its 80th session (MEPC 80), strengthening emissions reduction regulations for the shipping industry, aiming for net-zero carbon emissions by 2050.

Starting in August, the Panama Canal experienced a drought, restricting vessel traffic and reducing supply in the medium-sized shipping sector. Additionally, increased shipments from Brazilian and Australian miners and the eruption of the Red Sea crisis pushed up freight rates, leading to the BDI reaching its peak for the year in December.

The Baltic Dry Index (BDI) rose from an average of 1,169 points in the first three quarters to an average of 2,033 points in the fourth quarter, opening low and closing high. The average for the whole year was 1,378 points, a 29% decrease compared to 2022.

In 2023, the recovery of China's real estate market was not as expected, with several developers facing debt default issues. The Chinese government introduced several measures to rescue the housing market, including issuing one trillion yuan in government bonds, implementing the "recognize houses, not loans" policy, and lowering mortgage rates. However, it still takes time to observe and improve market and consumer responses. On the other hand, China's import demand increased. According to customs data, imports of major raw materials (iron ore, coal, and soybeans) increased by 17% compared to last year, reaching 1.76 billion tons. Among them, steel production exceeded expectations, and with the weakening of policies to reduce crude steel production, iron ore inventories at Chinese ports reached a seven-year low, and iron ore imports reached the highest level since 2020. Additionally, heavy rainfall in China affected domestic wheat production, leading to a record-high wheat import volume of 12.1 million tons for the year.

Looking ahead to 2024, dry bulk operations still face various challenges amidst variables such as the U.S. presidential election, slowing global economic growth, geopolitical tensions, uncertainty in China's economy and demand, prevailing trade protectionism, and geopolitical economic fragmentation. According to the International Monetary Fund (IMF), global economic growth is expected to reach 3.1% in 2024. According to data from Clarkson's "Dry Bulk Trade Outlook" in January 2024, the expected growth rate of dry bulk supply in 2024 is 2.3%, and the estimated growth rate of demand for dry bulk ton-miles is 1.6%, indicating a moderate growth outlook for dry bulk. However, factors such as stable growth in global raw material demand, changes in dry bulk supply chains increasing demand for capacity, historically low orderbook, and accelerated ship scrapping due to international environmental regulations are expected to gradually increase dry bulk freight rates.

### II. Business Performance

In the midst of the turbulent global political and economic changes in 2023, U-MING demonstrated corporate resilience by actively leveraging AI technology to create intelligent competitive advantages, overcoming environmental challenges. The company achieved outstanding revenue and profit performance, with consolidated revenue reaching NT\$14.37547 billion, operating net profit of NT\$2.7793 billion, post-tax net profit of NT\$2.66887 billion, and earnings per share (EPS) of NT\$3.24. Below are summarized highlights of various operational focuses:

#### (I) Owned ships operating performance

U-MING has adeptly grasped the supply and demand trends in the dry bulk market, timely adjusting the proportion of time charter contracts to spot market contracts. The time charter

equivalent (TCE) of Capesize, Panamax, and Supramax fleet all exceeded the average TCE of the spot market. This flexible and adaptive business operation has led to excellent financial performance. U-MING possesses the most advanced energy-efficient fleet and utilizes digital ship management systems, complemented by an experienced management team, contributing to outstanding performance results for the company.

## **(II) Continuous Digital Transformation**

U-MING's proprietary Fleet Safety Management System (FSM), after years of practical operation and application, has not only obtained certifications such as the SMARTShip Notation from classification societies including Japan's NK, Norway's DNV, Taiwan's CR, and the United States' ABS but has also been honored with the Maritime Safety Award by the Maritime and Port Authority of Singapore.

Furthermore, in terms of maritime environmental protection, through FSM's real-time monitoring of vessel position and meteorological/oceanographic information, U-MING ensures that vessels adopt optimal routes, precisely controls vessel speed and arrival times at ports, reducing fuel consumption, lowering costs, and simultaneously achieving carbon reduction goals.

## **(III) Strengthening Corporate Responsibility**

U-MING has long been committed to sustainable operations, earning recognition both domestically and internationally. It has been included in the FTSE4Good Emerging Index for seven consecutive years and in the Taiwan Stock Exchange's FTSE4Good TIP Taiwan ESG Index for eight consecutive years. U-MING's sustainability report was honored with the highest recognition, the Platinum Award, and the "Taiwan Top 100 Sustainable Exemplary Enterprise Award" for the first time.

Employees are U-MING's most valuable asset. The company has won the HR Asia "Best Companies to Work for in Asia Award" for three consecutive years. In addition, it was recognized as one of the top 10% outstanding enterprises in the "Healthy Workforce Sustainability Leader" category in 2023, as well as receiving the "Workplace Sustainable Health and Safety" excellence award, demonstrating U-MING's outstanding performance in promoting employee health and commitment to sustainable operations.

In 2023, U-MING officially became a supporter of the Task Force on Climate-related Financial Disclosures (TCFD), symbolizing its determination to mitigate climate change. The company also declared its goal to achieve net-zero emissions by 2050, actively planning carbon reduction pathways, and initiating sustainable supply chain programs. It aims to collaborate with suppliers to promote green supply chains, benefiting both humanity and the planet, while enhancing U-MING's positive corporate image, sustainability competitiveness, and long-term profitability.

## **(IV) Summary of Business Plan for the Current Year**

In 2023, U-MING launched a total of nine environmentally friendly and energy-efficient new vessels. With the trend towards larger vessels, the unit fuel consumption and operational costs have decreased relatively. Taking advantage of the energy-saving and emission-reduction characteristics of ships, U-MING has implemented low-speed navigation, adopted streamlined bridge designs, and optimized hull shapes to reduce wind and water resistance, further lowering fuel consumption and enhancing cost competitiveness. These new vessels continue U-MING's concept of energy conservation and environmental protection, with an increased emphasis on intelligent applications. Through ship networking management, fault diagnosis speed has been improved, fault rates reduced, and operational efficiency increased, which will contribute to enhancing U-MING's competitive advantage.

The company plans to leverage its human capital and establish effective career development and training programs to cultivate high-performance teams, strengthen core competencies, and collaborate with external resources. It will continue to expand its operations externally, seeking strategic alliances and actively expanding its ship leasing and ship management businesses to maximize return on investment and diversify operational risks. U-MING operates with a philosophy of honesty and transparency, prioritizing safety and accountability in management. It has established long-term and reliable partnerships with world-class miners, steel mills, traders, and shipowners, creating stable and high-quality long-term income.

U-MING embraces digital thinking and has fully initiated enterprise AI transformation. Through collaboration with partners in the business ecosystem and cross-departmental teamwork, the company is developing smart vessels to ensure its leading position and sustainable growth in the fiercely competitive market.

### **III. Business Strategies and Prospects**

#### **(I) Future Company Development Strategy**

##### **(1) Building a Sustainable Fleet**

U-MING continues to research and acquire new generations of environmentally friendly and energy-efficient vessels, including zero-carbon or alternative fuel dual-fuel ships. For existing vessels, the company evaluates the installation of the latest energy-saving equipment to save fuel consumption and reduce carbon emissions. In addition to transporting traditional bulk cargo, U-MING also plans to enter the liquefied natural gas (LNG) energy transportation and offshore service operation vessel (SOV) markets. This diversification aligns with international environmental policies and customer demands.

##### **(2) Fleet Growth Strategy**

To provide better transportation services and a variety of bulk carriers for customers to choose from, optimize transportation efficiency, reduce carbon emissions, and protect the marine environment in accordance with international environmental regulations, U-MING timely retires older vessels to maintain a younger fleet. It is expected that five new vessels will join the operational fleet between 2024 and 2025. Additionally, U-MING plans for long-term fleet growth, setting goals for a fleet size exceeding 100 vessels and a total carrying capacity exceeding 10 million tons.

##### **(3) Operating Smart Vessels**

U-MING's proprietary Fleet Safety Management System (FSM) continuously improves various safety functions of vessels. Through collaboration with startups and the application of artificial intelligence and cutting-edge technology, U-MING enhances navigation safety and reduces the risk of vessel collisions. In the future, the company will utilize system automation to monitor the Carbon Intensity Indicator (CII) index, continuously improving and optimizing vessel performance.

#### **(II) Impact from External Competitive, Regulatory, and Macro-Operational Environments**

The orderbooks remain at historically low levels, and conflicts such as the Russia-Ukraine and Israel-Palestine wars persist, while energy and food crises continue to exist. Despite supply constraints and moderate demand recovery, the future market outlook remains cautiously optimistic.

The International Maritime Organization recently convened its Marine Environment Protection Committee, resolving to strengthen greenhouse gas emission control measures, explicitly requiring the shipping industry to achieve net-zero emissions by 2050. This implies a significant increase in shipowners' operating costs. U-MING, with forward-looking vision, has been deploying eco-Ship models since 2013 and executing a plan to replace old vessels with new ones, seizing opportunities in environmental transformation under the vision of sustainability.

The inclusion of the European Union Emissions Trading System (EU ETS) in the shipping industry in 2024 poses low risk to operations for U-MING, as Europe is not a major entry or exit point for its fleet. Nevertheless, the company will continue to minimize risks and carbon emissions through measures such as improving vessel efficiency and sailing at economic speeds.

2023 witnessed significant developments in artificial intelligence (AI), presenting numerous important opportunities in the shipping industry. Accelerating the development of smart shipping has become an inevitable trend to enhance company competitiveness. U-MING utilizes AI to optimize routes, significantly reducing sailing time, fuel costs, and greenhouse gas emissions. Additionally, the company employs tools such as Sensor Fusion, Machine Learning, and Augmented Reality to enhance navigation safety. In the future, U-MING will integrate FSM's big data and AI to analyze sensor data and maintenance records from connected vessels, enabling predictive maintenance to reduce vessel failures and downtime, lower maintenance costs, and enhance vessel performance. U-MING will harness AI and other digital technologies to cultivate change management capabilities, drive organizational transformation, and address challenges brought by new technologies.

Looking ahead, the world economy in 2024 will face several significant risks: uncertainty in China's real estate and policies, continued inflation and high-interest rates, persistent geopolitical turmoil, frequent extreme weather events, and prevailing trade protectionism. The dry bulk shipping industry will face increasingly stringent environmental regulations year by year. U-MING will remain vigilant, closely monitoring global economic trends, commodity markets, and political environments, adjusting its operational strategies accordingly to navigate market fluctuations.

For the future to come, we will continue to take advantage of the three major assets: "human resources," "fleet," and "integrated resources" to create the best interests for our customers, employees, and investors; also, adhere to the five values of ours "promoting optimization," "teamwork," "ethical corporate management," "passionate mission," and "sustainable operation" to lead U-Ming becoming a world-class maritime logistics company and to achieve the vision of "Promoting ESG Optimization."

## Two. Company Profile

### I. Date of incorporation and business operation

(I) Date of incorporation: August 29, 1968

(II) Business operation

1. Ship transport
2. Ship trading
3. G401011 Shipping agency business
4. All business items that are not prohibited or restricted by law, except those that are subject to special approval.

### II. Company history

1968	August	● U-Ming Transportation Company was established to operate truck delivery business.
1980	July	● The 6,100 DWT bulk cement carrier “Asia Cement No. 1” was completed and engaged in marine transportation business.
1984	June	● Reorganized and established U-Ming Marine Transport Corp. to engage in marine transport business.
	July	● The 66,000 DWT Panamax bulk carrier “M.V. Grand Pioneer” was completed.
1987	September	● The 11,000 DWT bulk cement carrier “Asia Cement No. 2” was completed.
1989	January	● The 66,000 DWT Panamax bulk carriers “M.V. Cemtex Hunter” and “M.V. Cemtex Leader” were completed.
	May	● The 12,000 DWT bulk cement carrier “Asian Cement No. 3” was completed.
1990	April	● The 69,000 DWT Panamax bulk carrier “Cemtex Fortune” was completed.
	July	● The 70,600 DWT Panamax bulk carrier “CemTex Orient” was completed.
	August	● The 149,000 DWT Capesize bulk carrier “M.V. Cape Asia” was completed.
	October	● The 149,000 DWT Capesize bulk carrier “M.V. Cape Australia” was completed.
1991	December	● The stock was listed for public trade.
	February	● The 149,000 DWT Capesize bulk carrier “M.V. Cape America” was completed.
	August	● The 149,000 DWT Capesize bulk carrier “M.V. Cape Africa” was delivered.
1993	March	● The 12,000 DWT bulk cement carrier “Asia Cement No. 5” was completed.
	July	● U-Ming Marine Transport Corp. was the continuing business entity after merging Zhong-U Transport Co., Ltd.

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- 1993 August ● The 149,000 DWT Capesize bulk carrier “M.V. Cape Europe” was completed.
- November ● The 149,000 DWT Capesize bulk carrier “M.V. Cape Cathay” was completed.
- 1994 January ● U-Ming (Singapore) Pte Ltd. was incorporated.
- April ● U-Ming Marine (Singapore) Pte. Ltd. was granted with the “AIS” tax exemption available for international enterprises.
- July ● The 149,000 DWT Capesize bulk carrier “M.V. Cape Oceania” was completed.
- 1995 April ● Yue-Li Investment Corp. was incorporated.
- December ● The 12,000 DWT bulk cement carrier “Asia Cement No. 6” was completed.
- 1996 January ● The 45,000 DWT Handysize bulk carrier “Asian Glory” was completed.
- March ● The 45,000 DWT Handy bulk carrier “Asian Excelsior” was completed.
- December ● The 172,000 DWT Capesize bulk carrier “Cape Venus” was completed.
- 1997 March ● The 172,000 DWT Capesize bulk carrier “Cape Jupiter” was completed.
- December ● The 165,000 DWT Capesize bulk carrier “Cape Mercury” was completed.
- 1998 January ● The 71,000 DWT Panamax bulk carrier “Cemtex Renaissance” was completed.
- May ● The 19,000 DWT bulk cement carrier “Asia Cement No. 7” was completed.
- 1999 May ● The 80,000 DWT Post Panamax bulk carrier “Cemtex Sincerity” was completed.
- November ● The 80,000 DWT Post Panamax bulk carrier “M.V. Cemtex Diligence” was completed.
- December ● Yue-Tung Investment Co., Ltd. was incorporated.
- 2000 May ● The 80,000 DWT Post Panamax bulk carrier “Cemtex Thrift” was completed.
- July ● The 80,000 DWT Post Panamax bulk carrier “Cemtex Prudence” was completed.
- 2001 November ● The Enterprise Resource Integration System (ERP) was officially launched.
- 2003 March ● U-Ming Marine Transport (Hong Kong) Corp. was incorporated.
- July ● The 175,000 DWT Capesize bulk carrier “Cape Mars” was completed.

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|------|-----------|---|
|      | November  | <ul style="list-style-type: none"> <li>● The 175,000 DWT Capesize bulk carrier “M.V. Cape Saturn” was completed.</li> <li>● The certification of the enterprise head office was obtained.</li> </ul>  |
| 2004 | April     | <ul style="list-style-type: none"> <li>● The 77,000 DWT Panamax bulk carrier “M.V. Grand Pioneer” was completed.</li> </ul>   |
|      | June      | <ul style="list-style-type: none"> <li>● The 77,000 DWT Panamax bulk carrier “Grand Wisdom” was completed.</li> </ul>   |
|      | November  | <ul style="list-style-type: none"> <li>● The 318,000 DWT Supramax oil tank “Starlight Venture” ordered through a strategic alliance was completed.</li> </ul>   |
| 2005 | September | <ul style="list-style-type: none"> <li>● The 175,000 DWT Capesize “Mineral Capeasia” ordered through a strategic alliance was completed.</li> </ul>   |
|      | October   | <ul style="list-style-type: none"> <li>● Ranked in the “Asia Top-150 Best Companies” by the “BusinessWeek Asian Edition.”</li> </ul>  |
|      | November  | <ul style="list-style-type: none"> <li>● The best enterprises in the Asia-Pacific region with annual revenue under US\$1 billion announced by “Forbes Asia.”</li> <li>● Purchased the 71,535 DWT Panamax bulk carrier “M.V. Cemtex Honor.”</li> </ul> |
| 2006 | August    | <ul style="list-style-type: none"> <li>● The 74,000 DWT Panamax bulk carrier “Cemtex Venture” ordered through a strategic alliance was completed.</li> </ul>  |
| 2007 | March     | <ul style="list-style-type: none"> <li>● The 175,000 DWT Capesize “Cape Shanghai” ordered through a strategic alliance was completed.</li> </ul>  |
|      | August    | <ul style="list-style-type: none"> <li>● A 177,000 DWT Capesize bulk carrier was ordered through the joint venture with Wah Kwong Group (Hong Kong) that was expected to be completed in 2010.</li> </ul>   |
|      | November  | <ul style="list-style-type: none"> <li>● Ordered two 57,000 DWT Supramax bulk carriers that were expected to be completed in 2010.</li> </ul>   |
| 2009 | March     | <ul style="list-style-type: none"> <li>● Nine Taiwan ships were approved for sailing directly across the Taiwan Strait.</li> </ul>  |
|      | May       | <ul style="list-style-type: none"> <li>● Xiamen Representative Office of U-Ming Marine Transport Corp. was established.</li> </ul>  |
|      | June      | <ul style="list-style-type: none"> <li>● Awarded in the 2<sup>nd</sup> place of the “2008 Outstanding Companies” by the “Marine Money.”</li> </ul>  |
|      | July      | <ul style="list-style-type: none"> <li>● The Supramax oil tank VLCC “Starlight Venture” that was purchased by Overseas Shipping Private Limited, the subsidiary, was completed.</li> </ul>  |
| 2010 | June      | <ul style="list-style-type: none"> <li>● Purchased a 74,000 DWT Panamax bulk carrier “Cemtex Venture” from the joint venture.</li> </ul>  |

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- Passed the “CG6005 Corporate Governance System Evaluation” of Taiwan Corporate Governance Association.
- Ranked in the 3<sup>rd</sup> place of the “2009 Outstanding Companies” by the “Marine Money.”
- 2011 July
  - Contracted with Guangzhou CSSC Longxue Shipbuilding Co., Ltd. to build two 82,000 DTW Kamsarmax bulk carriers.
  - Contracted with Shanghai Waigaoqiao Shipbuilding Co., Ltd. to build four 206,000 DWT Capesize bulk carriers.
  - Jointly established “Global Energy Maritime Co., Ltd.” with CPC Corporation, Taiwan and Chinese Maritime Transport Ltd. to engage in the transportation of crude oil and refined oil.
- August
  - The 177,000 DWT Capesize bulk carrier “Cape Victory” ordered through a strategic alliance was completed.
- October
  - Awarded with the 2010 “Taiwan Enterprise Benchmarking Award” by the “Commonwealth Magazine.”
- 2011 March
  - Signed a contract for the chartered coal carrier operation of “Taipower Prosperity V” and “Taipower Prosperity VII” with Taiwan Power Company.
- July
  - The 176,000 DWT Capesize bulk carrier “Cape Asia” ordered through a strategic alliance was completed.
- September
  - Xiamen U-Ming Ship Services Co., Ltd. was incorporated.
- 2012 February
  - Contracted with Shanghai Waigaoqiao Shipbuilding Co., Ltd. to build four 186,300 DWT Capesize bulk carriers, including an option for the shipowner to order additional six same model carriers.
- July
  - The 57,000 DWT Supramax bulk carrier “Asian Champio” christening and completion and the “M.V. Asian Triumph” christening were held.
- October
  - The 206,000 DWT Capesize bulk carrier “M.V. Cape Globe” christening was held.
- November
  - Contracted with Oshima Shipbuilding Co., Ltd. of Sumitomo Corporation to build two 84,000 DWT bulk carriers, including an option for the shipowner to order additional two same model carriers.
  - Purchased a newly built 98,000 DWT bulk carrier from Global Maritime Ltd.
- 2013 April
  - The 206,000 DWT Capesize bulk carrier “M.V. Cape Neptune” christening and delivery ceremony was held.
- June
  - The two 82,000 DWT bulk carriers “M.C. Cape Creation” christening and delivery ceremony and “M.C. Cape New” christening were held.
- July
  - Contracted with Shanghai Waigaoqiao Shipbuilding Co., Ltd. to build four 186,300 DWT bulk carriers.
- August
  - Issued the first corporate social responsibility report to disclose the Company’s commitment to developing green shipping and fulfilling corporate social responsibility.
- October
  - The 206,000 DWT Capesize bulk carrier “Cape Stars” christening and delivery ceremony was held.

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	December	<ul style="list-style-type: none"> <li>Contracted with Oshima Shipbuilding Co., Ltd. of Sumitomo Corporation to build four 62,000 DWT bulk carriers.</li> </ul>
2014	January	<ul style="list-style-type: none"> <li>The 206,000 DWT Capesize bulk carrier “M.V. Cape Splendor” christening and delivery ceremony was held.</li> </ul>
	March	<ul style="list-style-type: none"> <li>The 187,882 DWT Capesize bulk carrier “M.V. Cape Australia” christening and delivery ceremony and the “M.V. Cape America” christening were held.</li> </ul>
	April	<ul style="list-style-type: none"> <li>The 187,882 DWT Capesize bulk carrier “M.V. Cape Europe” christening and delivery ceremony and the “M.V. Cape India” christening were held.</li> </ul>
	July	<ul style="list-style-type: none"> <li>Awarded with the A+ rating in the 11<sup>th</sup> Listed Company Information Disclosure Evaluation.</li> </ul>
	August	<ul style="list-style-type: none"> <li>Issued the second corporate social responsibility report that was certified by DNV GL and complied with the AA1000 Class I/Medium Assurance and GRI G3.1 B+ application standards.</li> </ul>
	October	<ul style="list-style-type: none"> <li>The 85,066 DWT Post Panamax bulk carrier “M.V. Cemtex Hunter” christening and delivery ceremony and “M.V. Cemtex Leader” christening was held.</li> </ul>
2015	February	<ul style="list-style-type: none"> <li>Xiamen U-Ming Ship Services Co., Ltd. was renamed as U-Ming (Xiamen) International Ship Management Co., Ltd.</li> </ul>
	April	<ul style="list-style-type: none"> <li>The 85,066 DWT Post Panamax bulk carrier “Cemtex Honor” christening and delivery ceremony was held.</li> <li>Awarded with the A++ rating in the 12<sup>th</sup> Listed Company Information Disclosure Evaluation.</li> <li>The 187,888 DWT Capesize bulk carrier “Cape Excelsior” christening and delivery ceremony was held.</li> </ul>
	August	<ul style="list-style-type: none"> <li>The 85,066 DWT Post Panamax bulk carrier “Cemtex Fortune” christening and delivery ceremony was held.</li> </ul>
	December	<ul style="list-style-type: none"> <li>The 187,888 DWT Capesize bulk carrier “Cape Success” christening and delivery ceremony was held.</li> </ul>
2016	February	<ul style="list-style-type: none"> <li>Contracted with Oshima Shipbuilding Co., Ltd. of Sumitomo Corporation to build two 81,500 DWT bulk carriers.</li> </ul>
	November	<ul style="list-style-type: none"> <li>The 62,466 DWT Ultramax bulk carrier “M.V. Asian Majesty” christening and delivery ceremony was held.</li> </ul>
2017	January	<ul style="list-style-type: none"> <li>The 187,888 DWT Capesize bulk carrier “M.V. Cape Brilliance” christening and delivery ceremony and the “M.V. Cape Galaxy” christening were held.</li> </ul>
	March	<ul style="list-style-type: none"> <li>The 62,466 DWT Ultramax bulk carrier “Asian Supermax” christening and completion and the “Asian Prominence” christening were held.</li> </ul>
	June	<ul style="list-style-type: none"> <li>U-Ming took the lead in joining the “Green Corridor” project.</li> <li>The 62,466 DWT Ultramax bulk carrier “Asian Pride” christening and delivery ceremony was held.</li> </ul>
	August	<ul style="list-style-type: none"> <li>U-Ming was included in the FTSE4Good constituent stock.</li> <li>Contracted for the chartered coal carrier operation of “Taipower Prosperity I” and “Taipower Prosperity II” with Taiwan Power Company.</li> </ul>

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|      | November  | <ul style="list-style-type: none"> <li>● U-Ming was awarded with the silver award of the 2017 “Corporate Sustainability Report Award” in the transportation sector.</li> </ul>   |
| 2017 | December  | <ul style="list-style-type: none"> <li>● U-Ming was awarded with the “Excellent Project Award” of the 2017 “Far Eastern Energy Saving Award.”</li> </ul>   |
| 2018 | January   | <ul style="list-style-type: none"> <li>● U-Ming Marine (Singapore) Pte. Ltd. signed a 25-year Contract of Affreightment (COA) for iron ore delivery with Brazil Vale.</li> <li>● U-Ming Marine (Singapore) Pte Ltd. signed a contract for two 325,000 DWT very large ore carriers (VLOCs) with China State Shipbuilding Corporation Qingdao Beihai Shipbuilding Co., Ltd.</li> </ul> |
|      | September | <ul style="list-style-type: none"> <li>● U-Ming was again included in the FTSE4Good constituent stock.</li> <li>● U-Ming participated in the “Green Corridor” project and introduced a new 260,000 DWT dual-fuel ship.</li> </ul>  |
|      | October   | <ul style="list-style-type: none"> <li>● The 82,200 DWT Panamax bulk carrier “Cemtex Sincerity” christening was held.</li> </ul>   |
|      | November  | <ul style="list-style-type: none"> <li>● U-Ming was awarded with the silver award of the 2017 “Corporate Sustainability Report Award” in the transportation sector.</li> </ul>   |
|      | December  | <ul style="list-style-type: none"> <li>● U-Ming’s FSM digital fleet safety management system project was awarded with the “Excellence Work” award of the 2018 “Far Eastern Spirit Award.”</li> </ul>   |
| 2019 | June      | <ul style="list-style-type: none"> <li>● The 82,200 DWT Panamax bulk carrier “M.V. “Cemtex Diligence” christening and delivery ceremony was held.</li> </ul>   |
|      | July      | <ul style="list-style-type: none"> <li>● Signed an MOU to establish a joint venture shipping company with Taiwan Power Company, Kuang Ming Shipping Corp., and Kawasaki Kisen Kaisha, Ltd.</li> </ul>  |
|      | October   | <ul style="list-style-type: none"> <li>● Held the 70<sup>th</sup> public charity affair ceremony of Far Eastern Group: The “Ocean Crisis” board game bewtowals ceremony and a visit to the National Museum of Marine Science and Technology.</li> </ul>  |
|      | November  | <ul style="list-style-type: none"> <li>● Awarded with the Gold Award of the 12<sup>th</sup> “Corporate Sustainability Report” in the transportation sector in 2019.</li> </ul>   |
|      | December  | <ul style="list-style-type: none"> <li>● U-Ming Xiamen, the subsidiary, was awarded with the “Foresight and Innovation” excellent work award in the 2019 Far Eastern Spirit Award.</li> </ul>  |
| 2020 | January   | <ul style="list-style-type: none"> <li>● U-Ming Marine Transport (Hong Kong) Corp. signed a contract with Oshima Shipbuilding Co., Ltd. (Japan) to build four ships, including two 100,000 DWT bulk carriers plus an option to order additional two same model curriers.</li> </ul>  |
|      | August    | <ul style="list-style-type: none"> <li>● The 325,000 DWT very large ore carrier (VLOC), a bulk carrier, “M.V. Grand Pioneer” christening was held.</li> </ul>  |
|      | August    | <ul style="list-style-type: none"> <li>● Included in the FTSE4Good constituent stock.</li> </ul>   |
|      | September | <ul style="list-style-type: none"> <li>● Awarded with the “2020 Outstanding Company in Taiwan” in the transportation Sector by the “Asiamoney.”</li> </ul>   |
|      | November  | <ul style="list-style-type: none"> <li>● U-Ming Marine (Singapore) Pte Ltd. signed a contract with Shanghai Waigaoqiao Shipbuilding Co., Ltd. to build four LNG dual-fuel Tier III bulk carriers.</li> </ul>   |

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| 2021 | <ul style="list-style-type: none"> <li>November ● U-Ming Marine (Singapore) Pte Ltd. signed a 10-year shipping contract with Anglo American for four LNG dual-fuel powered bulk carriers.</li> <li>November ● Awarded with the Gold Award of the “Corporate Sustainability Report Award” in transportation sector of the “Taiwan Corporate Sustainability Award (TCSA).”</li> <li>December ● The 325,000 DWT very large ore carrier (VLOC) bulk carrier “Grand Wisdom” christening was held.</li> <li>January ● U-Ming Marine (Singapore) Pte Ltd. signed a contract for two 210,000 DWT bulk carriers with China State Shipbuilding Corporation Qingdao Beihai Shipbuilding Co., Ltd., including an option to order additional two 210,000 DWT bulk carriers.</li> <li>February ● Invested in the offshore wind power marine work boat plan with a purchase of two finished high-efficiency Crew Transfer Vessels (VTC) with Taiwan nationality.</li> <li>March ● U-Ming Marine (Singapore) Pte Ltd. received a “sustainability-linked loan” for an amount of US\$44.75 million from E.Sun Bank.</li> <li>April ● U-Ming Marine Transport (Hong Kong) Corp. signed a contract with Sumitomo Corporation to have two 100,000 DWT bulk carriers built by Oshima Shipbuilding Co., Ltd. in Japan.</li> <li>May ● U-Ming Marine (Singapore) Pte Ltd. signed a contract to have two 210,000 DWT bulk carriers built by China State Shipbuilding Corporation Qingdao Beihai Shipbuilding Co., Ltd.</li> <li>June ● Reached a joint venture agreement with World Marine Offshore A/S (WMO) (Denmark) to establish U-Ming Marine Offshore Co., Ltd. jointly.</li> <li>July ● Awarded with the Best Corporate Governance Award in Taiwan in the 2021 “World Finance Corporate Governance Awards.”</li> <li>September ● Awarded with the 2021 “Asia Best Employer Award” and “WeCare Best Employee Care Award.”</li> <li>October ● Included in the FTSE4Good constituent stock.</li> <li>November ● Awarded with the Gold Award of the “Corporate Sustainability Report Award” in transportation sector of the “Taiwan Corporate Sustainability Award (TCSA).”</li> <li>December ● Received the innovation certificate of “Fleet Safety Management System” issued by the by Nippon Kaiji Kyokai (ClassNK).</li> <li>December ● Contracted with Bodewes International Shipbuilding B.V. of the Netherlands to build one 7,750 DWT cement carrier.</li> <li>December ● In response to the “Industry-Academia Joint Cultivation of Talents” policy, U-Ming Marine provided scholarships to the students of National Taiwan Ocean University, Taipei University of Marine Technology, and National Kaohsiung University of Science and Technology.</li> <li>December ● U-Ming Marine Offshore Co., Ltd. purchased two Crew Transfer Vessels (CTV) that were “World Mistral” and “World Scirocco” from World Marine Offshore A/S (WMO).</li> </ul> |
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2022	February	● Included in the FTSE4Good constituent stock.
	February	● U-Ming Marine (Singapore) Pte Ltd. received a “sustainability-linked loan” for an amount of US\$70 million from OCBC Bank Singapore.
	February	● Joined the Society for Worldwide Interbank Financial Telecommunication (SWIFT) and became its user.
	March	● The 99,990 DWT Post Panamax bulk carrier “M.V. Cemtex Excellence” christening was held.
	March	● U-Ming Marine (Singapore) Pte Ltd. received a “sustainability-linked loan” for an amount of US\$50 million from ANZ Bank.
	April	● Received a “sustainability-linked loan” for an amount of NT\$2.5 billion from Mizuho Bank.
	April	● U-Ming Marine Offshore Co., Ltd. reflagged crew transfer vessels for offshore wind contracts in Taiwan.
	June	● Included in the FTSE4Good constituent stock.
	July	● The 99,990 DWT Post Panamax bulk carrier “M.V. Cemtex Dominance” christening was held.
	August	● Wins “Best Companies to Work for in Asia” Award in 2022.
	August	● The “Fleet Safety Management(FSM)” wins the Singapore International Safety@ Sea Awards 2022.
	October	● Participated in R20 Climate Initiative – On the Road to Sustainability.
	October	● Officially Joined the "Maritime Anti-Corruption Network (MACN)" Platform
	November	● The 210,000 DWT Cape size bulk carriers “M.V. Cape Venus” and “M.V. Cape Jupiter” christening was held.
	November	● Won Gold Award for Sustainable Transportation
	November	● The 210,000 DWT Cape size bulk carrier “M.V. Cape Mercury” christening was held.
	December	● Included in the FTSE4Good constituent stock.
2023	January	● The 190,000 DWT LNG NOx Tier III Cape size bulk carrier “M.V. Ubuntu Integrity” christening was held.
	February	● Officially Signed on to Become a Supporter of the Task Force on Climate-Related Financial Disclosures (TCFD)
	March	● The 190,000 DWT LNG NOx Tier III Cape size bulk carrier “M.V. Ubuntu Loyalty” christening was held.
	March	● The 210,000 DWT Cape size bulk carrier “M.V. Cape Mars” christening was held.
	April	● The 99,990 DWT Post Panamax bulk carrier “M.V. Cemtex Eminence” christening was held.
	April	● Awarded with “The Asset Triple A Treasuries Awards 2023: Best Payment & Collection Solutions” by “The Asset”.

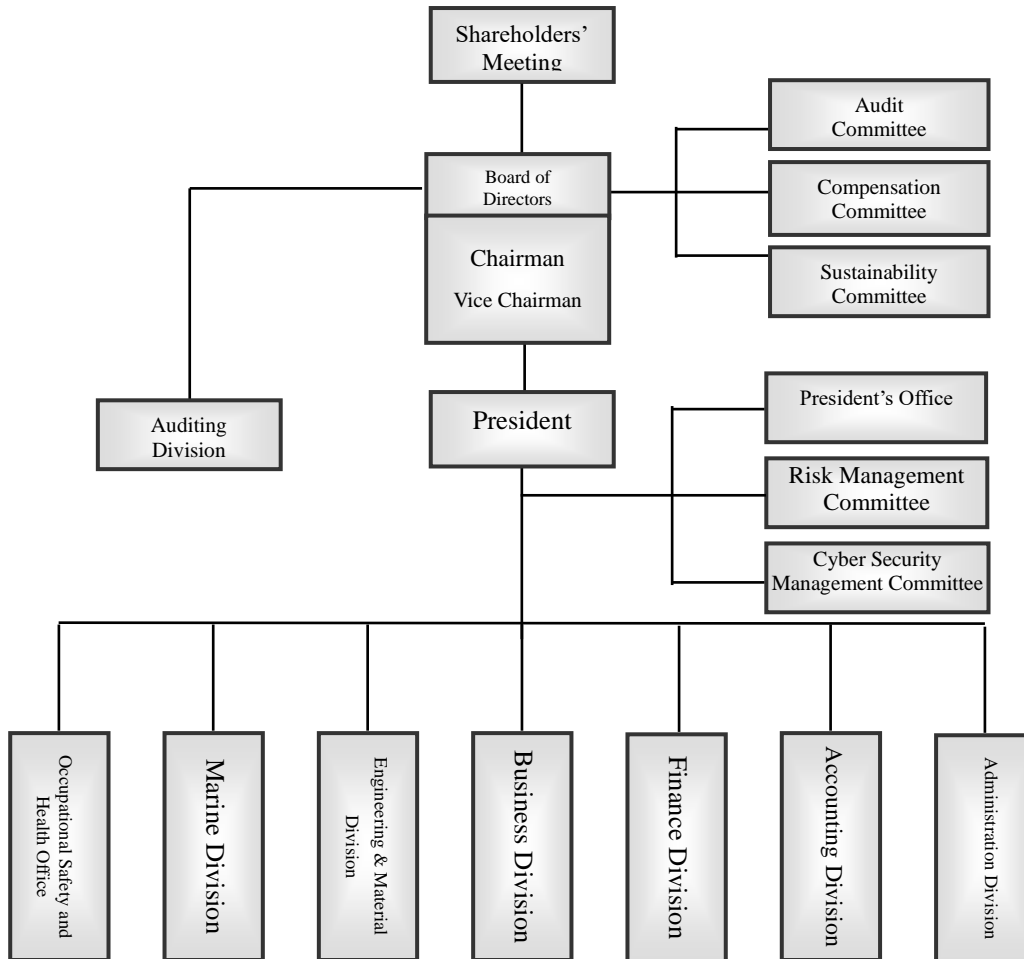
U-Ming Marine Transport Corp. is one of the eight listed companies of the Far East Group in Taiwan and it is engaged in bulk shipping business. The Company owns Capesize, Panamax, handy bulk carriers, cement carriers, Very Large Ore Carriers (VLOCs), Very Large Crude Carriers (VLCCs), and Crew Transfer Vessels (CTVs). As of April 30, 2023, there are 67 vessels, including built by joint ventures and managed by shipping agency; also, there are 9 new vessels planned to be completed in the next two years for a total of 72 ships and 8.82 million DWT. U-Ming will manage the fleet with an aim at low fuel consumption, energy saving, and emission reduction, which meets Far Eastern Group's environmental protection policy. U-Ming plans to phase out the outdated ships in order to keep the fleet rejuvenate, and enhance the competitive advantage, grasp business opportunities continuously, and be a leader in the market.

U-Ming has sufficient funds and a sound financial structure. U-Ming's headquarters in Taiwan is responsible for an international operation. In addition to the invested companies, in addition to the invested companies, U-Ming (Singapore) Pte Ltd. and U-Ming Marine Transport (Hong Kong) Corp., the Company had Xiamen U-Ming Ship Service Co., Ltd. incorporated in 2011 that was renamed as "U-Ming (Xiamen) International Ship Management Co., Ltd." in 2015 with a mission to develop the Chinese market and expand the business scale. U-Ming will continue to uphold Far Eastern's spirit of "sincerity, diligence, thrift, prudence, and innovation," and respond to global trends with digitization and technological advancement added into the business policy; also, adhere to the visions of "basing on the core expertise of shipping," "constructing U-Ming as a world-class logistics and transportation company," and "becoming the first choice of customers, employees, and investors" to operate continuously and to develop sustainably.

**Three. Corporate Governance Report**

**I. Organizational system**

(I) The Company’s organizational structure



## (II) Departmental operation

### 1. Audit Committee

Directly report to the Board of Directors. Major duties: (1) Fair presentation of the financial reports, (2) The hiring (and dismissal), independence, and performance of CPA, (3) The effective implementation of the internal control system, (4) Compliance with relevant laws and regulations, and (5) Management of the existing or potential risks.

### 2. Remuneration Committee

Directly report to the Board of Directors. Prescribe and periodically review the performance and remuneration policy for directors and managerial officers.

### 3. President's Office

Execute the resolutions of the Board of Directors, formulate the Company's major operating strategies, evaluate mid-term and long-term investment effects, and assist the President in handling daily affairs and assignments.

### 4. Sustainability Committee

Identify environmental sustainability issues, draft countermeasures, and continuously follow up on the performance. Build up continuous improvement plans, collect and submit data for external assessment. Build up and integrate statistics into the system platform.

### 5. Risk Management Committee

The President serves as the convener and presiding chair, and members include the President and senior executives. Key responsibilities include reviewing management reports on material risk issues, risk management policies, and procedures and framework, as well as implementing the risk management decisions of the Board of Directors. These efforts are undertaken to ensure that risk management mechanisms adequately address risks faced by the Company and that they are integrated into daily operational processes.

### 6. Cyber Security Management Committee

Responsible for governance, planning, education, training, supervision, and promotion of cyber security, continuously enhancing defensive and responsive capabilities to ensure the continuous operation, management, and decision-making of the company, as well as the effective functioning and availability of information systems.

### 7. Auditing Division

Handle audit-related matters and conduct internal audit operations in accordance with the "Internal Control System," "Internal Audit System and Enforcement Rules," and self-evaluation procedures established by the Company.

### 8. Business Division

Handle the operation of Panamax bulk carriers, handy bulk carriers, and cement carriers; also, the operation of chartered trade business, freight contracting, settlement of cargo disputes, international market survey, oil supply, study and planning measures for having mid-term and long-term freight rate stabilized, etc.

### 9. Marine Division

Handle matters related to navigation, marine technology, crew management, fleet quality control and audit, maritime accident processing, safety and security, etc.

### 10. E&M Division

Handle new ships ordering, new ship plan and drawing review, construction supervision, material supply, ship maintenance, and all other engineering and material matters.

### 11. Finance Division

Handle financing, foreign exchange, cashier, investment, and other fund management and control affairs, listed company stock affair operations, marine insurance claims, and other relevant financial matters.

12. Accounting Division

Handle accounting, budgeting, cost accounting, taxation, and other accounting matters; also, business performance evaluation, overall business plan analysis, research and development, preparation of social corporate responsibility reports, etc.

13. Administration Division

Handle human resources, salary and benefits, education and training, labor insurance, and other related personnel matters; also, be responsible for general affairs, paperwork, public relations, implementation of corporate governance, Board meetings and shareholders' meetings operation, implementation of computerized operations, and office and other administrative affairs.

14. Occupational Safety and Health Office

Handle the planning, execution, and supervision of safety and health operation, ship safety inspection, occupational disaster prevention, etc.

## II. Profile of the directors, president, vice presidents, junior vice presidents, and heads of various departments and branches

### (I) Board Directors

#### 1. Information of the Board Directors

April 15, 2023

Job title	Nationality or Place of Registration	Name	Gender and age	Elected (service) Date	Term of Office (Years)	First-time elected date (Service)	Number of Shares Owned When Elected		Existing Number of Shares Owned		Current Number of Shares Owned by Spouse or Minor Children		Experience and Education Background	Existing Job Title Held in the Company and Other Company	Whose Spouse or Second-Degree Relative Serving as a Head, Board Director, or supervisor			Note
							Number of Shares	Percentage of Shareholding (%)	Number of Shares	Percentage of Shareholding (%)	Number of Shares	Percentage of Shareholding (%)			Job title	Name	Relations	
Chairman	ROC	HSU, Shu-Tong	Male Over 71 years old	6.8.2022	3	5.15.1995	992,133	0.12	992,133	0.12	0	0.00	Master of University of Notre Dame	Chairman of Far Eastern Department Store Co., Ltd. and Oriental Union Chemical Corp.	Director	Douglas Jefferson Hsu	Father and son	No
Director	ROC	HSU, Shu-Ping	Male Over 71 years old	6.8.2022	3	6.13.2019	83,595	0.01	83,595	0.01	1,000	0.00	Master of Operation Research of Stanford University	Vice Chairman of Far Eastern New Century Corporation and President of Ding & Ding Management Consultants Co., Ltd.	Chairman	Shu Tong Hsu	Brothers	No
Director	ROC	Asia Cement Corporation Representative: LEE, Kun-Yen	Male Over 71 years old	6.8.2022	3	1.16.1985	331,701,152	39.25	331,701,152	39.25	0	0.00	Ya Tung Ready Mixed Concrete Co., Ltd.	Director and President of Asia Cement Corporation	No	No	No	No
	ROC			6.8.2022		5.15.2001	67,558	0.01	67,558	0.01	0	0.00						
Director	ROC	Asia Cement Corporation Representative: Douglas Jefferson HSU	Male 41-50 years old	6.8.2022	3	1.16.1985	331,701,152	39.25	331,701,152	39.25	0	0.00	Master of Mendoza College of Business (MBA), University of Notre Dame	Chief Innovation Officer of Far East Group, Executive Vice President of U-Ming Marine Transport Corp., and Director of FETnet	Chairman	Shu Tong Hsu	Father and son	No
	USA			6.8.2022		6.5.2007	0	0.00	0	0.00	0	0.00						
Director	ROC	Asia Cement Corporation Representative: WU, Ling-Ling (Note 1.)	Female 51-60 years old	6.8.2022	3	1.16.1985	331,701,152	39.25	331,701,152	39.25	0	0.00	Master of Business Administration, California State University, USA	CFO, Executive Vice President and Director of Asia Cement Corporation	No	No	No	No
	ROC			3.1.2023		3.1.2023	0	0.00	0	0.00	0	0.00						

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Job title	Nationality or Place of Registration	Name	Gender and age	Elected (Service) Date	Term of office (years)	First-time elected date (Service)	Number of Shares Owned When Elected		Existing Number of Shares Owned		Current Number of Shares Owned by Spouse or Minor Children		Experience and Education Background	Current Job Title Held in the Company and Other companies	Other Manager, Director, or Supervisor who is a spouse or has the second-degree kinship			Note
							Number of Shares	Percentage of Shareholding (%)	Number of Shares	Percentage of Shareholding (%)	Number of Shares	Percentage of Shareholding (%)			Job title	Name	Relations	
Director	ROC	Yue Ding Industry Co., Ltd.	Male	6.8.2022	3	6.24.2013	93,000	0.01	93,000	0.01	0	0.00	Business Management Department of Singapore Nanyang Technological Institute	Director, Global Energy Maritime Co., Ltd.	No	No	No	No
	Singapore	Representative: ONG Choo Kiat	Over 71 years old	6.8.2022		5.15.2001	41,400	0.00	41,400	0.00	0	0.00		President of U-Ming Marine Transport Corp.				
Director	ROC	Yuan Ding Investment Corp.	Male	6.8.2022	3	5.15.1995	8,869,000	1.05	8,869,000	1.05	0	0.00	Master of Texas A&M University	Director of Far Eastern New Century Corporation, FETnet, and Asia Cement Corp.	No	No	No	No
	ROC	Representative: LEE, Kuan-Chun	Over 71 years old	6.8.2022		6.15.1987	0	0.00	0	0.00	0	0.00						
Director	ROC	Far Eastern Construction Co., Ltd.	Female	6.8.2022	3	6.8.2022	1,589,790	0.19	1,589,790	0.19	0	0.00	Commercial Science, National Taiwan University	Supervisor of Yuan Ze University, Chairman of Yu Chang Vocational High School	No	No	No	No
				6.8.2022		6.8.2022	0	0.00	0	0.00								
Independent Director	ROC	PAN, Wen-Yen	Male	6.8.2022	3	6.13.2019	0	0.00	0	0.00	552	0.00	Ph.D. of Chemical Engineering Department, University of Wyoming	Chairman of CTCI Foundation	No	No	No	No
Independent Director	ROC	CHU, Shao-Hua	Male	6.8.2022	3	6.8.2016	0	0.00	0	0.00	0	0.00	Master of Chemical Engineering and Oil Refining of Colorado School of Mines	Director of Green Foundation, Director of Institute of Chemical Engineers, and Chairman of Chun Pin Enterprise Co., Ltd.	No	No	No	No
Independent Director	ROC	LIU, Chong-Jian	Male	6.8.2022	3	6.8.2016	0	0.00	0	0.00	0	0.00	Ph.D. of the Department of Economic Planning, University of Tsukuba	Professor of the Department of Economics, National Taipei University	No	No	No	No

Note 1. Representatives of Corporate Director - Asia Cement Corporation: Lee, Kun-Yen; Douglas Jefferson Hsu; and Wu, Ling-Ling (inaugurated on 3.1.2023)

Representative of Corporate Director - Yuan Ding Investment Company: Lee Kuan Chun

Representative of Corporate Director - Yue Ding Industry Co., Ltd.: Ong Choo Kiat

Representative of Corporate Director - Far Eastern Construction Co., Ltd.: Tung Li Chen

The remaining directors are natural persons.

Note 2. The shareholding ratio in this table is based on a total 845,055,712 shares issued by the Company as of April 5, 2024 (the book closing date).

Note 3. The Company's directors do not hold shares in the name of others.

Note 4. The information of the Elected (Service) Date, First-Time Elected (Service) Date, Number of Shares Owned When Elected, Current Number of Shares Owned, and Current Number of Shares Owned by Spouse or Minor Children in the table above are about the corporate directors and followed by the personal information of their representatives.

Note 5. The Company's Chairman and President or their equals (the top manager) are not the same person, spouse, or relative within the first degree of kinship to each other.

## 2. The major shareholders of the corporate directors and supervisors:

## (1) The major shareholders of the corporate shareholders

April 5, 2024

Name of corporate shareholders (Note 1)	Major shareholders of corporate shareholders (Note 2)	Shareholding ratio
Asia Cement Corporation	Far Eastern New Century Corporation	21.16%
	Far Eastern Medical Foundation	5.15%
	Cathay United Bank entrusted with the custody of Yuanta Taiwan Dividend Plus ETF account	4.56%
		2.52%
	China Life Insurance Company Limited	1.67%
	Employee Pension Committee of Far Eastern New Century Corporation	1.53%
	Yuan Ding Investment Company	1.41%
	Far Eastern Department Store Co., Ltd.	1.37%
	Yuan Ze University	1.37%
	Chunghwa Post Co., Ltd.	1.35%
	Far Eastern Memorial Foundation	1.24%
Yue Ding Industry Co., Ltd.	FU-DA Transport Corporation	26.95%
	Yutong Investment Co., Ltd.	25.36%
	An Ho Garment Co., Ltd.	15.66%
	Din Yuang Investment Co., Ltd.	13.20%
	Tong Fu Investment Co., Ltd.	4.61%
	Ya Li Precast Prestressed Concrete Industries Corp.	3.89%
	Ta Chu Chemical Fiber Co., Ltd.	3.89%
	Yuan Ding Co., Ltd.	2.59%
	Bai Ding Investment Co., Ltd.	2.31%
	Yue Ming Trading Company Limited	1.53%
Yuan Ding Investment Company	Far Eastern New Century Corporation	99.40%
	An Ho Garment Co., Ltd.	0.30%
	Ta Chu Chemical Fiber Co., Ltd.	0.30%
Far Eastern Construction Co., Ltd	Far Eastern New Century Corporation	65.11%
	Der Ching Investment Corporation	33.76%
	Shu Tong Hsu	0.69%
	Shi-Ping Hsu	0.11%
	Her-Fong Hsu	0.11%
	Shay-Fong Hsu	0.11%
	Richard Yang	0.06%
	Frederica Yan	0.06%
	Yun-Ying Kuo	0.00%

Note 1: Fill in the name of the director who is the representative of a corporate shareholder.

Note 2: Please fill in the name of the major shareholder (top-ten shareholders) of that corporate shareholder and the shareholding ratio of that major shareholder. The name of the major shareholder who is a juristic person is filled in the table below.

Note 3: If a corporate shareholder is not an organization, the aforementioned names and shareholding ratios to be disclosed should be the names of sponsors or donors (please refer to the Judicial Yuan announcement) and their capital contribution or donation ratio. The deceased donors should be noted as "deceased."

(2) Corporate shareholders' major shareholders that are juristic persons

April 5, 2024

Name of Juristic Person (Note 1)	Major shareholders of juristic person (Note 2)	Shareholding ratio
Far Eastern New Century Corporation	Asia Cement Corporation	23.77%
	Asia Eastern University of Science and Technology	4.81%
	Taishin International Bank entrusted with the custody of the Cathay High Dividend	4.38%
	Taiwan Equity Fund	
	Far Eastern Medical Foundation	3.61%
	Far Eastern Memorial Foundation	3.42%
	Yuanta/P-shares Taiwan Dividend Plus ETF	3.35%
	Yuan Ze University	2.74%
	Chunghwa Post Co., Ltd.	1.89%
	Shu Tong Hsu	1.71%
Far Eastern Medical Foundation	Der Ching Investment Corporation	1.55%
	Yo-Shon Hsu (deceased)	76.90%
	Zong-Yan Her (deceased)	2.31%
	Shu-Peng Wang (deceased)	2.31%
	Wei-Yuan Hsu (deceased)	2.31%
	Ying-Chong Huang (deceased)	2.31%
	Shu Tong Hsu	2.31%
	Ming-Der Yang (deceased)	2.31%
	Shi-Shih Hsu	2.31%
	Jar-Yi Shi	2.31%
	Shi-Song Hsu (deceased)	2.31%
Wei-Sun Yu	2.31%	
China Life Insurance Company Limited	China Development Financial Holding Corporation	100.00%
Far Eastern Department Store Co., Ltd.	Far Eastern New Century Corporation	17.06%
	Yuan Ding Investment Company	9.87%
	Asia Cement Corporation	5.65%
	Yuan Tong Investment Co., Ltd.	5.62%
	Yuan Ze University	4.75%
	Yuanta Taiwan High Dividend Low Volatility ETF	3.00%
	Financial Department of Mega International Commercial Bank Co., Ltd.	2.44%
	Employee Pension Committee of Far Eastern Department Store Co., Ltd.	2.11%
	Yu Yuan Investment Co., Ltd.	2.06%
	Tranquil Enterprise Ltd.	2.04%
Yuan Ze University	U-Ming Marine Transport Corp.	55.21%
	Far Eastern Medical Foundation	26.05%
	Far Eastern New Century Corporation	5.52%
	Fu-Ming Transport Corporation	5.25%
	Far Eastern Memorial Foundation	4.91%
	Asia Cement Corporation	2.76%
	Gy-Fong Hsu (deceased)	0.28%
	Yo-Shon Hsu (deceased)	0.01%
Zhao-Zhong Yu (deceased)	0.01%	
Chunghwa Post Co.,Ltd.	Ministry of Transportation and Communications	100.00%

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Name of juristic person (Note 1)	Major shareholders of juristic person (Note 2)	Shareholding ratio
Far Eastern Memorial Foundation	Yo-Shon Hsu (deceased)	50%
	Yi-Chu Hsu	50%
Fu-Da Transport Corporation	Fu-Ming Transport Corporation	99.97%
	Asia Investment Corporation	0.03%
Yutong Investment Co., Ltd.	U-Ming Marine Transport Corp.	73.54%
	U-Ming Marine Transport (Singapore) Pte Ltd.	26.46%
An Ho Garment Co., Ltd.	Far Eastern New Century Corporation	100.00%
Din Yuang Investment Co., Ltd.	Far Eastern New Century Corporation	100.00%
Tong Fu Investment Co., Ltd.	Oriental Union Chemical Corp.	100.00%
Ya Li Precast Prestressed Concrete Industries Corp.	Asia Cement Corporation	83.94%
	Far Eastern General Contractor Inc.	16.03%
Ta Chu Chemical Fiber Co., Ltd.	Yuan Ding Investment Company	41.86%
	Yue Ding Industry Co., Ltd.	38.76%
	Yuli Investment Co., Ltd.	19.38%
Yuan Ding Co., Ltd.	Far Eastern New Century Corporation	37.13%
	Asia Cement Corporation	35.50%
	Der Ching Investment Corporation	14.50%
	Yuan Ding Investment Company	12.86%
Bai Ding Investment Co., Ltd.	Far Eastern Department Store Co., Ltd.	66.66%
	Bai Yang Investment Company	33.34%
Yue Ming Trading Company Limited	Bai Ding Investment Co., Ltd.	47.00%
	Yuan Ding Investment Company	45.50%
	Yue Ding Industry Co., Ltd.	5.00%
	Ding & Ding Management Consultants Co., Ltd.	1.00%
	Yuan Ding Co., Ltd.	1.00%
Yuan Ding Leasing Co., Ltd.	0.50%	
Der Ching Investment Corporation	Asia Cement Corporation	99.99%
	Asia Investment Corporation	0.01%

Note 1: Fill in the name of the major shareholder who is a juristic person in the table above.

Note 2: Please fill in the name and shareholding ratio of the major shareholder (top ten shareholders) of that corporate shareholder.

Note 3: If a corporate shareholder is not an organization, the aforementioned names and shareholding ratios to be disclosed should be the names of sponsors or donors (please refer to Judicial Yuan announcement) and their capital contribution or donation ratio. The deceased donors should be noted as “deceased.”

### 3. Disclosure of information on the professional qualification and independence of Board Director:

December 31, 2023

Name	Criteria Professional Qualification and Experience (Note 1)	Requirement for Independence (Note 2)	Number of public listed company that he/she serves as an Independent Director
HSU, Shu-Tong	Mr. Hsu graduated with a master's degree of business administration (MBA) received from the University of Notre Dame (USA) and a master's degree in economics from Columbia University. He is currently serving as the Chairman of Far Eastern Group, which he has helped build up as one of the most diversified business groups in Taiwan, covering communication networks, cement and building materials, sea and land transportation, Department Store sales and retails, financial services, construction, etc. Under the leadership of Mr. Hsu, the total assets of Far Eastern Group are increased by 13 times to NT\$3 trillion with an annual operating income increased by 7 times to NT\$750 billion, and 63,000 employees on the payroll worldwide. Mr. Hsu was awarded with the highest honor of "Special Achievement Award" of the 13th "Asia-Pacific Enterprise Awards" (APEA) and the highest honor of "Professional World Class" of the "Global Corporate Sustainability Award (GCSA)" in 2019.	Non-independent Director	0
HSU, Shu-Ping	Mr. Hsu graduated with a master's degree of Operation Research received from Stanford University. He was in charge of Ding & Ding Management Consultants Co., Ltd. in 1984 and participated in the planning and construction of the important information system of Far Eastern Group by exercising his profound knowledge and understanding of information management to help promote and upgrade the Group's digital information transformation. Mr. Hsu also held several important positions within Far Eastern Group to contribute his extensive experience in information technology and industrial practice. Currently, he serves as the Vice Chairman of Far Eastern New Century Corporation and the President of Ding & Ding Management Consultants Co., Ltd.	Non-independent Director	0
LEE, Kun-Yen	Mr. Lee has accumulated more than 60 years of experience in the cement and concrete related industries since his starting to work for Asia Cement Corporation in 1954 and serving as the President of the Company in 2000. He is a professional manager specializing in corporate management and sales marketing. In addition to abundant professional experience in cement, ready-mix, smelting, and construction projects, he also has professional knowledge in the operation of transportation, power and energy, stainless steel, etc. Currently he is serving as the Director and President of Asia Cement Corporation, the Chairman of Ya Tung Ready Mixed Concrete Co., Ltd., the Chairman of Taiwan Cement Manufacturers' Association, the Executive of the Chinese National Federation of Industries, the Director of Taiwan External Trade Development Council, etc.	Non-independent Director	0

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Name	Criteria Professional Qualification and Experience (Note 1)	Requirement for Independence (Note 2)	Number of public listed company that he/she serves as an Independent Director
Douglas Jefferson HSU	Mr. Hsu graduated with a bachelor's degree of history and political science and a master's degree of business management received from the University of Notre Dame and a master's degree in design and innovation methods from the School of Design, Illinois Institute of Technology. He is currently serving as the Chief of Innovation to lead the innovation affairs of Far Eastern Group, and is the advocator for the modern operation and innovative operation mode of the affiliated enterprises. He before joining Far Eastern Group worked as a strategy and design consultant for the start-up businesses of high-tech enterprises, such as, Nestle, Denso Automotive (Japan), and Kia Motors. He had once served in the U.S. Marine Corps and is currently serving as the Director of FETnet, the director of Yuan Ze University, and the Executive Vice President of U-Ming Marine Transport Corp.	Non-independent Director	0
WU, Ling-Ling	Ms. Wu Ling-Ling graduated with a degree of MBA from California State University, USA. She possesses extensive professional experience in finance, accounting, and management, holding certified public accountant qualifications in both the United States and Taiwan. She has served as a supervisor at ChiaHui Power, a director and supervisor at Oriental Union Chemical Corp., and as the head of internal audit and financial planning department at Far Eastone Telecommunications Co., Ltd. Currently, she holds positions as a director and Chief Financial Officer at Asia Cement Corp., as well as Executive Vice President. She is also an executive director at Asia Cement (China) Holdings Corp., a director at ChiaHui Power, and serves on the boards of other companies as a director and supervisor.	Non-independent Director	0
ONG Choo Kiat	Mr. Ong graduated from the Department of Business Management of Singapore Nanyang Technological Institute. He had worked in Singapore Neptune Oriental Lines Limited (NOL) and NOL Singapore Agency Pte. Ltd. since 1973, and was hired as a professional manager in Taiwan to serve as the President of U-Ming Marine Transport Corp. in 2000. He has accumulated close to 50 years of experience in the shipping industry and leads U-Ming Marine to expand the fleet scale, increase revenue, and initiate digital transformation so to become one of the leading bulk shipping companies in Taiwan.	Non-independent Director	0
LEE, Kuan-Chun	Mr. Lee graduated with an MBA degree received from Texas A&I University. He was promoted to be the Chief Financial Officer of Far Eastern Group in 2011 and then retired honorably in 2021. Mr. Lee had held numerous important positions in Far Eastern Group, including the President of Yuan Ding Co, Ltd., the Vice Chairman of Far Eastern Electronic Toll Collection Co., Ltd., the Chairman of Far Eastern Textile (Shanghai) Company, the Chairman of Air Liquide Far Eastern (ALFE), the Chairman of DWS Far Eastern Investments Limited, the owner's representative and director of Shangri-La Far Eastern Plaza Hotel, etc. He is currently serving as the director of Far Eastern New Century Corporation, the director of FETnet, the director of Asia Cement Corp., and the Chairman of Taipei WeCare Senior Citizen Foundation.	Non-independent Director	0
TUNG, Li-Chen	Ms. Tung graduated from the Department of Business Administration at National Taiwan University. She is a certified accountant in the Republic of China and has served as a CPA and vice chairman at KPMG Taiwan. She was also a director of the International Fiscal Association, Taiwan Branch. Currently, she holds the position of Secretary General at the Far Eastern Medical Foundation, serves as a supervisor at Yuan Ze University, and is the chairman of the board at Yu Chang Vocational High School.	Non-independent Director	0

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Criteria Name	Professional Qualification and Experience (Note 1)	Requirement for Independence (Note 2)	Number of public listed company that he/she serves as an Independent Director
CHU, Shao-Hua	Mr. Chu graduated with a master's degree of Chemical Engineering and Oil Refining received from Colorado School of Mines. He had once served as the Acting Executive of Taiwan Institute of Chemical Engineers, Chairman of Chinese Petroleum Society, and the President and Chairman of CPC Corporation, Taiwan. He is currently serving as the Director of Green Foundation, Executive of Taiwan Institute of Chemical Engineers, Executive of Taiwan Safety Council, Taipei, Taiwan, and the Chairman of Chun Pin Enterprise Co., Ltd. He has professional knowledge in oil refining, petrochemical, energy, engineering, industrial safety, and environmental protection; also, has rich experience in enterprise operation and management.	Independent Director None of the events stated in Note 2	0
PAN, Wen-Yen	Mr. Pan graduated with a Ph.D. degree in Chemical Engineering received from the University of Wyoming (UW). He had once served as the Chairman of Kuo Kuang Power Co., Ltd., the Chairman of CPC, Taiwan, and the Chairman of Gintech Energy Corporation. He is currently serving as the Chairman of CTCI Foundation. He has professional knowledge and experience in petrochemical and energy; also, has extensive experience in corporate business operation and management.	Independent Director None of the events stated in Note 2	2
LIU, Chong-Jian	Professor Liu graduated with a Ph.D. degree in Economic Planning received from the University of Tsukuba (Japan). He has professional knowledge mainly in industrial economics, public economics, and transportation economics. He had once served as the Acting Executive of Taiwan Communication Society, the Secretary-General of "TTIDA," the member of National Communications Commission, etc. He is currently a professor in the Department of Economics of National Taipei University.	Independent Director None of the events stated in Note 2	0

Note 1: Professional qualification and experience: Describe the professional qualification and experience of each director and supervisor. For those who are members of the Audit Committee with accounting or financial expertise, describe their accounting or financial background and work experience, in addition, describe whether they have subject to any of the matters stated in Article 30 of the Company Act.

Note 2: Describe independent directors' fulfilling the requirement of independence, including but not limited to whether the independent directors, their spouse, or relatives within the second degree of kinship are serving as directors, supervisors, or employees of the Company or the Company's affiliates; the shareholding and shareholding ratio held by the independent directors, their spouse, or relatives within the second degree of kinship (or held in the name of others); whether they are serving as directors, supervisors, or employees of a company that has a specific relationship with the Company; and the amount of remuneration received for providing business, legal, financial, and accounting services to the Company or the Company's affiliates.

#### 4. Board diversity and independence

##### (1) Formulated and disclose the board director diversity policy

The Company resolved the amendments to the "Corporate Governance Best Practice Principles" at the 6<sup>th</sup> Board meeting of the 17<sup>th</sup> term of office on May 3, 2017 with the board director diversity policy formulated as follows:

##### Chapter III Enhancing the Functions of the Board of Directors

Article 11 The diversity of the Company's Board of Directors shall be considered and the board directors shall generally possess the knowledge, skills, and attainment needed to perform their duties. In order to achieve the ideal goal of corporate governance, the board directors taking as a whole should have the capabilities of operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market vision, leadership, and decision-making.

##### (2) Specific management objectives and implementation of the board director diversity policy

Specific management objectives:

1. Each board director shall have at least five professional expertise (including business management, leadership and decision-making, industry knowledge, financial accounting, international market vision, crisis management, environmental protection, and climate change) with at least two board directors possess each one of the five necessary expertise.
2. At least one of the board directors must be under 60 years old.
3. The number of independent directors shall account for more than 20% of the board directors and shall not serve for more than three terms of office.
4. At least one of the board directors must be female.

Implementation:

December 31, 2023

Name	Core Diversity Objectives							
	business management	leadership and decision-making	industry knowledge	financial accounting	international market vision	crisis management	environmental protection	climate change
HSU, Shu-Tong	✓	✓	✓	✓	✓	✓		
HSU, Shu-Ping	✓	✓	✓	✓	✓	✓		
LEE, Kun-Yen	✓	✓	✓	✓	✓	✓	✓	
Douglas Jefferson HSU	✓	✓	✓	✓	✓	✓		
WU, Ling-Ling	✓	✓	✓	✓	✓	✓	✓	
ONG Choo Kiat	✓	✓	✓	✓	✓	✓		
LEE, Kuan-Chun	✓	✓	✓	✓	✓	✓		
TUNG, Li-Chen	✓	✓	✓	✓	✓	✓		
CHU, Shao-Hua	✓	✓	✓	✓	✓	✓	✓	✓
PAN, Wen-Yen	✓	✓	✓	✓	✓	✓	✓	✓
LIU, Chong-Jian	✓	✓	✓	✓	✓	✓		

Note 1: Please refer to pages 17-18 and 22-24 for the genders, ages, nationalities and major education and experience of the directors and independent directors of the Company.

Note 2: Among the current 11 directors of the Company, 2 director (18%) are female; 2 directors (18.2%) have the identity of an employee; 3 directors (27.3%) are independent directors, of which two have a term of office of 6 to 9 years, and one has a term of office of 3 to 6 years.

## (II) Information on the President, Senior Vice President, Vice President, and Head of Departments or Branches:

April 5, 2024

Job Title	Nationality	Name	Gender	Elected (Service) Date	Number of Shares Owned		Number of Shares Owned by Spouse and Minor Child		Experience and Education Background	Concurrent Job Title Held in Other companies	Manager Who is a Spouse or has the Second-degree Kinship			Note
					Number of Shares	Percentage of Shareholding (%)	Number of Shares	Percentage of Shareholding (%)			Job Title	Name	Relations	
President	Singapore	Choo Kiat Ong	Male	7.12.2000	41,400	0.00	0	0.00	Business Management Department of Singapore Nanyang Technological Institute	President of U-Ming (Singapore) Pte Ltd.	No	No	No	No
Chief Operating Officer (COO)	Hong Kong, China	Sik Wing Lai	Male	10.2.2023	0	0.00	0	0.00	Department of Chemistry of the University of Hong Kong	No	No	No	No	No
Executive Vice President	USA	Douglas Jefferson Hsu	Male	3.6.2017	0	0.00	0	0.00	Master of Mendoza College of Business (MBA), University of Notre Dame	Director of U-Ming (Singapore) Pte Ltd.	No	No	No	No
Senior Vice President	ROC	Jiu Sheng Wu	Male	3.6.2017	0	0.00	0	0.00	Master of the Department of Shipping Technology, National Taiwan Ocean University	Director of U-Ming (Singapore) Pte Ltd., Director of U-Ming Marine Offshore Co., Ltd.	No	No	No	No
Senior Vice President (Chief Finance Officer)	ROC	Tsung Liang Chang	Male	12.22.2010	1	0.00	0	0.00	Master of Business Administration of Tunghai University	Director of Yuli Investment Co., Ltd. and Yutong Investment Co., Ltd., Director of U-Ming Marine Offshore Co., Ltd.	No	No	No	No
Finance Div. General Manager	ROC	Ching Lin Wang	Male	5.2.2019	0	0.00	457	0.00	Bachelor of the Department of International Trade of Soochow University	Director of U-Ming (Hong Kong) Marine Transport Corp.	No	No	No	No

Administration Div. Vice President	ROC	Chang Sheng Chen	Male	8.5.2016	0	0.00	0	0.00	Master of the Department of Financial Management, Oklahoma City University	Director of Yuli Investment Co., Ltd. and Yutong Investment Co., Ltd., Supervisor of U-Ming Marine Offshore Co., Ltd.	No	No	No	No
Engineering & Material Div. General Manager	ROC	Ruey-Hwa Chang	Male	7.16.2020	207	0.00	3,000	0.00	Master of the Department of Merchant Marine, National Taiwan Ocean University (NTOU)	No	No	No	No	No
Auditing Div. General Manager	ROC	Bih Shuang Tsai	Female	8.10.2015	0	0.00	0	0.00	Completed EMBA of Far Eastern Enterprise College, School of Management, Yuan Ze University	No	No	No	No	No
Business Div. General Manager	ROC	Ting-Yao Wei	Male	8.4.2022	0	0.00	0	0.00	Master of Business Administration, Dept. of Transportation and Communication Management Sciences, National Cheng Kung University	No	No	No	No	No
Marine Div. General Manager	ROC	Ting-Chiang Lu	Male	4.1.2023	0	0.00	0	0.00	Master of Graduate Institute of International Affairs and Strategic Studies, Tamkang University	No	No	No	No	No

Note 1: Profile of the President, Senior Vice Presidents, Vice Presidents, and heads of all departments and branches as well as those who hold any job title equivalent to President, Senior Vice Presidents, Vice Presidents, shall all be disclosed.

Note 2: The Company's President, Senior Vice Presidents, Vice Presidents, and heads of all departments and branches do not hold stock shares in the name of others.

Note 3: The Company's Chairman and President or their equals (the top manager) are not the same person, spouse, or relative within the first degree of kinship to each other.



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1. Please describe the remuneration policy, system, standard, and structure of independent directors, and describe the correlation between the remuneration amount and the responsibilities, risks, time invested, and other factors:

According to the Company's Articles of Incorporation, the Company shall appropriate an amount not more than 1% of the net income before tax after deducting remuneration distributed to employees and directors as the remuneration to directors (including independent directors), which shall be resolved and approved by the Remuneration Committee and the Board of Directors; also, should be reported to the general shareholders' meeting lawfully every year.

The independent directors' remuneration is determined by referring to the salary standards of domestic and foreign listed companies in the bulk shipping industry and external remuneration benchmarking companies, as well as the performance evaluation results concluded in accordance with the Company's "Regulations Governing Self-Evaluation or Peer Evaluation of the Board of Directors," the overall operating performance of the Company, and the future development of the industry and business risks, that is how a reasonable remuneration granted.

2. Except for the aforementioned disclosure, the remuneration received by the Company's board directors in the most recent year for providing services (such as, serving as a consultant instead of an employees of the parent company/all companies listed in the financial report/invested companies, etc.): None

## 2. Remuneration bracket

Remuneration bracket for the payment made to each director of the Company	Name of Director			
	Total amount of the last 4 remuneration categories (A+B+C+D)		Total amount of the last 7 remuneration categories(A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies in the financial report (Note 9)	The Company (Note 8)	Parent company and all invested companies (Note 9) (I)
Less than NT\$1,000,000	No	No	No	No
NT\$1,000,000 (inclusive)~NT\$2,000,000 (exclusive)	Chong -Jian Liu, Shao Hua Chu, and Wen Yen Pan	Chong Jian Liu, Shao Hua Chu, and Wen Yen Pan	Chong Jian Liu, Shao Hua Chu, and Wen Yen Pan	Chong Jian Liu, Shao Hua Chu ,and Wen Yen Pan
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)	Shu Ping Hsu Asia Cement Corporation (Representative - , Kun-Yen Lee, And Ling Ling Wu) Yuan Ding Investment Company (Representative – Kuan Chun Lee) Far Eastern Construction Co., Ltd. (Representative -Li Chen Tung)	Shu Ping Hsu Asia Cement Corporation (Representative - , Kun-Yen Lee, And Ling Ling Wu) Yuan Ding Investment Company (Representative – Kuan Chun Lee) Far Eastern Construction Co., Ltd. (Representative -Li Chen Tung)	Shu Ping Hsu Asia Cement Corporation (Representative - , Kun-Yen Lee, And Ling Ling Wu) Yuan Ding Investment Company (Representative – Kuan Chun Lee) Far Eastern Construction Co., Ltd. (Representative -Li Chen Tung)	Far Eastern Construction Co., Ltd. (Representative -Li Chen Tung)
NT\$3,500,000 (inclusive)~NT\$5,000,000 (exclusive)	Asia Cement Corporation (Representative - Douglas Jefferson Hsu) Yue Ding Industry Co., Ltd. (Representative – Choo Kiat Ong)	Asia Cement Corporation (Representative - Douglas Jefferson Hsu) Yue Ding Industry Co., Ltd. (Representative – Choo Kiat Ong)	No	No
NT\$5,000,000 (inclusive)~NT\$10,000,000 (exclusive)	Shu Tong Hsu	Shu Tong Hsu	Shu Tong Hsu Yue Ding Industry Co., Ltd. (Representative – Choo Kiat Ong) Asia Cement Corporation (Representative - Douglas Jefferson Hsu)	Yuan Ding Investment Company (Representative – Kuan Chun Lee) Asia Cement Corporation (Representative - Ling Ling Wu)
NT\$10,000,000 (inclusive)~NT\$15,000,000 (exclusive)	No	No	No	No
NT\$15,000,000 (inclusive)~NT\$30,000,000 (exclusive)	No	No	No	Asia Cement Corporation (Representative - Kun-Yen Lee ) Asia Cement Corporation (Representative - Douglas Jefferson Hsu) Yue Ding Industry Co., Ltd. (Representative – Choo Kiat Ong)
NT\$30,000,000 (inclusive)~NT\$50,000,000 (exclusive)	No	No	No	No
NT\$50,000,000 (inclusive)~NT\$100,000,000 (exclusive)	No	No	No	Shu Ping Hsu
More than NT\$100,000,000	No	No	No	Shu Tong Hsu
Total	11 persons	11 persons	11 persons	11 persons

- Note 1: Individually illustrate the name of each director of the Company (names of each corporate shareholder and its representative illustrated separately as well), illustrate the name of each director and independent director separately, and disclose each payment amount in an aggregated manner. The Company's President, who is also a director, has filled out this form and Form 3 below.
- Note 2: It refers to the directors' remuneration in the most recent year (including director salary, duty allowances, severance pay, bonuses, incentives, etc.).
- Note 3: It refers to the amount of directors' remuneration resolved by the Board of Directors in the most recent year that will take effect after the resolution reached in the general shareholders' meeting on June 3, 2024.
- Note 4: It refers to the relevant business practice expenses of the directors in the most recent year (including travel expenses, special disbursement, various allowances, dormitory, business vehicle, etc.).
- Note 5: It refers to the salary, duty allowance, severance pay, bonuses, incentives, travel expenses, special disbursement, allowances, dormitory, and business vehicle received by the directors who are also the Company's employees (including part-time President, Vice President, other managerial officers, and employees) in the most recent year. Pension is an appropriated amount that is to be expensed but not yet paid in the most recent year. A rental car for business with an annual rent of NT\$608 thousand and a rental house with an annual rent of NT\$3,182 thousand are both made available to Mr. Choo Kiat Ong who is a Director and the President of the Company. A rental house with an annual rent of NT\$1,187 thousand is made available to Mr. Douglas Jefferson Hsu who is a Director and the Executive Vice President of the Company. In addition, the salary expenses recognized in accordance with IFRS 2 "Share-based Payment" that includes obtaining employee stock warrants, new restricted employee shares, and participating in cash capital increase with shares subscribed should also be included in the remuneration.
- Note 6: It refers to the employees' compensation (including stock and cash) obtained by the directors who are also the Company's employees (including part-time President, Vice President, other managerial officers, and employees) in the most recent year. It refers to the disclosure of the employees' compensation resolved by the Board of Directors in the most recent year; also, the proposed distribution amount is calculated proportionally to the actual amount distributed last year. The directors who are also the Company's employees shall fill out Table 4 for the employees' compensation received.
- Note 7: It is to disclose the total remuneration amount paid to the Company's directors by all the companies (including the Company) included in the consolidated financial report.
- Note 8: Disclose the name of the director in the respective remuneration bracket for the remuneration paid to each director of the Company.
- Note 9: Disclose the name of the director in the respective remuneration bracket for the remuneration paid to each director of the Company by all the companies (including the Company) included in the consolidated report.
- Note 10: The "Net Income" refers to the net profit after tax in the standalone financial report of the most recent year.
- Note 11:
- Remuneration received by the Company's directors from the invested companies or the parent company other than the subsidiaries shall be filled in this column (if there is none, please fill in "None").
  - The remuneration received by the Company's directors from the invested companies or the parent company other than the subsidiaries shall be included in column "I" of the remuneration bracket table with the column retitled as "Parent company and all invested companies."
  - Remuneration refers to the compensation, remuneration (including remuneration of employees, directors, and supervisors), and business practice fees received by the Company's directors who act as directors, supervisors, or managerial officers of the invested companies or the parent company other than the subsidiaries.

\*The remuneration disclosed in this table is different from the concept of income under the Income Tax Act in its nature; therefore, this table is intended for information disclosure not for taxation purposes.

(II) Remuneration of President and Vice President

1. Remuneration of President and Vice President

Unit: NT\$ Thousand

Job Title	Name (Note 1)	Salary (A) (Note 2)		Pension (B)		Bonus and special disbursement (C) (Note 3)		Employee remuneration (D) (Note 4)				Ratio of A+B+C+D to net income (%) (Note 8)		Remuneration received from the invested companies or the parent company other than the subsidiaries (Note 9)
		The Company	All the companies in the financial report (Note 5)	The Company	All the companies in the financial report (Note 5)	The Company	All the companies in the financial report (Note 5)	The Company		All the companies in the financial report (Note 5)		The Company	All the companies in the financial report (Note 5)	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Choo Kiat Ong	18,832	24,838	489	489	5,685	5,685	8,880	0	8,880	0	33,886	39,892	14,935
Chief Operating Officer	Sik Wing Lai													
Executive Vice President	Douglas Jefferson Hsu													
Senior Vice President	Tsung Liang Chang													
Senior Vice President	Jiu Sheng Wu													
Vice President	Chang Sheng Chen													

2. Remuneration bracket

Remuneration bracket for the payment made to the President and managerial officers of the Company	Name of President, Vice President, and managerial officer	
	The Company (Note 6)	Parent company and all invested companies (Note 7)
Less than NT\$1,000,000	No	No
NT\$1,000,000 (inclusive)~ NT\$2,000,000 (exclusive)	Sik Wing Lai	No
NT\$2,000,000 (inclusive)~ NT\$3,500,000 (exclusive)	No	Sik Wing Lai
NT\$3,500,000 (inclusive)~ NT\$5,000,000 (exclusive)	Chang Sheng Chen	Chang Sheng Chen
NT\$5,000,000 (inclusive)~ NT\$10,000,000(exclusive)	Choo Kiat Ong, Douglas Jefferson Hsu, Tsung Liang Chang, Jiu Sheng Wu	Tsung Liang Chang, Jiu Sheng Wu
NT\$10,000,000 (inclusive)~ NT\$15,000,000 (exclusive)	No	Choo Kiat Ong
NT\$15,000,000 (inclusive)~ NT\$30,000,000 (exclusive)	No	Douglas Jefferson Hsu
NT\$30,000,000 (inclusive)~ NT\$50,000,000 (exclusive)	No	No
NT\$50,000,000 (inclusive)~ NT\$100,000,000 (exclusive)	No	No
More than NT\$100,000,000	No	No
<b>Total</b>	6 persons	6 persons

Note 1: The Company has each payment amount disclosed in an aggregated manner. The Company’s President, who is also a director, has this form and Form 1 filled out.

Note 2: It refers to the salaries, duty allowances, and severance pay of the President and Vice President in the most recent years. Pension is an appropriated amount that is to be expensed but not yet paid in the most recent year, and the actual amount of pension paid.

Note 3: It refers to the bonuses, incentives, travel expenses, special disbursement, allowances, dormitory, business vehicle, and other remuneration provided to the President and Vice President in the most recent year. A rental business car with an annual rent of NT\$608 thousand and a rental house with an annual rent of NT\$3,182 thousand are both made available to Mr. Choo Kiat Ong who is a Director and the President of the Company. A rental house with an annual rent of NT\$1,187 thousand is made available to Douglas Jefferson Hsu, Hsu who is a Director and the Executive Vice President of the Company. A rental business car with an annual rent of NT\$608 thousand and a rental house with an annual rent of NT\$3,150 thousand are both made available to Mr. Sik Wing Lai who is a Chief Operating Officer. In addition, the salary expenses recognized in accordance with IFRS 2 “Share-based Payment” that includes obtaining employee stock warrants, new restricted employee shares, and participating in cash capital increase with shares subscribed should also be included in the remuneration.

Note 4: It refers to the employee remuneration (including stock and cash) of the President and Vice President that was resolved by the Board of Directors in the most recent year. The proposed distribution amount for this year is calculated proportionally to the actual

amount distributed last year with Form 4 below filled out separately. The aforementioned distribution is for an estimated amount, which will be implemented after a resolution reached in the general shareholders' meeting scheduled on June 3, 2024.

Note 5: It is to disclose the total remuneration amount paid to the Company's President and Vice President by all the companies (including the Company) included in the consolidated financial report.

Note 6: Disclose the name of the President and Vice President in the respective remuneration bracket for the remuneration paid by the Company.

Note 7: Disclose the name of the President and Vice President in the respective remuneration bracket for the remuneration paid by all the companies (including the Company) included in the consolidated report.

Note 8: The "Net Income" refers to the net profit after tax in the standalone financial report of the most recent year.

Note 9: a. Remuneration received by the Company's President and Vice President from the invested companies or the parent company other than the subsidiaries shall be filled in this column.

b. The remuneration received by the Company's President and Vice President from the invested companies or the parent company other than the subsidiaries shall be included in column "E" of the remuneration bracket table with the column retitled as "Parent company and all invested companies."

c. Remuneration refers to the compensation, remuneration (including remuneration of employees, directors, and supervisors), and business practice fees received by the Company's President and Vice President who act as directors, supervisors, or managerial officers of the invested companies or the parent company other than the subsidiaries.

\*The remuneration disclosed in this table is different from the concept of income under the Income Tax Act in its nature; therefore, this table is intended for information disclosure not for taxation purposes.

## (III) Name of the managerial officers who received employee remuneration and the distribution status

December 31, 2023  
Unit: NT\$ Thousand

	Job Title	Name	Stock amount	Cash amount	Total	Ratio of total amount to net income (%)
Managerial Officers	President	Choo Kiat Ong	0	11,342	11,342	0.41
	Chief Operating Officer	Sik Wing Lai				
	Executive Vice President	Douglas Jefferson Hsu				
	Senior Vice President	Jiu Sheng Wu				
	Senior Vice President	Tsung Liang Chang				
	Vice President	Chang Sheng Chen				
	Manager	Bih Shuang Tsai				
	Manager	Ting Yao Wei				
	Manager	Ting Chiang Lu				
	Manager	Ching Lin Wang				
	Manager	Ruey Hwa Chang				

Note 1: The name and job title of the Company's managerial officers are disclosed respectively; also, the earnings distribution is disclosed in an aggregated manner.

Note 2: It refers to the employees' remuneration (including stock and cash) obtained by the managerial officers in the most recent year. The proposed distribution amount is calculated proportionally to the actual amount distributed last year. The "Net Income" refers to the net profit after tax in the standalone financial report of the most recent year (in accordance with the IFRSs adopted). The employees' remuneration resolved by the Company's Board of Directors was NT\$27,570,627 and the employees' stock amount was NT\$0 for 2023.

Note 3: The definition of managerial officers is as follows in accordance with the provision of the Tai-Tsai-Zheng (III)-Zi No. 0920001301 Letter issued by the Financial Supervisory Commission of the Executive Yuan on March 27, 2003:

- (1) President and equivalent
- (2) Vice President and equivalent
- (3) Junior Vice President and equivalent
- (4) Head of Finance Department
- (5) Head of Accounting Department
- (6) Others who have the right to manage affairs and sign for the Company

Note 4: The Company's Directors, President, and Vice President who have received employee remuneration (including stock and cash) are illustrated in Form 1 and Form 3 above; this form is also completed accordingly.

## (IV) Information on the remuneration of Directors, President, and Vice President

1. Analysis of the ratio of total remuneration paid to the Directors, Supervisors, President, and Vice President by the Company and all the companies (including the Company) included in the consolidated financial report in the last two years to the net income

Year	Item	Ratio of the remuneration of Directors, President, and Vice President to net income of the earning distribution year	
		The Company	All the companies included in the financial report
2023		2.28%	2.50%
2022		2.04%	2.15%

2. The policies, standards, and combinations of remuneration payments, the procedures for determining remuneration, and their correlation with business performance and future risks

The Company has the remuneration to the Directors and managerial officers determined in accordance with the Company's Articles of Incorporation, which should not be more than 1% of the net income, and it should be submitted to the Remuneration Committee and the Board of Directors for resolutions and then report it to the general shareholders' meeting lawfully.

The procedure for determining remuneration is formulated by referring to the salary standards of domestic and foreign listed companies in the bulk shipping industry and external salary benchmarking companies. The directors' remuneration is determined by referring to the performance evaluation results (including the degree of participation in the Company's operations, the decision-making quality of the Board of Directors, the composition and structure of the Board of Directors, the selection and continuing education of directors, internal control, etc.) concluded in accordance with the Company's "Regulations Governing Self-Evaluation or Peer Evaluation of the Board of Directors," the overall operating performance of the Company, and the future development of the industry and business risks, that is how a reasonable remuneration granted. The managerial officers' remuneration is processed in accordance with the Company's incentive program and system, covering the Company's operating performance results and personal performance results, including financial indicators (such as, the Company's operating income, net income before tax, EPS, etc.) and non-financial indicators (such as, the Company's core value realization, leadership and management ability, operation management ability, continuing education, participation in sustainable operation, other special contributions, etc.).

The standard, structure, and system of the Company's distributing remunerations to directors and managerial officers are distributed according to the distribution percentage defined in the Company's Articles of Incorporation taking into account of the Company's operating performance and future risk control; also, the earnings distribution percentage will be reviewed and adjusted according to the actual operating performance and related regulations. In addition, the Company's Remuneration Committee regularly reviews and evaluates the remuneration policies, systems, standards, and structures of directors and managerial officers; also, presents relevant suggestions to the Board of Directors for discussion in order to balance out the Company's sustainable operation and risk control.

## IV. Corporate Governance Management

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

1. The Board of Directors has held 4 meetings (A) in the most recent year with the attendance of directors illustrated as follows:

Job Title	Name (Note 1)	Frequency of attendance (B)	Frequency of attendance by proxy	Actual attendance rate (%) [B/A] (Note 2)	Remarks
Chairman	Shu Tong Hsu	4	0	100	-
Director	Shu Ping Hsu	4	0	100	-
Director	Asia Cement Corporation Representative: Kun Yen Lee	4	0	100	-
Director	Asia Cement Corporation Representative: Douglas Jefferson Hsu	4	0	100	-
Director	Asia Cement Corporation Representative: Ling Ling Wu	4	0	100	-
Director	Yue Ding Industry Co., Ltd. Representative: Choo Kiat Ong	4	0	100	-
Director	Yuan Ding Investment Company Representative: Kuan Chun Lee	3	1	75	-
Director	Far Eastern Construction Co., Ltd. Representative: Li Chen Tung	4	0	100	-
Director	Shao Hua Chu	4	0	100	-
Independent Director	Wen Yen Pan	4	0	100	-
Independent Director	Chorng Jian Liu	4	0	100	-

Note 1: If the Company's director is a juristic person, the name of the corporate shareholder and its representatives shall be disclosed respectively.

Note 2: (1) If there is a director resigned before the end of the year, the date of resignation should be indicated in the "Remarks" column. The actual attendance rate (%) is calculated based on the total number of board meetings held and the actual number of attendance (present) during the term of office.

(2) If there is a director re-election held before the end of the year, both the newly elected director and the dismissed director shall be illustrated; also, the information of the dismissed director, newly elected director, re-elected director, and the election date should be detailed in the "Remarks" column. The actual attendance rate (%) is calculated based on the total number of board meetings held and the actual number of attendance (present) during the term of office.

2. The attendance of the independent directors in the Company’s board meeting in the most recent year is as follows:

Job Title	Name	The 4 <sup>th</sup> meeting – 19 <sup>th</sup> Term 03.07.2023	The 5 <sup>th</sup> meeting – 19 <sup>th</sup> Term 05.09.2023	The 6 <sup>th</sup> meeting – 19 <sup>th</sup> Term 08.08.2023	The 7 <sup>th</sup> meeting – 19 <sup>th</sup> Term 11.09.2023
Independent Director	Shao Hua Chu	✓	✓	✓	✓
Independent Director	Wen Yen Pan	✓	✓	✓	✓
Independent Director	Chorng Jian Liu	✓	✓	✓	✓

Note 1: Attendance in person is indicated by “✓.”

3. Other matters to be recorded:

- (1) The date, term, proposal contents of the board meeting, the opinions of all independent directors, and the Company’s handling of the independent directors’ opinions must be detailed in any of the following circumstances:
  - i. Matters stated in Article 14-3 of the Securities and Exchange Act: The company has established an Audit Committee. For detailed information, please refer to the matters listed in Article 14-5 of the Securities and Exchange Act regarding the operation of the Audit Committee.
  - ii. In addition to the aforementioned matters, other matters resolved by the Board of Directors with the dissent or reservation of the independent directors recorded or documented in writing: None.
- (2) The name, proposal contents, the reason for recusal, and the participating in voting of the director who has a conflict of interest in the proposal concerned must be detailed: None.
- (3) The self-evaluation or peer evaluation of the Board of Directors:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once a year	1/1/2023 – 12/31/2023	The Board of Directors, board directors, Audit Committee, and Remuneration Committee	The internal evaluation of the board, and self-evaluation by individual board members	(1) Self-evaluation or peer evaluation of the Board of Directors: The degree of participation in the Company’s operations, the decision-making quality upgrade of the Board of Directors, the composition and structure of the Board of Directors, the selection and continuing education of directors, internal control, etc. (2) Performance evaluation of individual board director: Grasp of the Company’s goals and tasks, recognition of directors’ responsibilities, degree of participation in the Company’s operations, internal relationship management and communication, director’s professional and continuing education, internal control, etc. (3) Performance evaluation of functional committees: The degree of participation in the Company’s operations, recognition of the functional committee’ responsibilities, the decision-making quality upgrade of the functional committees, the composition and member selection of the functional committees, internal control, etc.

- (4) Goals of enhancing board functions (such as, establishing an Audit Committee, improving information transparency, etc.) and performance evaluation for the current year and the most recent year:

The Company has an Audit Committee established after the election completed in the 18<sup>th</sup> Board meeting on June 13, 2019 to enhance the functions of the Board of Directors in making objective and independent judgments on the Company's financial business.

For the proposal that must be submitted to the Audit Committee for approval first and then to the Board of Directors for resolutions in accordance with the Company Act and Articles 14-3 and 14-5 of the Securities and Exchange Act, the Company already had them approved by the Audit Committee, resolved by the Board of Directors, and implemented as of the 2021 annual report publication date.

A resolution for the amendments to the "Rules of Procedures for Board of Directors Meetings" was reached in the 14<sup>th</sup> meeting of the 17<sup>th</sup> term of the Board of Directors on May 2, 2019. The standard operating procedures (including personnel, processing time, etc.) for handling the requests of directors so to respond to the requests of the directors appropriate and promptly.

The "Rules for Performance Evaluation of Board of Directors" was formulated in the 3<sup>rd</sup> Board meeting of the 18<sup>th</sup> term of office on November 13, 2019; also, the latest amendment was completed on November 4, 2021 with the amendments disclosed on the Company's website. The self-assessment and external assessment of the Board of Directors, individual board director, and functional committees had been completed in 2021 according to the regulations; also, the evaluation results had been reported to the Board of Directors and disclosed on the Company's website.

The Company has announced the important resolutions and minutes of each board meeting in the Corporate Governance page of the Company's website since the 16<sup>th</sup> term of the Board of Directors in 2013 so to enhance the Company's information transparency and protect the rights and interests of shareholders.

The Company has acquired liability insurance for the Company's directors, supervisors, and key staff to enhance corporate governance since June 8, 2016; also, the renewal of the said liability insurance was completed on June 8, 2023.

## (II) Compositions, responsibilities, and operations of the Audit Committee

### 1. Compositions and responsibilities of the Audit Committee

The Company's Audit Committee is organized by all independent directors with a meeting convened at least once every quarter to review and deliberate the following matters:

- Formulate or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
- Evaluate the effectiveness of the internal control system.
- Formulate or amend the procedures for the acquisition and disposal of assets, conducting derivatives trading, loaning of funds, making of endorsements/guarantees, and engaging in significant financial businesses in accordance with Article 36-1 of the Securities and Exchange Act.
- Matters involving the interests of board directors;
- Significant asset or derivative trading;
- Significant loaning of funds and making of endorsements/guarantees;
- Offering, issuance, or private placement of equity securities;
- Appointment, dismissal, or fees of certified auditors;
- Appointment and dismissal of financial, accounting, or internal auditing officer;
- Annual and interim financial report;
- Approval of the provision of non-assurance services by the auditors;
- Other major matters stipulated by the Company or the competent authorities.

The main tasks in 2023:

- Financial reports review  
The Board of Directors submitted the Company's 2023 business report and the earnings distribution proposal, including the independent auditor's report issued by CPA Win-Chin Lin and CPA Xin-Wei Tai of Deloitte Taiwan to the Audit Committee for review without any discrepancy found.
- Appointment of certified auditors  
The independence and competence of the independent auditors have been evaluated by the Audit Committee and the Board of Directors on March 7, 2023, and it has been confirmed that there are no conflicts of interest, family relationships, or other related-party relationships between the signing accountant and our company. The auditors maintains an impartial and objective attitude when providing professional services, and has obtained a declaration of absolute independence issued by the accounting firm, which is in compliance with the standards of independence and competence.

## 2. Professional qualifications and experience of Audit Committee members

Identity	Name	Professional qualifications and experience
Independent Director (Convener)	Shao Hua Chu	Please refer to the annex "Disclosure of information on the professional qualification and independence of Board Director" on page 22-24 of this annual report for details.
Independent Director	Wen Yen Pan	
Independent Director	Chong Jian Liu	

## 3. Operation of the Audit Committee

(1) The Audit Committee convened 4 meetings (A) in the most recent year with the attendance of independent directors as follows:

Job Title	Name	Actual attendance (B)	Actual attendance by proxy	Actual attendance rate (%) [B/A]	Remarks
Independent Director	Shao Hua Chu	4	0	100	None
Independent Director	Wen Yen Pan	4	0	100	None
Independent Director	Chong Jian Liu	4	0	100	None

Other matters to be recorded:

(A) If any of the following situations occur in the operation of the Audit Committee, the following details should be disclosed: the date and session of the Audit Committee meeting, agenda items, opinions of independent directors who opposed, reserved opinions, or significant recommendations, decisions made by the Audit Committee, and the company's response to the opinions of the Audit Committee:

- i. Matters listed in Article 14-5 of the Securities and Exchange Act

The date and session of the Audit Committee meeting	Proposal contents	Matters listed in Article 14-5 of the Securities and Exchange Act	The content of dissenting opinions, reserved opinions, or significant recommendations from independent directors	The resolutions of the Audit Committee and the Company's handling of the opinions of the Audit Committee
The 3rd meeting of the 2nd term 03.07.2023	1. Result of the performance self-assessment of the board and the functional committees		None	Approved by all the Audit Committee members present and approved unanimously by all the Board Directors present at the board meeting.
	2. The report on the implementation of the internal audit plan in November~December 2022	✓		
	3. The appointment of the independent auditors for the Company's 2023 Financial Report and their independence evaluation	✓		
	4. Summary of the acquisition and disposal of assets by the Company and the subsidiaries in 2022.	✓		
	5. The meeting minutes of the 2nd meeting of the 5th term of the Remuneration Committee and the Company's 2022 remuneration ratio proposal for the employees and directors			
	6. The Company's and subsidiaries' 2022 individual financial statements, consolidated financial statements, business reports, and earnings distribution proposals	✓		
	7. Establishment of the "Policy for Pre-approval of Non-Assurance Services Provided by the Company's External Auditors"	✓		
	8. The Company's "2022 Internal Control System Statement"	✓		

The date and session of the Audit Committee meeting	Proposal contents	Matters listed in Article 14-5 of the Securities and Exchange Act	The content of dissenting opinions, reserved opinions, or significant recommendations from independent directors	The resolutions of the Audit Committee and the Company's handling of the opinions of the Audit Committee
The 4th meeting of the 2nd term 05.09.2023	1. The report on the implementation of the internal audit plan in January~March 2023	✓	None	Approved by all the Audit Committee members present and approved unanimously by all the Board Directors present at the board meeting.
	2. Summary of the acquisition and disposal of assets by the Company and the subsidiaries in 2023Q1.	✓		
	3. Sale of a Supramax Bulk Carrier	✓		
	4. The 2023Q1 Consolidated Financial Statements of the Company and subsidiaries	✓		
The 5th meeting of the 2nd term 08.08.2023	1. The report on the implementation of the internal audit plan in April~July 2023	✓	None	Approved by all the Audit Committee members present and approved unanimously by all the Board Directors present at the board meeting.
	2. Summary of the acquisition and disposal of assets by the Company and the subsidiaries in 2023Q2.	✓		
	3. The 2023Q2 Consolidated Financial Statements of the Company and subsidiaries	✓		
	4. Amendment of the Articles of the "Rules of Procedure for Board Meetings" of the Company			
	5. Amendment of the Articles of the "Audit Committee Charter" of the Company			
	6. Amendment of the Articles of the "Corporate Governance Best Practice Principles" of the Company			
The 6th meeting of the 2nd term 11.09.2023	1. The report on the implementation of the internal audit plan in August~October 2023	✓	None	Approved by all the Audit Committee members present and approved unanimously by all the Board Directors present at the board meeting.
	2. Summary of the acquisition and disposal of assets by the Company and the subsidiaries in 2023Q3	✓		
	3. The 2023Q3 Consolidated Financial Statements of the Company and subsidiaries	✓		
	4. Amendment of the Articles of the " Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises" of the Company			
	5. Establishment of the "Corporate Sustainability Committee" and the "Corporate Sustainability Committee Charter" of the Company			
	6. The Company's "2024 Audit Plan"	✓		

ii. Except for the aforementioned matters, other matters that have not been approved by the Audit Committee but by more than two-thirds of all board directors: It did not occur to the Company.

(B) The name, proposal contents, the reason for recusal, and the participating in voting of the independent director who has a conflict of interest in the proposal concerned must be detailed:  
None

(C) The communication among independent directors, internal audit officer, and CPAs (should include the Company's major financial and accounting events, communication methods, and communication results, etc.):

- The internal audit officer and CPAs may directly contact the independent directors by e-mail or telephone if necessary, and the communication is efficient so far.
- The internal audit officer submits an audit report to the independent directors every month, and explains the relevant issues raised by the independent directors occasionally by email or

telephone; a meeting could be convened if necessary to conduct a comprehensive communication and report.

- The internal audit officer reports/communicates to the independent directors separately at the “Audit Committee Meeting” on a quarterly basis. A total of 4 meetings were held in the most recent year, and the internal audit officer presented in person to report the implementation of audit operations and major internal control and internal audit matters, and the independent directors did not express any opinion.
- The CPAs report to the independent directors in writing or in person at a meeting convened regarding the questions related to result of the audit performed on the annual financial statements.
- The CPAs report/communicate to the independent directors separately at the “Audit Committee Meeting” once every six-month. A total of 2 meetings were held in the most recent year, and the CPAs presented in person to report the audit status of the financial statements, and the independent directors did not make any suggestion.

- Summary of the communications conducted:

Audit Committee Meeting	Communication with the internal audit officer	Communication with the CPAs
The 3rd meeting of the 2nd term 03.07.2023	<ul style="list-style-type: none"> <li>● The report on the implementation of the internal audit plan in November~December 2022.</li> <li>● Presented the Company’s “2022 Internal Control System Statement.”</li> </ul>	Audit results of the Consolidated Financial Statements for the 4 <sup>th</sup> quarter of 2022
The 4th meeting of the 2nd term 05.09.2023	<ul style="list-style-type: none"> <li>● The report on the implementation of the internal audit plan in January~March 2023</li> </ul>	None
The 5th meeting of the 2nd term 08.08.2023	<ul style="list-style-type: none"> <li>● The report on the implementation of the internal audit plan in April~July 2023</li> </ul>	Review results of the Consolidated Financial Statements for the 2 <sup>nd</sup> quarter of 2023
The 6th meeting of the 2nd term 11.09.2023	<ul style="list-style-type: none"> <li>● The report on the implementation of the internal audit plan in August~October 2023</li> <li>● Presented the Company’s “2024 audit plan”</li> </ul>	None

(III) The operation of corporate governance and its differences from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons

Evaluation Item	Operations			Difference from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	Summary Description	
1. Does the company formulate and disclose its Corporate Governance Best Practice Principles in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?”	✓		The Company had enacted the “Corporate Governance Best Practice Principles” with the approval of the Board of Directors on March 17, 2011. The Board of Directors had approved the amendments to the Company’s “Corporate Governance Best Practice Principles” on August 8, 2023, which has been implemented accordingly and disclosed on the Company’s website and Market Observation Post System for inquiry.	Complied with the requirements of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.”
2. The company’s shareholding structure and shareholders’ equity	✓			
(1) Has the company established internal operating procedures for handling shareholders’ proposals, inquiries, disputes, and litigation matters, and then has them processed in accordance with the procedures?	✓		The Company has established a spokesperson and acting spokesperson system. The suggestions and disputes of shareholders are handled and responded to by the designated personnel and the stock agency “Oriental Securities Corporation.”	Complied with the requirements of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”
(2) Does the company have a list of the major shareholders who actually control the company and the ultimate controllers of the major shareholders?	✓		The Company keeps track of the major shareholders that actually control the Company and the ultimate controllers of the major shareholders; also, handles the declaration in accordance with the “Taipei Exchange Rules Governing Information Reporting by Companies with TPEX Listed Securities.”	Complied with the requirements of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”
(3) Does the company establish and implement risk control and firewall mechanisms with affiliated companies?	✓		The rights and responsibilities for assets management and financial accounting between the Company and the affiliated companies are independent of each other; also, the risk evaluation is conducted in accordance with the “Procedures for the Acquisition and Disposal of Assets,” “Procedures for Loaning of Funds” and “Procedures for Making of Endorsements/Guarantees.” The risk control mechanisms and firewalls between the Company and the affiliated companies have been properly established.	Complied with the requirements of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”
(4) Does the company have internal regulations to prohibit insiders from using undisclosed information to buy and sell securities?	✓		The “Procedures for Handling Material Inside Information” was resolved for formulation in the 11 <sup>th</sup> Board meeting of the 14 <sup>th</sup> term of office on December 24, 2009, which has been processed accordingly since then for the compliance of the employees, managerial officers, and directors in handling and controlling material inside information of the Company so to prevent negligent violations and the possibility of insider trading.	Complied with the requirements of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Operations		Difference from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and the reasons	
	Yes	No		Summary Description
<p>3. Composition and responsibilities of the Board of Directors</p> <p>(1) Does the board of directors formulate diversity policies, specific management objectives, and have them implemented?</p>	✓		<p>The proposal for the amendments to the “Corporate Governance Best Practice Principals” was resolved in the 6<sup>th</sup> Board meeting of the 17<sup>th</sup> term of office on May 3, 2017, which clearly stipulated the director diversity policy.</p> <p>The candidate nomination system is adopted for the selection of directors in accordance with the “Procedures for Election of Directors” and “Corporate Governance Best Practice Principles.” In addition, the performance evaluation is conducted on a regular basis every year to confirm the competence, diversity, and independence of each director with the stakeholders’ opinions taken into consideration.</p> <p>In terms of diversity, in addition to possessing the knowledge, skills, and attainment needed for performing duties, they shall also have different professional backgrounds and expertise to achieve the goals of corporate governance. The diversity policy, specific goals, and implementation are detailed in the Board of Directors section on the Company’s website.</p>	<p>Complied with the requirements of the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”</p>

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Evaluation items	O p e r a t i o n s			Difference from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	Summary Description	
(2) Is the company willing to set up other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓		On November 9, 2023, the establishment of the "Corporate Sustainability Committee" of the Company was approved by the Board of Directors. The first committee consists of three independent directors: Mr. Pan Wen Yan, Mr. Chu Shao Hua, and Mr. Liu Chong Jian. Mr. Pan was elected as the convener of this term's committee.	Complied with the requirements of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”
(3) Does the company formulate the “Regulations Governing Self-Evaluation or Peer Evaluation of the Board of Directors,” conduct a performance evaluation annually and regularly, report the performance evaluation results to the board of directors, and apply it as a reference for determining the director’s remuneration and nomination of directors for another term?	✓		<p>The proposal for the formulation of the “Regulations Governing Self-Evaluation or Peer Evaluation of the Board of Directors” was resolved in the Company’s 3<sup>rd</sup> Board meeting of the 18<sup>th</sup> term of office and disclosed in the “Board of Directors” section of the Company’s website. The responsible unit regularly conducts performance evaluations on the Board of Directors, individual director, and functional committees every year, and reports the evaluation results to the Board of Directors and discloses them in the Board of Directors section of the Company’s website. In addition, it specifies that an external evaluation is to be performed at least once every three-year.</p> <p>The director performance evaluation results will be incorporated into the procedures to determine directors’ remuneration. A reasonable remuneration will be given to directors after taking into account the Company’s overall operational performance, future development of the industry, and operational risks. In addition, the performance evaluation results will be taken into account in nominating candidates for a second term of office.</p>	Complied with the requirements of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”
(4) Does the company regularly evaluate the independence of the independent auditors?	✓		In order to evaluate whether the Company’s CPAs maintain the independence as stipulated in No. 10 of “The Norm of Professional Ethics for Certified Public Accountant of the Republic of China,” the Company’s Department of Accounting requires the independent auditors to provide a “Statement of Independence” every year and regularly evaluates the independence of the contracted independent auditors. All relevant departments are to complete a comprehensive evaluation in accordance with the five evaluation directions defined in the “CPA’s Independence Criteria List” as follows: 1. The beneficial relationship between the CPA and the Company, 2. Whether the CPA has dual identities, 3. The familiarity between the CPA and the Company’s personnel, 4. Whether the CPA is coerced by the Company, and 5. The CPA’s practice period, before the CPA’s	Complied with the requirements of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”

Evaluation items	O p e r a t i o n s			Difference from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	Summary Description	
			<p>appointment and fees can be reviewed and approved. To assess whether the company's appointed auditors and audit firms provide high-quality audit services to enhance the reliability of financial statements, the company's accounting department refers to the "Audit Quality Indicator Report" (AQI Report) provided by the auditors. The assessment is based on the "Audit Quality Indicator AQI Suitability Assessment Form," which includes five dimensions: professionalism, independence, quality control, supervision, and innovation capability, along with 13 indicators. This evaluation assesses the audit quality of the audit firm and the audit team. The reports have been submitted and approved by the 18-8<sup>th</sup>, 18-13<sup>th</sup>, and the 19-3<sup>rd</sup> meetings of the Board of Directors over the past three years. Currently appointed auditors possess both independence and suitability.</p>	

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Evaluation Item	O p e r a t i o n s			Difference from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons
	Yes	No	Summary Description	
4. Does the TWSE/TPEX listed company have sufficient number of competent and appropriate corporate governance personnel and a corporate governance supervisor appointed to be responsible for corporate governance-related affairs (including but not limited to providing directors and supervisors with the information necessary for business operation, assisting directors and supervisors in complying with law and regulations, handling matters related to the board meetings and shareholders meetings lawfully, preparing the minutes of board meeting and shareholders meetings, etc.)?	✓		<p>The Company designated the Secretariat Office of the Administration Department to be responsible for corporate governance. Mr. Chang Sheng Chen, Vice President of the Administration Department, was appointed as the "Corporate Governance Officer," the top management for the Company's corporate governance, in the 14<sup>th</sup> Board meeting of the 17<sup>th</sup> term of office on May 2, 2019. He graduated with a master degree received in financial management from Oklahoma City University in the United States, and was the head of the Company's Auditing Department and is serving as the head of the Company's Administration Department and has more than 3 years of experience in stock affairs and meeting proceedings related jobs, which meet the requirements of "A chief corporate governance officer shall be a qualified and eligible for practice lawyer or CPA or have served in a managerial position for at least 3 years in a securities, financial, or futures related institution or a public company in a unit handling legal affairs, legal compliance, internal auditing, financial affairs, stock affairs, or corporate governance affairs."</p> <p>The job responsibilities of the corporate governance officer are as follows:</p> <ol style="list-style-type: none"> <li>1. Handle matters relating to board meetings and shareholders' meetings lawfully.</li> <li>2. Prepare the minutes of board meetings and shareholders' meetings.</li> <li>3. Assist in onboarding and continuing education of the directors.</li> <li>4. Provide information required for duty performance of the directors.</li> <li>5. Assist the directors in complying with laws and regulations.</li> <li>6. Reporting to the Board of Directors on the examination results regarding the eligibility of independent directors in terms of nomination, appointment, and during their tenure to ensure compliance with relevant laws and regulations.</li> <li>7. Handling matters related to changes in directorship.</li> <li>8. Other matters specified in the Articles of Incorporation or by contract.</li> </ol> <p>The main business execution in 2023 are as follows:</p> <ol style="list-style-type: none"> <li>1. Develop and plan an appropriate company system and organizational structure to improve the independence of the Board of Directors, the Company's transparency, the compliance with laws and regulations, and the implementation of internal audit and internal control.</li> <li>2. A total of 4 board meetings were held in 2023. The board meetings and agenda were planned by consulting all</li> </ol>	Complied with the requirements of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."

Evaluation Item	O p e r a t i o n s			Difference from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and the reasons
	Yes	No	Summary Description	
			<p>directors in advance; also, all directors were notified to attend with sufficient meeting information provided at least 7 days before the meeting, so to facilitate them understanding the proposal contents. The stakeholders of a proposal who shall have themselves recused will be friendly reminded. The minutes of the board meeting will be furnished within 20 days afterwards.</p> <p>3.Ensure to keep the board directors informed and updated of any material information of the Company.</p> <p>4.Evaluate and purchase “Directors and Officers (D&amp;O) Liability Insurance.” The insurance policy was renewed in June 2023 and reported in the latest board meeting.</p>	
			<p>5.The “Regulations Governing Self-Evaluation or Peer Evaluation of the Board of Directors” was formulated. The self-evaluation of the Board of Directors and functional committees were completed in accordance with the “Regulations Governing Self-Evaluation or Peer Evaluation of the Board of Directors” and the evaluation results were fully disclosed in the Board of Directors section of the Company’s website in 2023.</p> <p>6.The 2023 shareholders’ meeting is scheduled on June 13 lawfully with the meeting notice, agenda handbooks and minutes prepared and reported before the deadline.</p> <p>7.Responsible for matters related to the “Audit Committee Meeting.” A total of 4 meetings were convened in 2023. The relevant proposals were submitted to the Audit Committee for review and approval with the relevant department heads, internal audit officer, and/or CPAs invited to attend the meeting.</p> <p>8.Reporting to the Board of Directors on the examination results regarding the eligibility of independent directors in terms of nomination, appointment, and during their tenure to ensure compliance with relevant laws and regulations in 2023.</p> <p>9.Completion of the relevant procedures for the election of directors at the 2023 annual general meeting of shareholders.</p>	
5. Has the company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.), set up a page specially for stakeholders on the company’s website, and appropriately responded to the important corporate social responsibility issues of concern to stakeholders?	✓		<p>The Company has a spokesperson in service and has set up the “Investor Relations,” “Stakeholders” and “General Information” sections on the Company’s website (<a href="https://www.uming.com.tw/">https://www.uming.com.tw/</a>).</p> <p>The Company appropriately responds to the suggestions or questions of stakeholders by the respective responsible person; also, tries to understand the identities of stakeholders and important sustainability related issues of concern</p>	Complied with the requirements of the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.”

Evaluation Item	Operations			Difference from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons
	Yes	No	Summary Description	
			through online questionnaires. The stock agency "Oriental Securities Corporation" can also help reflect the suggestions of shareholders. Therefore, the Company has a smooth communication channel maintained with stakeholders, and respects and safeguards their legitimate rights and interests.  The communication conducted with stakeholders is reported to the Board of Directors once a year regularly.	
6. Does the company contract a professional stock affairs agency to handle the affairs of the shareholders meeting?	✓		The Company entrusts the stock agency "Oriental Securities Corporation" to take care of shareholders' meetings related affairs.	Complied with the requirements of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."
7. Information disclosures: (1) Does the company set up a website to disclose financial business and corporate governance information?	✓		The Company's website is <a href="https://www.uming.com.tw">https://www.uming.com.tw</a> . The Company discloses financial, business, and corporate governance related information on the Company's website in a timely manner.	Complied with the requirements of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."
(2) Does the company adopt other information disclosure methods?	✓		The Company has set up an English/Chinese website, appointed a person to be responsible for the collection and disclosure of financial business information and investor conferences, and implemented the spokesperson system.	Complied with the requirements of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."
(3) Does the company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the financial statements for the first, second, and third quarters and the operating conditions of each month before the specified deadline?	✓		The Company has the financial reports and monthly operation results announced on the Market Observation Post System at <a href="https://mops.twse.com.tw/mops/web/index">https://mops.twse.com.tw/mops/web/index</a> in accordance with Article 36 of the "Securities and Exchange Act."	Complied with the requirements of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."
8. Does the company have other important information that is helpful to understand the operation of corporate governance (including but not limited to employee interests, employee care, investor relations, supplier relations, stakeholders' rights, continuing education of directors and supervisor, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, the company's purchase of liability insurance for directors and supervisors, etc.)?	✓		(1) Employees' rights and interests and employee care: The Company operates in accordance with the Labor Standards Act and personnel regulations to ensure the rights and interests of employees. Please refer the attachment of the annual report for employee welfare measures, continuing education, retirement system, employee rights and interests, and labor safety and health measures.  (2) The Company's investor relations, supplier relations, and the rights of the stakeholders: The Company maintains a good cooperative relationship with suppliers and improves the mutual trust. The Company's spokesperson regularly and occasionally holds investor conferences and press	Complied with the requirements of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."

Evaluation Item	O p e r a t i o n s			Difference from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and the reasons
	Yes	No	Summary Description	
			<p>conferences; also, uploads material financial and business information on the Market Observation Post System regularly and occasionally for the online information of stakeholders and investors. A mailbox is set up on the Company’s website designated as a communication channel for all investors, suppliers, and stakeholders. In addition, governing clauses are clearly stated in the Company’s Corporate Governance Best Practice Principles to respect and protect the rights and interests of stakeholders.</p> <p>(3) Directors’ continuing education: The Company has the Directors’ continuing education handled in accordance with the “Directions for the Implementation of Continuing Education for Directors of TWSE/TPEx Listed Companies.” Please refer to page 81~86 of the annual report for the disclosure of the continuing education of the Company’s directors.</p> <p>(4) Implementation of risk management policies and risk measurement standards: The “Risk Management Policy and Measures” was resolved for formulation in the 5<sup>th</sup> Board meeting of the 15<sup>th</sup> term of office on March 17, 2011. The Company’s risk management is handled by the responsible department depending on the business nature; also, the Auditing Department evaluates the existing or potential risks of each operation in order to form a risk-oriented annual audit plan. Please refer to page 173~174 for the disclosure of the risk management related information.</p> <p>(5) Implementation of customer policy: The Company adheres to the visions of “basing on the core competence of shipping,” “constructing U-Ming as a world-class logistics and transportation company,” and “becoming the first choice of customers, employees, and investors” and is committed to providing customers with diversified choices and quality services. Keep a dynamic record of customers and industries with the Company’s comprehensive “Customer Relationship Management (CRM)” system; also, the profound E-platform helps obtain real-time market information at any time so to understand customer operations and grasp market trends in order to flexibly adjust the Company’s operating strategies and to improve</p>	

Evaluation Item	O p e r a t i o n s			Difference from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	Summary Description	
			operational efficiency. (6) The Company purchases liability insurance for directors: The Company’s Directors exercise their powers lawfully during their term of office; therefore, the risk of litigation due to mistakes or negligence is not high. The Company had purchased Directors and Officers Liability Insurance on June 8, 2016 in order to substantiate corporate governance, and the renewal of the liability insurance policy was completed on June 8, 2023.	
<p>9. Please explain the corrective action performed for the corporate governance evaluation results issued by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year, and propose prioritized enhancements and measures for those that have not yet been corrected.</p> <p>“Corporate Governance Evaluation” is an important work item of the “Enhancing Corporate Governance Blueprint.” The Corporate Governance Center of Taiwan Stock Exchange has TWSE/TPEX listed companies evaluated comprehensively since 2014. The Company’s corporate governance performance was rated in the 1<sup>st</sup> ~ 6<sup>th</sup> term superior to others in this industry, and ranked on the top 6% ~ 20% percentile of the listed companies.</p> <p>The corrective actions completed by the Company according to the corporate governance evaluation results issued in the most recent year are as follows (evaluation indicators for items that did not score in the 7<sup>th</sup> term, but corrected and graded in the 8<sup>th</sup> term):</p> <ol style="list-style-type: none"> <li>(1) The company's financial reports shall be approved by or submitted to the Board of Directors at least 7 days before the publication deadline and shall be published within 1 day after the approval or submission date to the Board of Directors.</li> <li>(2) The company's annual report discloses the linkage between the performance evaluation of directors and their remuneration.</li> <li>(3) The company is invited or holds at least two investors' conferences annually, with a minimum interval of three months between the first and last sessions of the assessed year.</li> </ol> <p>The improvements with top priority to be made by the Company according to the corporate governance evaluation results issued in the most recent year are as follows (evaluation indicators for items that did not score in the 8<sup>th</sup> term, but to be improved with top priority in the 9<sup>th</sup> term):</p> <ol style="list-style-type: none"> <li>(1) Plan to have at least one female director included among the members of the company's board of directors.</li> <li>(2) Plan to establish functional committees beyond statutory requirements, with no fewer than three members, and with over half of the members being independent directors. Disclose their composition, responsibilities, and operations.</li> <li>(3) Plan to voluntarily establish a number of independent director positions that exceed the legal requirements.</li> <li>(4) Plan to hold investors' conferences at least once per quarter.</li> <li>(5) Plan to disclose the company's supplier management policy on the website or in the corporate social responsibility report, requiring suppliers to adhere to relevant standards on environmental protection, occupational health and safety, or labor rights issues, and explain the implementation status.</li> </ol>				

(IV) The compositions, responsibilities, and operations of the Remuneration Committee:

The Company has the Remuneration Committee established and the “Remuneration Committee Charter” formulated in accordance with the “Regulations Governing the Appointment and Exercise of by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stocks Exchange or the Taipei Exchange” announced by the Financial Supervisory Commission with the Jin-Guan-Zheng-Fa-Zi No. 1000009747 Order issued on March 18, 2011.

1. Compositions and responsibilities of the Remuneration Committee

Mr. Chornq Jian Liu (the convener), Mr. Shao Hua Chu, and Ms. Li Chen Tung were appointed by the Board of Directors as the members of the 4<sup>th</sup> Remuneration Committee for a term of office same as the Board of Directors (June 13, 2019 – June 8, 2022). Mr. Chornq Jian Liu (the convener), Mr. Shao Hua Chu, and Mr. Wen Yen Pan were appointed by the Board of Directors as the members of the 5<sup>th</sup> Remuneration Committee for a term of office same as the Board of Directors (August 5, 2022 – June 7, 2025).

The Remuneration Committee’s responsibility is to formulate and review the policies, systems, standards, and structures for the performance evaluation and remuneration of directors, supervisors, and managerial officers; also, regularly evaluates and formulates the remuneration of the aforementioned personnel with the proposals submitted to the Board of Directors for discussion.

2. Information of the Remuneration Committee members:

Name		Terms	Professional qualifications and experience	Independence Status	Number of Public Listed Companies that He / She also Works as a Member of the Remuneration Committee
Independent Director (Convener)	Chornq Jian Liu		Please refer to the annex “Disclosure of information on the professional qualification and independence of Board Director” on page 22-24 of this annual report for details.		0
Independent Director	Shao Hua Chu				0
Independent Director	Wen Yen Pan				0

Note 1: Independence requirement: The independence of the members of the Remuneration Committee, including but not limited to whether the members, their spouse, or relatives within the second degree of kinship are serving as directors, supervisors, or employees of the Company or the Company’s affiliates; the shareholding and shareholding ratio held by the members, their spouse, or relatives within the second degree of kinship (or held in the name of others); whether they are serving as directors, supervisors, or employees of a company that has a specific relationship with the Company; and the amount of remuneration received for providing business, legal, financial, and accounting services to the Company or the Company’s affiliates.

### 3. Operations of the Remuneration Committee:

There are three members in the Company's Remuneration Committee.

The term of the 5th Remuneration Committee: From August 5, 2022 to June 7, 2025. The Remuneration Committee held 2 meetings (A) in the most recent year. The qualifications and attendance of the members are as follows:

Job Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) [B/A] (Note)	Remarks
Convener	Chorng Jian Liu	2	—	100	-
Committee member	Shao Hua Chu	2	—	100	-
Committee member	Wen Yen Pan	2	—	100	-

Note: 1. If there is a Remuneration Committee member resigned before the end of the year, the date of resignation should be indicated in the remarks column. The actual attendance rate (%) is calculated based on the total number of Remuneration Committee meetings held and the actual number of attendance (present) during the term of office.

2. If there is a Remuneration Committee re-election held before the end of the year, both the newly elected members and the dismissed members shall be illustrated; also, the information of the dismissed members, newly elected members, re-elected members, and the election date should be detailed in the "Remarks" column. The actual attendance rate (%) is calculated based on the total number of Remuneration Committee meetings held and the actual number of attendances during the term of office.

### 4. Other matters to be recorded:

- (1) If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, the date, period, proposal content, resolutions of the Board of Directors, and the Company's handling of the opinions of the Remuneration Committee (for example, when the remuneration approved by the Board of Directors is superior to the recommendations of the Remuneration Committee, the differences and reasons should be detailed): It did not occur to the Company.
- (2) If there is any member expressing a dissent or observation in writing or documented against the matters resolved by the Remuneration Committee, the date, term, proposal content, the opinions of all members, and the handling of the said opinions by the Remuneration Committee shall be stated: It did not occur to the Company.

Remuneration Committee	Proposal content	Resolutions	The Company's handling the opinions of the Remuneration Committee members
The 2 <sup>nd</sup> meeting of the 5 <sup>th</sup> term 02.10.2023	1. The self-evaluation results of the Company's board of directors and functional committees in 2022	Approved by all members present unanimously	No
	2. The performance objectives of the Company's senior managers in 2023	Approved by all members present unanimously	
	3. The Company's 2022 remuneration ratio proposed for employees and directors	(1) Approved by all members present unanimously (2) Reported to the Board of Directors	
The 3 <sup>rd</sup> meeting of the 5 <sup>th</sup> term 10.13.2023	1. Appointment of Senior Management Personnel	Approved by all members present unanimously	No
	2. Report on the remuneration of the Company's employees, directors, and supervisors in 2022 comparing to the industry	Approved by all members present unanimously	
	3. The evaluation result of the Company's senior managers in 2022	Approved by all members present unanimously	

5. Information on Nomination Committee members and its operation: The Company does not have a Nomination Committee formed.

(V) The promotion and operation of the sustainable development and its differences from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:

Promotion items	O p e r a t i o n s		Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	
1. Has the company established a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized and supervised by the Board of Directors?	✓		<p>The 'Corporate Sustainability Committee' was established in November, 2023 with the BoD's approval. The committee shall convene at least twice a year, with its main responsibilities being the supervision and guidance of the implementation of corporate sustainability policies, systems, or relevant management guidelines, and regularly reporting on the progress to the BoD.</p> <p>Under the committee, there is a sustainable work team responsible for collecting domestic and international sustainability standards and regulations. Through stakeholder consultations and expert interviews, it consolidates relevant issues such as 'environment,' 'society' (people), and 'governance’.</p> <p>Additionally, four sub-groups—Sustainable Environment, Sustainable Supply Chain, Sustainable Society, and Sustainable Governance—are established to manage sustainability professionally. They integrate sustainable concepts into overall operational strategies in an organized and systematic manner.</p>

Promotion items	O p e r a t i o n s			Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons						
	Yes	No	S u m m a r y D e s c r i p t i o n							
2. Does the company, according to the materiality principle, conduct risk evaluation towards environmental, social, and corporate governance issues related to operations of the company and enact relevant risk management policies and strategies? (Note 1)	✓		<p>The Company has based on the Global Reporting Initiative (GRI) Universal Standards (2021), with a focus on human rights issues. We also adhere to the Financial Supervisory Commission's (FSC) Corporate Governance 3.0 - Sustainable Development Blueprint, implementing climate-related financial disclosures (Task Force on Climate-related Financial Disclosures, TCFD), and Sustainability Accounting Standards Board (SASB) standards to enhance sustainability information disclosure. The report for the year of 2023 is compiled based on trends in sustainability and the maritime industry, new regulations from the International Maritime Organization (IMO), international sustainability assessments and frameworks (CDP, MSCI, FTSE4Good, SASB, TCFD, etc.), industry research reports from experts such as Clarksons, DNV, Bureau Veritas (BV), etc. It synthesizes annual environmental, social, and corporate governance issues and formulates strategies, disclosed in the sustainability report and on the company's website.</p> <p>The information disclosure period was from January 1, 2023 to December 31, 2023. The environmental and corporate governance risk assessment boundary covered U-Ming Marine and all the subsidiaries; also, the social boundary covered the onshore personnel and seafarers of the parent company.</p> <p>The risk analysis is performed as follows:</p> <table border="1"> <thead> <tr> <th>Major issues</th> <th>Risk evaluation items</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Environment</td> <td>Environmental Impact and Management</td> <td>1. The Company considers the overall operation and life cycle of the organization to establish an environmental management system, collect influential data on environment for evaluation in order to determine the risks related to environmental management, and actually implement it in the daily environmental management of the Company and the fleet.</td> </tr> </tbody> </table>	Major issues	Risk evaluation items	Description	Environment	Environmental Impact and Management	1. The Company considers the overall operation and life cycle of the organization to establish an environmental management system, collect influential data on environment for evaluation in order to determine the risks related to environmental management, and actually implement it in the daily environmental management of the Company and the fleet.	Complied with the requirements of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”
Major issues	Risk evaluation items	Description								
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Promotion items	O p e r a t i o n s		Summary Description	Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons									
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Promotion items	O p e r a t i o n s		Summary Description	Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons								
	Yes	No										
3. Environmental issues			<table border="1"> <tr> <td>Major issues</td> <td>Risk evaluation items</td> <td>Description</td> </tr> <tr> <td rowspan="2">Corporate Governance</td> <td>Enhance Director functions</td> <td>The 19th Board of Directors underwent a re-election in June 2022, adding one female director. Additionally, in March 2022, a corporate director resigned and was replaced by one female director, aiming to enhance the diversity of the Board of Directors.</td> </tr> <tr> <td>Sustainability policy</td> <td>The 'Corporate Sustainability Committee' was established in November, 2023 with the BoD's approval. The committee shall convene at least twice a year, with its main responsibilities being the supervision and guidance of the implementation of corporate sustainability policies, systems, or relevant management guidelines, and regularly reporting on the progress to the BoD.</td> </tr> </table>	Major issues	Risk evaluation items	Description	Corporate Governance	Enhance Director functions	The 19th Board of Directors underwent a re-election in June 2022, adding one female director. Additionally, in March 2022, a corporate director resigned and was replaced by one female director, aiming to enhance the diversity of the Board of Directors.	Sustainability policy	The 'Corporate Sustainability Committee' was established in November, 2023 with the BoD's approval. The committee shall convene at least twice a year, with its main responsibilities being the supervision and guidance of the implementation of corporate sustainability policies, systems, or relevant management guidelines, and regularly reporting on the progress to the BoD.	
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<p>(1) Has the company established an appropriate environmental management system according to its industrial characteristics?</p>	✓	<p>The Company's safety management policy: Adhere to the spirit of “sincerity, diligence, thrift, and prudence” to improve the safe operation of ships, ensure the safety of life offshore, and avoid marine environmental pollution. Therefore, the Company's fleet is operated with the environmental pollution prevention measures adopted in accordance with ISM Code and MARPOL regulations. The company has implemented the ISO 14001 Environmental Management System and ensured its implementation. Its scope includes the offices and the fleets belonging to U-Ming Taipei and U-Ming Singapore, aiming to contribute to environmental protection actively and effectively. The new series of ships constructed subsequently is equipped with ballast water treatment systems to prevent ecological hazards caused by ships carrying organisms from territorial waters. The relevant environmental management policies are publicly disclosed in U-Ming's Sustainability Report.</p>	Complied with the requirements of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”									

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P r o m o t i o n   i t e m s	O p e r a t i o n s		D i f f e r e n c e   f r o m   t h e “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Y e s	N o	
(2) Is the company committed to improving energy efficiency and using recycled materials with low impact on the environment?	✓		<p>The Company is committed to improving the efficiency of all resources in use:</p> <p>(1) The air conditioner is controlled by the building management uniformly depending on the outdoor temperature so to achieve the purpose of energy saving and carbon reduction.</p> <p>(2) Use the sensing faucet to adjust water outflow and save water consumption.</p> <p>(3) Implement elevator load control to save electricity.</p> <p>(4) Implement garbage sorting and resource recycling, as well as environmental protection policies.</p> <p>(5) The Company’s existing fleet is equipped with a fuel homogenizer, hub vortex absorbed fins (HVAF) &amp; Pre-shrouded vanes (PSV), and the Alpha lubricator to save fuel and lubricating oil consumption. The hull submerged outer panel is maintained with organotin-free self-polishing low friction paint and the propeller is polished regularly to reduce ship resistance and to improve propulsion efficiency. The fleet has adopted and implemented the environmental management system ISO 14001 and promoted environmental protection policies and guidelines to cherish the resources on the Earth and to maintain a green environment; also, evaluated environmental considerations and changes in regulations in a timely manner, made corresponding plans, implementations, inspections, and improvements to help the seafarers form the concept and awareness of environmental protection in operating ships and consuming materials.</p> <p>(6) The Company’s new ships:</p> <p>a. The Company has all the new ships received after 2012 installed with energy-saving devices and used low friction paints, which is verified with 5~10% fuel consumption saved.</p> <p>b. The Company has new ships ordered and scheduled to be delivered as follows: Four bulk carriers (64K) from New Dayang Shipbuilding Co., Ltd., in 2024 Q4 and 2025 Q1, which are equipped with Selective Catalytic Reduction (SCR) equipment in compliance with the NOx Tier III standard. The new ships are designed for special routes, which are the optimized ECO-DESIGN and equipped with energy-saving equipment. It is expected to save more fuel and increase the loading capacity comparing to the older traditional ships; also, its EEDI value is lower than the baseline by 30% to 45%. This series of ships is equipped with ballast water treatment systems so to help prevent ecological hazards caused by ships carrying organisms from territorial waters.</p>

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Promotion items	O p e r a t i o n s		Summary Description	Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No		
			<p>c. The Company is the first Taiwanese shipowner that operates liquefied natural gas (LNG) dual fuel vessels, which has been evidenced in significantly reducing greenhouse gas emissions. The Company contracted Shanghai Waigaoqiao Shipbuilding Co., Ltd. to build four LNG (Dual Fuel 190K DWT) bulk carriers in 2020, which is with the most advanced design of LNG ready adopted and have been completed in 2022 and early 2023; also, the bulk carriers are equipped with the advanced energy saving MAN B&amp;W MEGI dual-fuel main engines, and Selective Catalytic Reduction (SCR) that meets the NOx emission standard for the main engine and reaches Tier III standards so to provide the most professional green logistics and transport services, and to reduce greenhouse gas emissions from customers’ iron ore supply chain and transportation.</p> <p>d. The Company’s 100K, 190K, and 210K new ships comply with the EU IHM (Inventory of Hazardous Materials) certification for preventing pollution in the future when old and outdated ships are being scrapped.</p> <p>e. In 2021, a contract was signed with Royal Bodewes for one cement carrier. The power system is equipped with a Wartsila 6L32 main engine that meets the IMO Tier II standard, along with controllable pitch propellers to improve ship maneuverability and power efficiency. Additionally, the vessel is equipped with a shaft generator and shore power to achieve fuel savings, reduce carbon emissions, and further improve energy utilization efficiency.</p> <p>f. In 2022, a contract was signed with New Dayang Shipbuilding Co., Ltd. for the construction of four 64,000 DWT bulk carriers. The vessels are equipped with advanced MAN B&amp;W main engines, eco-friendly and energy-saving selective catalytic reduction (SCR) equipment that meets Tier III standards for main engine NOx emissions. Their Energy Efficiency Design Index (EEDI) is more than 30% lower than the baseline. It is expected that three vessels will be delivered in the latter half of 2024, with one more delivered in 2025.</p> <p>(7) The Company has implemented the ship energy efficiency management plans (SEEMP) since 2012 to realize comprehensive ship energy saving and carbon reduction management and to further improve the efficiency of ships and reduction of carbon through the implementation of the plans.</p>	
(3) Does the company evaluate the impact of climate change on the current and future potential risks and opportunities with countermeasures adopted in response to the climate-related issues?	✓		<p>The company recognizes the direct impact and importance of climate issues on the shipping industry, actively promoting various measures for climate change mitigation and adaptation. In 2022, the company supported and joined the Getting to Zero Coalition, initiating the transition to low-carbon transportation. This year (2023), the company had completed the net-zero pathway map and officially signed on as a supporter of the Task Force on Climate-Related Financial Disclosures (TCFD). Following the TCFD framework, U-Ming comprehensively assesses the climate risks and opportunities it faces, setting</p>	Complied with the requirements of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”

P r o m o t i o n i t e m s	O p e r a t i o n s		S u m m a r y D e s c r i p t i o n	Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No		
			phased climate mitigation targets and taking appropriate climate adaptation actions to reduce negative impacts and seize positive opportunities related to climate change. Additionally, the company responds to the United Nations Sustainable Development Goal (SDG) 13 - Climate Action, strengthening the company's climate governance capabilities. The company provides complete disclosure of governance, strategies, risk management, indicators, and goals related to climate-related risks and opportunities in the 2023 Sustainability Report 1-2: Climate-Related Financial Disclosures (TCFD).	

Promotion items	O p e r a t i o n s		Summary Description	Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons																																				
	Yes	No																																						
(4) Has the company counted statistically the greenhouse gas emissions, water consumption, and total weight of waste of the last two years, and formulated policies for energy saving and carbon reduction, greenhouse gas reduction, water consumption reduction, or other waste management policies?	✓		<p>1.The Company’s greenhouse gas emissions, wastewater discharges, and waste disposals are publicly disclosed in the sustainability report, which has been verified by a third party.</p> <p>(1) Greenhouse gas emissions in the last 2 years:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Scope 1</th> <th>Scope 2</th> <th>Scope 3</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>708,912</td> <td>87.80</td> <td>54.53</td> </tr> <tr> <td>2023</td> <td>490,629</td> <td>107</td> <td>566,166</td> </tr> </tbody> </table> <p>Note: In 2023, the emission boundaries and scopes were redefined according to ISO14064-1. Please refer to 2023 ESG Report: 1-1 for details.</p> <p>(2) Ship wastewater discharges in the last 2 years:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Bilge water</th> <th>Wastewater discharge</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>346.41</td> <td>1,126.73</td> </tr> <tr> <td>2023</td> <td>322.3</td> <td>1023.34</td> </tr> </tbody> </table> <p>(3) Ship waste disposals in the last 2 years:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Food waste</th> <th>Paper, glass, &amp; metal</th> <th>Plastic</th> <th>Edible oil</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>293.8</td> <td>62.14</td> <td>22.15</td> <td>5.4</td> </tr> <tr> <td>2023</td> <td>252.97</td> <td>52.39</td> <td>23.49</td> <td>3.58</td> </tr> </tbody> </table>	Year	Scope 1	Scope 2	Scope 3	2022	708,912	87.80	54.53	2023	490,629	107	566,166	Year	Bilge water	Wastewater discharge	2022	346.41	1,126.73	2023	322.3	1023.34	Year	Food waste	Paper, glass, & metal	Plastic	Edible oil	2022	293.8	62.14	22.15	5.4	2023	252.97	52.39	23.49	3.58	Complied with the requirements of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”
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P r o m o t i o n i t e m s	O p e r a t i o n s		S u m m a r y D e s c r i p t i o n	Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No		
	✓		2.The company places great emphasis on the environment, continuously adjusting our sustainable development strategies. We have set short-, medium-, and long-term goals for GHG emissions, waste, wastewater, and other social and governance aspects. The details will be disclosed annually in the ESG Report. For the implementation status in 2023, please refer to the 2023 ESG Report: Sustainable Strategy Focus and other corresponding sections.	
4. Social issues  (1) Does the company formulate relevant management policies and procedures in accordance with relevant laws and International Bill of Human Rights?	✓		<p>U-Ming is committed to protecting human rights and creating a dignified work environment. In addition to complying with all local laws and regulations at our domestic and international operations, we also follow and support international human rights conventions, including the International Bill of Human Rights, UN Universal Declaration of Human Rights, United Nations Guiding Principles on Business and Human Rights, The UN Global Compact, OECD Guidelines for Multinational Enterprises, International Labor Office Tripartite Declaration of Principles, and Maritime Labour Convention. We have developed and implemented human rights policies to protect basic human rights.</p> <p>In 2022, our company collaborated with third-party consultants to improve our human rights policy and conduct human rights due diligence. We will continue to track the results and establish a complaints mechanism to mitigate human rights impacts. Detailed documents can be viewed on the U-Ming website.</p> <p>In addition, the “Labor and Human Rights” clauses to be complied with by the Company and the stakeholders are clearly announced in the “Commitment for Corporate Social Responsibility” section on the Company’s website at <a href="https://www.uming.com.tw/investors/Index.aspx?CID=IGC0007&amp;ID=INV0026">https://www.uming.com.tw/investors/Index.aspx?CID=IGC0007&amp;ID=INV0026</a>.</p>	Complied with the requirements of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”

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Promotion items	O p e r a t i o n s		Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	
(2) Does the company formulate and implement reasonable employee benefit measures (including remuneration, annual leaves, and other benefits, etc.), and appropriately reflect business performance or results in employee compensation?	✓		<p>The remuneration to the Company’s directors and managerial officers is determined by referring to the salary standards of domestic and foreign listed companies in the bulk shipping industry and external remuneration benchmarking companies. The Company’s Board of Directors is authorized to determine the remuneration by referring to the standards of domestic and foreign bulk carrier industry and listed companies.</p> <p>The Company pays remuneration to directors and employees based on the Company’s annual operating performance, the future risk control, and the distribution ratio stated in the Company’s Articles of Incorporation. There is a high correlation between the remuneration and the Company’s operating performance and risk control.</p> <p>The Company has employees’ annual performance evaluation criteria determined in accordance with the “work rules” and related rules for references in rendering rewards and punishments. Employee moral standards are also an important evaluation indicator.</p> <p>The Company has formulated the “Incentive Program for Onshore Personnel and Seafarers” to calculate the yearend bonuses depending on the Company’s business performance results.</p> <p>Please refer to “Chapter 3-2 Remuneration and Benefits” in U-Ming’s 2023 ESG Report for the remuneration paid to employees in details.</p>
(3) Does the company provide employees with a safe and healthy working environment, and arrange safety and health education for employees regularly?	✓		<p>The Company has setup an occupational safety and health office, an occupational safety committee, and various safety measures, such as, firefighting facilities, emergency evacuation routes, and emergency reporting systems. Also, for the prevention of occupational hazards and for the protection of employees’ safety and health, the Company has the “Occupational Safety and Health Best Practice Principles” stipulates for the compliance of the employees and for securing the safety at the workplace in accordance with the Occupational Safety and Health Acts and ISM Code.</p> <p>The Company has contracted nursing staff to provide onsite health consultation, education, and training to employees on a monthly basis.</p> <p>Provide regular maintenance services to elevators and fire-fighting facilities, enhance access controls, and regularly arrange occupational safety training and fire drills to protect personnel safety.</p> <p>The Company has formulated the “Measures of Prevention, Complain, and Punishment at Workplace” to protect employees and to create a harmonious relationship between the genders, prevent sexual harassment by employees, protect the rights and interests of employees, and arrange a harmonious and safe working environment.</p> <p>1.(1) In 2023, there were no incidents of injury, disability, or fatalities among onshore staff due to occupational reasons. The injury rate and occupational disease rate were both 0, and there were no accidents involving subcontractors.</p> <p>(2) The mortality rate and rate of severe occupational injuries among maritime staff were also 0; the recordable occupational injury rate was 1.59.</p> <p>2. There were no fire incidents in 2023.</p> <p>For detailed implementation status, please refer to Chapter 3-4 "Promotion of Occupational Safety and Health" in 2023 ESG Report.</p>

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Promotion items	O p e r a t i o n s		Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	
(4) Has the company established an effective career development training program for employees?	✓		<p>The Company provides an excellent environment and establish an effective career training program for employees’ career development.</p> <p>(1) The Company has arranged new recruits training and ISM Code education and training programs every year to pass on the Company’s culture and business philosophy, and to substantiate the goal of talent cultivation.</p> <p>(2) The Company selects qualified colleagues to participate in various training courses of the annual training plan arranged by the Human Resources Center of the affiliated enterprises within the Group and various professional courses and seminars held by relevant training institutions according to the needs of the employees in performing job responsibilities and their personal development potential so to realize the unity of training and practice.</p> <p>(3) In order to expand the international horizon of colleagues, employees are selected to take external English courses depending on the needs of their job responsibilities and their English fluency. Employees are also encouraged to participate in the English International Speech Club so to comprehensively improve their English fluency and create a learning atmosphere.</p>
(5) Does the company follow relevant laws regulations, and international standards, and formulate relevant policies and complaint procedures for the protection of consumers’ or customers’ rights and interests regarding issues related to customer health and safety, customer privacy, marketing, and labelling of products and services?			<p>The Company strives to provide customers with multiple choices and quality services. Select and cultivate excellent seafarers, maintain ships regularly, pass international certification (Rightship) to ensure transportation quality, and provide customers with the best transportation quality with 100% navigation safety.</p> <p>The Company provides customers with a transparent and effective complaint channel so to protect their rights and interests. The Company has a dedicated mailbox on the Company’s website as a communication channel for all investors, suppliers, and stakeholders for the protection of their rights.</p> <p>The Company and the fleet meet the International Safety Management (ISM) Code, the Maritime Labor Convention (MLC), and the International Ship and Port Facility Security (ISPS) Code, all of which have been certified by International Association of Classification Societies. The Company’s ships also have received the International Oil Pollution Prevention (IOPP) Certificate from the International Association of Classification Societies, which meets the International Maritime Organization (IMO) standards.</p>

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Promotion items	O p e r a t i o n s		Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons	
	Yes	No		
(6) Has the company formulated a supplier management policy, requiring suppliers to follow relevant codes on issues related to environmental protection, occupational safety and health, or labor rights, and their implementation?	✓		U-Ming adheres to the founding spirit of "Sincerity, Diligence, Thrift, Prudence, and Innovation" as the highest guiding principle for business development. Whether in business management, production, environmental protection, or social care, we base our actions on this principle, seeking to be genuine, transparent, and diligent. We strive for constant improvement and excellence, fulfilling our social responsibilities as a company. We hope that stakeholders share our values and respect social and moral standards, understand and comply with laws, actively address environmental protection and social issues, take responsibility, and continuously improve and enhance themselves. U-Ming's supplier code of conduct includes environmental standards, child labor, human rights, working conditions (working hours), compensation, occupational health and safety, business ethics, and sustainable procurement.  Please refer to the Chapter of “Sustainable Transport Supply Chain” in U-Ming's 2023 ESG Report for the information on the suppliers in details.	Complied with the requirements of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”
5. Does the company refer to the internationally accepted reporting standards or guidelines to prepare the sustainability reports that disclose non-financial information of the company? Has the aforementioned report received a confirmation or guarantee opinion from a third-party verification unit?	✓		U-Ming follows the GRI Universal Standards (2021) and focuses on human rights issues in the preparation of our report. Additionally, our report complies with the Corporate Governance 3.0 - Sustainable Development Blueprint, implements the Task Force on Climate-related Financial Disclosures (TCFD), and adheres to the Sustainability Accounting Standards Board (SASB) standards to compile the sustainability report; also, has qualified for the certification of DNV GL VeriSustain.	Complied with the requirements of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”
6. If a company has its own “Sustainable Development Best Practice Principles” formulated in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” please describe the operation and its difference from the “Sustainable Development Best Practice Principles” formulated:  The Company has formulated the “Corporate Social Responsibility Best Practice Principles” in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies.” The “U-Ming Marine Transport Corp. - Corporate Social Responsibility Best Practice Principles” was resolved for formulation in the 2 <sup>nd</sup> Board meeting of the 16 <sup>th</sup> term of office on August 12, 2013 and amendments were made to the principles partially in the 7 <sup>th</sup> Board meeting of the 17 <sup>th</sup> term of office on August 11, 2017. The Company had the “Corporate Social Responsibility Best Practice Principles” retitled as “Sustainable Development Best Practice Principles” in response to the amendments announced by Taiwan Stock Exchange, which was resolved in the 13 <sup>th</sup> Board meeting of the 18 <sup>th</sup> term of office on March 7, 2022. In the year 2023, in accordance with the amendment to Article 27 of Chapter 4 of the "Practical Guidelines for Sustainable Development of Listed Companies" announced by the Taiwan Stock Exchange, which promotes the development of the cultural industry, our company should continue to inject resources into cultural and artistic activities or the cultural and creative industries through donation, sponsorship, investment, procurement, strategic cooperation, corporate volunteer technical services, or other support models. Additionally, the "Practical Guidelines for Sustainable Development" were renamed "Corporate Sustainable Development Policy," and the amendment was approved by the 19th Board of Directors on March 7, 2023.				
7. Other important information that is helpful for understanding the promotion and operation of sustainable development: Please refer to U-Ming website ( <a href="https://www.uming.com.tw">https://www.uming.com.tw</a> ) and 2023 ESG report in the chapter of “Achievements” and “4-2 Social Welfare” for details.				

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P r o m o t i o n i t e m s	O p e r a t i o n s		S u m m a r y D e s c r i p t i o n	Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No		
8. If the Company’s products or corporate social responsibility report qualified the certification standards of the relevant certification agencies, please provide the related information in details:				
(1) The Company qualified the certification of ISO 14001 Environmental Management System with the ISO 14001:2004 with a certificate received from DNV in August 2012, which has been effectively implemented for three years and successfully qualified every annual audit. The Company bases on the dedication to environmental protection and the concept of Earth’s sustainable survival to have the ISO 14001:2015 certificate renewed in August 2018 for a 3-year term from August 2021 to August 2024.				
(2) The 2023 ESG Report issued by the Company in June 2024 was edited in accordance with the GRI Universal Standards (2021), with a focus on human rights issues. Additionally, the report adheres to the FSC 3.0-Sustainable Development Blueprint published by the Financial Supervisory Commission, implementing climate-related financial disclosures (Task Force on Climate-related Financial Disclosures, TCFD), and compiling the Sustainability Report according to Sustainability Accounting Standards Board (SASB) standards. This strengthens sustainability information disclosure and achieves a moderate assurance level verification standard from DNV VeriSustain..				
9. Information on corporate social responsibility governance structure, specific promotion plans, and implementation effectiveness:				
Please refer to the official website ( <a href="https://www.uming.com.tw/">https://www.uming.com.tw/</a> ) and the 2023 ESG report.				

Note 1: The principle of materiality refers to the environmental, social, and corporate governance issues that have a significant impact on the Company’s investors and stakeholders.

(VI) The operation of ethical corporate management and its differences from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:

E v a l u a t i o n I t e m	O p e r a t i o n s		D i f f e r e n c e f r o m t h e “E t h i c a l C o r p o r a t e M a n a g e m e n t B e s t P r a c t i c e P r i n c i p l e s f o r T W S E / T P E X L i s t e d C o m p a n i e s ” a n d t h e r e a s o n s
	Y e s	N o	
<p>1. Formulating ethical corporate management policies and plans</p> <p>(1) Does the company formulate an ethical corporate management policy approved by the Board of Directors, and clearly express the policy and practice of ethical corporate management in the Company’s Articles of Incorporation and external documents; also, the commitment of the Board of Directors and management to actively substantiate the ethical corporate management policy?</p>	✓		<p>Complied with the requirements of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.”</p>
<p>(2) Has the company established an evaluation mechanism for the risk of unethical conduct, regularly analyzed and evaluated the business activities with high risk of unethical conduct within the business scope with a plan for preventing unethical conduct formulated accordingly, which at least covering the matters stated in Article 7, Paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?”</p>	✓		<p>Complied with the requirements of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.”</p>
			<p>The Company for the enhancement and implementation of corporate governance has formulated the “Ethical Corporate Management Best Practice Principles” and “Guidelines for the Adoption of Codes of Ethical Conduct,” which were approved at the 2<sup>nd</sup> Board meeting of the 16<sup>th</sup> term of office on August 12, 2013, and reported to the shareholders’ meeting on June 9, 2014. In addition, the amendments were made in response to the changes in laws and regulations and they were approved by the Board of Directors on May 7, 2020, and reported to the shareholders’ meeting on June 9, 2020.</p> <p>The Company has the “Ethical Corporate Management Best Practice Principles” and “Guidelines for the Adoption of Codes of Ethical Conduct” promoted to employees on the website for its implementation; also, the concept of ethical corporate management has been implemented into the daily business operation by all employees. The specific implementation of the ethical corporate management is disclosed and updated regularly on the Company’s website.</p> <p>The Company’s “Rules of Procedure for Shareholders’ Meeting” is amended in accordance with the Securities and Exchanges Act and the Company Act so to enhance the resolution procedures for major corporate donations and to disclose directors’ recusal due to a conflict of interest. All directors and supervisors shall sign a statement confirming their acknowledge of the laws and regulations, and promote the disclosure of related party transactions to the Board of Directors and management occasionally in order to prevent violations of related party transactions.</p> <p>The Company has formulated the “Employee Bestowal Reporting Measures” and established the Company’s ethics guidelines for employees to help them maintain absolute honesty and integrity, and prevent any business activity from the risk of unethical conduct. In addition, the Company has strictly complied with the “Political Donations Act” of the Ministry of Interior in making political contributions.</p> <p>The Company’s efforts in preventing unethical conducts are as follows:</p> <p>(1) Criteria applied to determine the offering or accepting undue benefits;</p> <p>(2) Procedures for offering legal political donations;</p> <p>(3) Operating procedures for offering justified charitable donations or sponsorships, and the standard of donation amount;</p> <p>(4) Regulations for avoiding conflicts of interest related to job duties, and the reporting and operating procedures;</p> <p>(5) Confidentiality requirements for confidential and commercially sensitive information obtained from business operations;</p> <p>(6) Regulations and operating procedures for dealing</p>

Evaluation Item	O p e r a t i o n s		Summary Description	Difference from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No		
			with suppliers, customers, and business transaction counterparties involved in unethical conducts;	

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Evaluation Item	O p e r a t i o n s		Summary Description	Difference from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No		
(3) Has the company clearly defined operating procedures, guidelines for conduct, punishment and appealing systems in the unethical conduct prevention plan, implemented them, and regularly reviewed and revised the said plan?	✓		<p>(7) Procedures for handling the breach of the “Ethical Corporate Management Best Practice Principles;”</p> <p>(8) Disciplinary action against violators;</p> <p>In order to establish an ethical corporate culture and prevent unethical conduct, the Company regularly advocates to have employees signed the “Loyalty Statement” every year; also, it is clearly stated in the “Work Rules” to have those who violated the code of ethical conduct punished so to let employees know the Company’s determination, policy, preventive measures, and consequence of violating the code of ethical conduct. The relevant operating procedures and guidelines are disclosed on the Company’s website (<a href="https://www.uming.com.tw/">https://www.uming.com.tw/</a>) for public information.</p> <p>The Company has formulated the “Procedures for Ethical Management and Guidelines for Conduct” by referring to the Letters and Orders issued by Taiwan Stock Exchange and the templates so to stipulate the reporting and investigating procedures for implementation in accordance with the “Whistleblower” system of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.”</p> <p>On March 7, 2023, during the 4th session of the 19th Board of Directors, The Company approved the "Complaint Policy," which adheres to domestic and international regulatory standards, various company regulations and codes of conduct, and human rights policies. This policy aims to safeguard the rights of internal and external stakeholders, commit to listening, understanding, and responding to the diverse needs of stakeholders, and establish a comprehensive complaint handling mechanism. The company's complaint policy is translated into multiple languages, establishes a 24-hour uninterrupted complaint channel, ensures the independence, confidentiality, anonymity, and protection from retaliation of the complaint mechanism, and actively implements remedial measures.</p>	Complied with the requirements of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.”
2. Implementation of ethical corporate management (1) Does the company evaluate the ethical conduct record of the counterparties and specify the ethical conduct terms in the contracts signed with counterparties?	✓		<p>The Company has always carefully selected customers with good credit ratings and stable assets, and strived to sign a long-term contract of affreightment (COA) so to reduce operational risks. All major procurements are handled collectively by the Group Purchasing Center in accordance with the purchase requisition/purchase order standard operating procedure as stated in the internal control system.</p> <p>The Company conducts business activities in a fair and transparent manner. The Company before initiating a business transaction will consider the legitimacy of suppliers, customers, and other counterparties and whether they have a record of unethical conduct; also, the Company will urge the counterparties to comply with the Company’s “Ethical Corporate Management Best Practice Principles.”</p> <p>The Company requests the relevant stakeholders to fill out the “Supplier Social Responsibility Commitment” and wishes for them to share the Company’s spirit and respect social and moral standards throughout the cooperation, understand and honor the law, actively respond to environmental protection and social-related issues, and endeavor to assume responsibility for the continuing improvement and upgrade</p> <p>The forms are disclosed on the Company’s website (<a href="https://www.uming.com.tw/investors/Index.aspx?CID=IGC0007&amp;ID=INV0026">https://www.uming.com.tw/investors/Index.aspx?CID=IGC0007&amp;ID=INV0026</a>)</p>	Complied with the requirements of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.”

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Evaluation Item	O p e r a t i o n s		Difference from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	
(2) Does the company set up a dedicated unit under the Board of Directors to promote ethical corporate management, and report the ethical corporate management policies, related prevention measures, and supervision of its implementation to the Board of Directors regularly (at least once a year)?	✓		<p>The Company’s ethical corporate management is promoted and operated jointly by the corporate governance officer and human resources department under the Board of Directors. They are responsible for the formulation and supervision of ethical corporate management policies and prevention measures under the supervision of the Board of Directors. Their main responsibility is to ensure the relevant anti-corruption measures for ethical corporate management according to the “Ethical Corporate Management Best Practice Principles” approved by the Board of Directors, formulate the prevention measures for unethical conducts, plan the internal organization, establishment, and job responsibilities, reduce the risk of unethical conducts in business, promote the propaganda and training of ethical conduct policies, plan and implement the whistle-blower system, assist the Board of Directors and management to evaluate the implementation, and report to the Board of Directors regularly once a year.</p> <p>The Company’s Board of Directors has exercised due diligence in business operation, established various organizations and channels, such as, the Audit Committee, Remuneration Committee, internal audit, etc., to urge the Company to prevent unethical conducts, review its implementation results, perform improvements continuously at any time so to ensure the substantiation of the ethical corporate management policies.</p> <p>The relevant operating procedures and guidelines are disclosed in the Corporate Governance section of the Company’s website (<a href="https://www.uming.com.tw/">https://www.uming.com.tw/</a>) for public information.</p>
(3) Does the company have a policy formulated to prevent conflicts of interest, provide and implement appropriate channels for communication?	✓		<p>The Company’s personnel shall conduct business operations in compliance with the governing laws and regulations and preventive measures in an objective and efficient manner. Also, they shall take the initiative to explain to the Company whether there is a potential conflict of interest against the Company, which should be handled in accordance with the Company’s code of conduct in order to prevent conflict of interest.</p> <p>The Company has Human Resources Mailbox and Internal Audit Mailbox dedicated as internal and external communication channels.</p> <p>The Company’s directors should uphold a high degree of self-discipline. If they or the corporate directors represented by them have a personal interest in any proposal that is proposed by the Board of Directors, they shall explain the essential content of the interest and make inquiries, but may not participate in the discussion and voting, and shall recuse themselves from the discussion and voting, and also may not exercise voting rights as a proxy for any other independent director.</p>
(4) Has the company established an effective accounting system and internal control system for the implementation of ethical corporate management, and had the internal audit unit to formulate relevant audit plans based on the risk evaluation results of the unethical	✓		<p>The Company has formulated a rigorous accounting system and a dedicated accounting unit. The financial statements have been audited (or reviewed) by certified public accountants in accordance with regulations, and announced lawfully to ensure the accuracy and transparency of financial information.</p> <p>For the substantiation of the “Regulations Governing Establishing of Internal Control Systems by Public Companies” and the “Ethical Corporate Management</p>

Evaluation Item	O p e r a t i o n s		Summary Description	Difference from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No		
conducts, and checked the compliance of the plan in preventing unethical conduct accordingly, or entrusted a CPA to perform the audit?			Best Practice Principles,” the Company has had an internal auditing department to establish relevant internal control systems and to review and amend their effectiveness regularly. The internal auditing department formulates and implements an annual internal audit plan according to the risk evaluation results, and reports the audit results to the Audit Committee and the Board of Directors. In addition, the Company and each subsidiary examines the effectiveness of its internal control system design and implementation through the annual internal self-evaluation so to substantiate the concept of ethical corporate management.	

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Evaluation Item	O p e r a t i o n s		Summary Description	Difference from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No		
(5) Does the company regularly hold internal and external education and training on ethical corporate management?	✓		<p>The Company regularly arranges directors and independent directors to participate in the continuing education held by the Human Resources Development Center of the Group’s affiliated enterprises, and the senior officers to participate in the Group’s annual joint staff meeting so to enhance the concept of corporate social responsibility and ethical corporate management. The Company also assigns employees to participate in corporate social responsibility-related courses held by external organizations as needed, announces relevant regulations at various meetings and internal and external websites occasionally, promotes enterprise ethics, and enhances employee moral education, which are properly regulated in the “Work Rules” and related regulations. The Company regularly conducts anti-corruption education and training to enhance the overall awareness of anti-corruption among all employees, including members of the Board of Directors. The training covers various policies such as the company’s code of ethical conduct, integrity operating principles, reporting channels, and disciplinary measures, comprehensively addressing aspects of dishonest behavior including bribery, breaches of integrity, illegal or unethical acts, and breaches of fiduciary duties.</p> <p>In 2023, The Company conducted online courses covering seven categories, including "Integrity Operating Principles and Relevant Anti-Corruption Regulations at Home and Abroad," "Prohibition of Offering or Accepting Improper Benefits and Avoiding Conflicts of Interest," "Confidentiality Mechanisms and Prohibition of Unfair Competition," "Prohibition of Insider Trading," "Integrity Operating Policies," "Handling of Dishonest Behavior and Whistleblower Protection Mechanisms," and "Employee Code of Conduct and Corporate Social Responsibility Regulations." The total number of</p>	Complied with the requirements of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.”

Evaluation Item	O p e r a t i o n s		Summary Description	Difference from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies” and the reasons
	Yes	No		
			<p>participants in these courses was 350.</p> <p>For new employees, our company provides educational training on understanding and adhering to the "Code of Ethical Conduct," "Integrity Operating Principles," and "Anti-Bribery Management Policy," ensuring comprehension of their contents and individual obligations while imparting corporate ethical values.</p>	
<p>3. Implementation of the company's whistleblowing system</p> <p>(1) Has the company formulated a specific whistle-blowing and reward system, established a convenient reporting channel, and assigned appropriate personnel to deal with the whistleblower?</p>	✓		<p>The amendments to the Company's "Guidelines for the Adoption of Codes of Ethical Conduct" partially were resolved in the 13<sup>th</sup> Board meeting of the 16<sup>th</sup> term of office on November 6, 2015, and the "Procedures for Ethical Management and Guidelines for Conduct" was formulated with the processing units, reporting channels, operating procedures, and punishment and reward system stipulated specifically to guide the Company's managerial officers and employees to comply with the Company's "Guidelines for the Adoption of Codes of Ethical Conduct" and "Ethical Corporate Management Best Practice Principles."</p> <p>"The Complaint Policy" was resolved in the 4<sup>th</sup> Board meeting of the 19<sup>th</sup> term of office on March 7, 2023.</p> <p>The Company has specially setup a Human Resources Department mailbox, a Seafarer Department mailbox, a mailbox for appealing and reporting a violation of ethical corporate management, and an internal audit mailbox to be used as a communication channel for employees and an internal and external appealing mechanism for the counterparty of a reported incident. The Company's personnel, suppliers, customers, stakeholders, etc. should take the initiative to report any violation of the ethical corporate management best practice principles identified to the corporate governance officer, managerial officers, internal audit officer, human resources department, or other appropriate supervisors through the aforementioned channels.</p> <p>For other complaints related to violations of ethical corporate management without a clearly stated fact, the Company will have it audited with a focus on the operation items and scopes that may be involved in the complaint. If nonconformities in internal control or management are identified, a corrective action must be proposed immediately. If there is a major negligence or an unethical conduct identified in operations, a disciplinary action will be proposed accordingly.</p> <p>The relevant operating procedures and guidelines are disclosed in the Corporate Governance section of the Company's website (<a href="https://www.uming.com.tw/">https://www.uming.com.tw/</a>) for public information.</p> <p>The Complaint Policy is disclosed in the File List section of the Company's website. (<a href="https://www.uming.com.tw/investors/Files-list.aspx">https://www.uming.com.tw/investors/Files-list.aspx</a>)</p>	<p>Complied with the requirements of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies."</p>

Evaluation Item	O p e r a t i o n s		Summary Description	Difference from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No		
(2) Has the company established standard operating procedures for the investigation of reported matters, the follow-up measures to be taken after the investigation is completed, and the relevant confidentiality mechanism?	✓		The Company has clearly formulated the investigation standards, operating procedures, and relevant confidentiality mechanism in accordance with the Company’s “Procedures for Ethical Management and Guidelines for Conduct” to disclose the job titles and names of the violators, date of violations committed, reasons for violations, violations against the rules, processing of violations, etc.	Complied with the requirements of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.”

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Evaluation Item	O p e r a t i o n s		Summary Description	Difference from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No		
(3) Does the company take measures to protect whistleblowers from retaliation due to whistleblowing?	✓		<p>The Company has an appealing system and Complaint Policy available for those who are suspected of violating the best practice principles to appeal and seek for remedy according to the regulations.</p> <p>If it is concluded after the investigations that the whistleblower has fabricated or misrepresented the fact, the Company will have the whistleblower punished in accordance with relevant regulations or by the court of law.</p> <p>The relevant investigation data and investigation report of a confirmed and ruled report shall be filed for records by the Human Resources Department, and the ruling shall be enforced effectively.</p> <p>The Company keeps the information of whistleblower and the content of the report in confidence, which will be verified through independent channels.</p>	Complied with the requirements of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.”
4. Enhance information disclosure  (1) Does the company disclose the content of its “Ethical Corporate Management Best Practice Principles” and the implementation effectiveness on its website and Market Observation Post System?	✓		<p>The Company implements the concept of ethical corporate management lawfully with all relevant information disclosed on the Market Observation Post System and on the Company’s website lawfully. In addition to disclosing the “Guidelines for the Adoption of Codes of Ethical Conduct,” “Ethical Corporate Management Best Practice Principles,” and “Procedures for Ethical Management and Guidelines for Conduct” in the “Corporate Governance” section and “Articles of Incorporation and Regulations” section on the Company’s website, it is also announced on the Company’s internal website. The Company also promotes the “Guidelines for the Adoption of Codes of Ethical Conduct” and the “Procedures for Ethical Management and Guidelines for Conduct” to employees so to implement the concept of ethical corporate management into the daily operation of the employees.</p> <p>The Company for the purpose of enhancing ethical corporate management has assigned the corporate governance officer and human resources department under the Board of Directors to be responsible for the formulation, supervision, and implementation of ethical corporate management policies and preventive measures; also, to report it to the Board of Directors regularly (once a year).</p> <p>There has been no violation of ethical corporate management to be disclosed since the relevant best practice principles and regulations were resolved by the Board of Directors till present.</p> <p>The relevant operating procedures and guidelines are disclosed in the Corporate Governance section of the Company’s website (<a href="https://www.uming.com.tw/">https://www.uming.com.tw/</a>) for public information.</p> <p>The complete contents of the Company’s “Ethical Corporate Management Best Practice Principles” and the “Guidelines for the Adoption of Codes of Ethical</p>	Complied with the requirements of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.”

Evaluation Item	O p e r a t i o n s		Summary Description	Difference from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No		
			Conduct” are fully disclosed on the Company’s website, as well as the “Procedures for Ethical Management and Guidelines for Conduct,” and the detailed and specific practices and measures for reporting unethical corporate management and respective disciplinary action, implementation of ethical corporate management, and internal control self-evaluation results of ethical corporate management. Please refer to the information in the Corporate Governance section of the Company’s website website ( <a href="https://www.uming.com.tw/">https://www.uming.com.tw/</a> ).	

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Evaluation Item	O p e r a t i o n s		Summary Description	Difference from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No		

5. If a company has its own “Ethical Corporate Management Best Practice Principles” formulated in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies,” please describe the operation and its difference from the “Ethical Corporate Management Best Practice Principles” formulated:

The Company has formulated the “Ethical Corporate Management Best Practice Principles” and “Guidelines for the Adoption of Codes of Ethical Conduct” in accordance with the “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/TPEX Listed Companies” sample template and the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.” The “Ethical Corporate Management Best Practice Principles” and the “Guidelines for the Adoption of Codes of Ethical Conduct” were resolved in the 2<sup>nd</sup> Board meeting of the 16<sup>th</sup> term of office on August 12, 2013, which has been implemented accordingly in compliance with the Company Act, the Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, and other laws and regulations without any discrepancy found so far.

The Company has amendments made to the “Ethical Corporate Management Best Practice Principles” and “Guidelines for the Adoption of Codes of Ethical Conduct” partially in accordance with the amendments made to the “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/TPEX Listed Companies” sample template and the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” by Taiwan Stock Exchange and the actual operation of the Company. The aforementioned amendments were deliberated and resolved in the 4<sup>th</sup> Board meeting of the 18<sup>th</sup> term of office on May 07, 2020 for implementation, and reported to the shareholders’ meeting on June 9, 2020.

6. Other important information that is helpful in understanding the operation of the Company’s ethical corporate management (such as, the Company’s review and amendments of the Ethical Corporate Management Best Practice Principles, etc.):

The Company substantiates the concept of ethical corporate management in accordance with the government regulations, discloses information on the Market Observation Post System lawfully; also, discloses the internal audit organization and implementation, rules of procedures for shareholders meeting, and resolutions reached in the shareholders’ meeting on the Company’s website through the comprehensive audit system. In addition, the Company has acquired employee fidelity insurance, carefully selected companies with good reputation and stable operation (such as, Taipower, BHP, RIO TINTO, etc.) to deal with, and passed the “CG6005 Corporate Governance System Evaluation” certification by Taiwan Corporate Governance Association to demonstrate the Company’s determination in conducting ethical corporate management.

The Company has added relevant important information, such as, ethical regulations on the purchase requisition/purchase ordering system for the compliance of the suppliers. If the Company’s suppliers whose rights or interests are being infringed in the purchasing process, they now have uninterrupted channels for appeals. The Company has always adhered to the highest standards of ethics to deal with both internal employees and external partners. Also, a bribery from the suppliers, a solicitation of bribes by employees, or any other illegal acts committed will be prosecuted by the court of law.

(VII) Disclose the inquiry method for the Company's Corporate Governance Best Practice Principles and relevant regulations, if any:

1. The Company has the "Corporate Governance Best Practice Principles" formulated in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" that was resolved in the 5<sup>th</sup> Board meeting of the 15<sup>th</sup> term of office on March 17, 2011. The amendments to the Company's "Corporate Governance Best Practice Principles" were resolved in the 7<sup>th</sup> Board meeting of the 18<sup>th</sup> term of office on November 10, 2020 so to improve the effectiveness of corporate governance, which has been implemented accordingly and disclosed on the Company's website and Market Observation Post System for public information. The Company has formulated corporate governance related charters and rules. In addition to the shareholders meetings, "Rules of Procedure for Shareholders' Meetings," "Procedures for Election of Directors," and major resolutions, the Company also has the "Procedures for Handling Material Inside Information," "Procedures for the Acquisition and Disposal of Assets," "Procedures for the Loaning of Funds," "Procedures for the Making of Endorsements/Guarantees," "Guidelines for the Adoption of Codes of Ethical Conduct," "Ethical Corporate Management Best Practice Principles," and "Corporate Social Responsibility Best Practice Principles" disclosed in detail on the Company's website.
2. The relevant regulations of corporate governance have been fully disclosed on the Company's website and Market Observation Post System. Please refer to the Company's website at <https://www.uming.com.tw> and Market Observation Post System' website at <http://mops.twse.com.tw> for details.

(VIII) Other important information that is helpful in further understanding the implementation of the Company’s corporate governance:

1. Continuing education of directors (including independent directors)

Job Title	Name	Date of continuing education		Organizer	Courses	Course hours
		Beginning	Ending			
Chairman	Shu Tong Hsu	07.23.2019	07.23.2019	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		11.14.2019	11.14.2019	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		07.22.2020	07.22.2020	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		12.09.2020	12.09.2020	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		09.08.2021	09.08.2021	Taiwan Academy of Banking and Finance	Corporate Governance Classroom – Enterprise Digital Transformation	3.0
		11.10.2021	11.10.2021	Taiwan Academy of Banking and Finance	Corporate Governance Classroom	3.0
		08.17.2022	08.17.2022	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		12.21.2022	12.21.2022	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		07.11.2023	07.11.2023	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		12.15.2023	12.15.2023	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
Director	Shu Ping Hsu	05.08.2019	05.08.2019	Taiwan Corporate Governance Association	Important subjects related to the Group’s Corporate Governance	3.0
		07.23.2019	07.23.2019	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		07.22.2020	07.22.2020	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		07.31.2020	07.31.2020	Taiwan Corporate Governance Association	Enterprise’s Operational Risk and Corporate Governance	3.0
		12.09.2020	12.09.2020	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		09.08.2021	09.08.2021	Taiwan Academy of Banking and Finance	Corporate Governance Classroom – Enterprise Digital Transformation	3.0
		11.10.2021	11.10.2021	Taiwan Academy of Banking and Finance	Corporate Governance Classroom	3.0
		08.17.2022	08.17.2022	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		12.21.2022	12.21.2022	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		08.15.2023	08.15.2023	Taiwan Corporate Governance Association	ESG Risks and Opportunities	3.0
		12.15.2023	12.15.2023	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0

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Job Title	Name	Date of continuing education		Organizer	Courses	Course hours
		Beginning	Ending			
Director	Asia Cement Corporation Representative: Ling Ling Wu	06.26.2023	06.26.2023	Taipei Foundation Of Finance	Corporate Governance Forum	2.0
		07.03.2023	07.03.2023	Taipei Foundation Of Finance	CDP- Climate Change Forum	2.0
		07.11.2023	07.11.2023	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		10.04.2023	10.04.2023	Chinese National Association of Industry and Commerce	How Enterprises Respond to International Anti-Tax Avoidance Measures	3.0
		12.15.2023	12.15.2023	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
Director	Asia Cement Corporation Kun-Yen Lee	04.25.2019	04.25.2019	Center for Corporate Sustainability	CEO' Classroom and Keynote Speeches	2.0
		07.23.2019	07.23.2019	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		07.24.2019	07.24.2019	Center for Corporate Sustainability	CEO Lecture	2.0
		11.14.2019	11.14.2019	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		07.22.2020	07.22.2020	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		12.09.2020	12.09.2020	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		09.08.2021	09.0.20218	Taiwan Academy of Banking and Finance	Corporate Governance Classroom – Enterprise Digital Transformation	3.0
		11.10.2021	11.10.2021	Taiwan Academy of Banking and Finance	Corporate Governance Classroom	3.0
		08.17.2022	08.17.2022	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		12.21.2022	12.21.2022	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		07.11.2023	07.11.2023	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		12.15.2023	12.15.2023	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
Vice Chairman	Asia Cement Corporation Representative: Douglas Jefferson Hsu	05.08.2019	05.08.2019	Taiwan Corporate Governance Association	Important subjects related to the Group's Corporate Governance	3.0
		07.23.2019	07.23.2019	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		07.22.2020	07.22.2020	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		07.31.2020	07.31.2020	Taiwan Corporate Governance Association	Enterprise's Operational Risk and Corporate Governance	3.0
		09.08.2021	09.08.2021	Taiwan Academy of Banking and Finance	Corporate Governance Classroom – Enterprise Digital Transformation	3.0
		11.10.2021	11.10.2021	Taiwan Academy of Banking and Finance	Corporate Governance Classroom	3.0
		09.23.2022	09.23.2022	Taiwan Corporate Governance Association	Corporate Governance - Insider Trading & 3.0 Sustainable	3.0
		12.21.2022	12.21.2022	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		07.11.2023	07.11.2023	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		08.15.2023	08.15.2023	Taiwan Corporate Governance Association	ESG Risks and Opportunities	3.0

Job Title	Name	Date of continuing education		Organizer	Courses	Course hours
		Beginning	Ending			
Director	Yuan Ding Investment Company Representative: Li Chen Tung	08.02.2022	08.02.2022	The Chinese National Association of Industry and Commerce, Taiwan	Board of Directors' responsibilities of Intellectual property management	3.0
		08.17.2022	08.17.2022	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		11.18.2022	11.18.2022	Taiwan Corporate Governance Association	Process of mergers and acquisitions issue	3.0
		12.21.2022	12.21.2022	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		07.11.2023	07.11.2023	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		12.15.2023	12.15.2023	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
Director	Yue Ding Industry Co., Ltd. Representative: Choo Kiat Ong	07.23.2019	07.23.2019	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		11.14.2019	11.14.2019	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		07.22.2020	07.22.2020	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		08.12.2020	08.12.2020	Taiwan Corporate Governance Association	How do directors and supervisors guide the company to properly handle enterprise risk management and crisis management	3.0
		08.11.2021	08.11.2021	Taiwan Corporate Governance Association	How to make enterprise digital transformation a three-win of intelligence, security, and risk?	3.0
		09.08.2021	09.08.2021	Taiwan Academy of Banking and Finance	Corporate Governance Classroom – Enterprise Digital Transformation	3.0
		08.17.2022	08.17.2022	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		12.21.2022	12.21.2022	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		07.11.2023	07.11.2023	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
12.15.2023	12.15.2023	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0		
Director	Yuan Ding Investment Company Representative: Kuan Chun Lee	04.26.2019	04.26.2019	Securities and Futures Institute (SFI)	The 2019 Prevention of insider trading briefing	3.0
		07.23.2019	07.23.2019	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		11.14.2019	11.14.2019	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		07.22.2020	07.22.2020	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		12.09.2020	12.09.2020	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		09.08.2021	09.08.2021	Taiwan Academy of Banking and Finance	Corporate Governance Classroom – Enterprise Digital Transformation	3.0
		11.10.2021	11.10.2021	Taiwan Academy of Banking and Finance	Corporate Governance Classroom	3.0
		08.17.2022	08.17.2022	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		12.21.2022	12.21.2022	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0

Job Title	Name	Date of continuing education		Organizer	Courses	Course hours
		Beginning	Ending			
		07.11.2023	07.11.2023	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		12.15.2023	12.15.2023	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
Independent directors	Shao Hua Chu	07.23.2019	07.23.2019	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		11.14.2019	11.14.2019	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		07.22.2020	07.22.2020	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		12.09.2020	12.09.2020	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		09.08.2021	09.08.2021	Taiwan Academy of Banking and Finance	Corporate Governance Classroom – Enterprise Digital Transformation	3.0
		11.10.2021	11.10.2021	Taiwan Academy of Banking and Finance	Corporate Governance Classroom	3.0
		08.17.2022	08.17.2022	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		12.21.2022	12.21.2022	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		07.11.2023	07.11.2023	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		12.15.2023	12.15.2023	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
Independent director	Chong Jian Liu	07.23.2019	07.23.2019	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		08.06.2019	08.06.2019	Taipei Foundation of Finance	Liability risk of general directors from unfairly presented financial reports	3.0
		11.14.2019	11.14.2019	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		07.22.2020	07.22.2020	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		10.15.2020	10.15.2020	Taipei Foundation of Finance	ESG current trend - taking the sustainable management strategy of the financial industry as an example	3.0
		12.09.2020	12.09.2020	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		03.19.2021	03.19.2021	Taiwan Corporate Governance Association	With or without data provided? A look on the information right of directors	3.0
		09.08.2021	09.08.2021	Taiwan Academy of Banking and Finance	Corporate Governance Classroom – Enterprise Digital Transformation	3.0
		11.10.2021	11.10.2021	Taiwan Academy of Banking and Finance	Corporate Governance Classroom	3.0
		11.10.2021	11.10.2021	Taiwan Academy of Banking and Finance	Corporate Governance Classroom	3.0
04.01.2022	04.01.2022	The Chinese National	The opportunities and	3.0		

Job Title	Name	Date of continuing education		Organizer	Courses	Course hours
		Beginning	Ending			
				Association of Industry and Commerce, Taiwan	challenges of Taiwan on Asia-Pacific Economic Integration	
		08.17.2022	08.17.2022	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		02.15.2023	02.15.2023	Taipei Foundation of Finance	Corporate Governance-ESG trend	3.0
		07.11.2023	07.11.2023	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		12.15.2023	12.15.2023	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
Independent director	Wen Yen Pan	01.23.2019	01.23.2019	Taiwan Corporate Governance Association	Performance evaluation of the Board of Directors	3.0
		05.03.2019	05.03.2019	Taiwan Corporate Governance Association	New sustainable decision-making trend - TCFD climate-related financial disclosure	3.0
		05.06.2020	05.06.2020	Taiwan Corporate Governance Association	Financial scenario analysis in response to stressful events - Taking the Sino-US Trade War and the COVID-19 pandemic as examples	3.0
		07.22.2020	07.22.2020	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		05.05.2021	05.05.2021	Taiwan Institute for Sustainable Energy (TAISE)	Corporate sustainable development training course	3.0
		08.03.2021	08.03.2021	Taiwan Corporate Governance Association	Fully activate the enterprise digital resilience - from ransomware to contingency plan and recovery	3.0
		08.17.2022	08.17.2022	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		12.21.2022	12.21.2022	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		04.27.2023	04.27.2023	Taiwan Stock Exchange Corporation	Promotion Conference on Sustainable Development Action Plan for Listed Companies	3.0
		06.02.2023	06.02.2023	Chinese National Association of Industry and Commerce	Board of Directors and Supervisors Seminar	3.0
		07.11.2023	07.11.2023	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0

Note: The continuing education of the Company’s directors and supervisors is handled in accordance with the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies” of Taiwan Stock Exchange. The Company’s domestic directors and supervisors regularly take continuing education courses, but the Company’s foreign directors have not participated in relevant domestic continuing education courses due to the territorial limitation; however, they acquire new knowledge by participating in foreign seminars, forums, etc.

## 2. The managerial officers' participating in the Company's corporate governance related continuing education and training

Job Title	Name	Date of continuing education		Organizer	Courses	Course hours
		Beginning	Ending			
President	Choo Kiat Ong	07.23.2019	07.23.2019	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		11.14.2019	11.14.2019	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		07.22.2020	07.22.2020	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		08.12.2020	08.12.2020	Taiwan Corporate Governance Association	How do directors and supervisors guide the company to properly handle enterprise risk management and crisis management	3.0
		08.11.2021	08.11.2021	Taiwan Corporate Governance Association	How to make enterprise digital transformation a three-win of intelligence, security, and risk?	3.0
		09.08.2021	09.08.2021	Taiwan Academy of Banking and Finance	Corporate Governance Classroom – Enterprise Digital Transformation	3.0
		08.17.2022	08.17.2022	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		12.21.2022	12.21.2022	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		07.11.2023	07.11.2023	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		12.15.2023	12.15.2023	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
Executive Vice President	Douglas Jefferson Hsu	05.08.2019	05.08.2019	Taiwan Corporate Governance Association	Important subjects related to the Group's Corporate Governance	3.0
		07.23.2019	07.23.2019	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		07.22.2020	07.22.2020	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		07.31.2020	07.31.2020	Taiwan Corporate Governance Association	Enterprise's Operational Risk and Corporate Governance	3.0
		09.08.2021	09.08.2021	Taiwan Academy of Banking and Finance	Corporate Governance Classroom – Enterprise Digital Transformation	3.0
		11.10.2021	11.10.2021	Taiwan Academy of Banking and Finance	Corporate Governance Classroom	3.0
		09.23.2022	09.23.2022	Taiwan Corporate Governance Association	Corporate Governance - Insider Trading & 3.0 Sustainable	3.0
		12.21.2022	12.21.2022	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		07.11.2023	07.11.2023	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		08.15.2023	08.15.2023	Taiwan Corporate Governance Association	ESG Risks and Opportunities	3.0
Accounting Division Senior Vice President	Tsung Liang Chang	10.28.2019	10.29.2019	Accounting Research and Development Foundation	Continuing education courses for principal accounting officers of issuers, securities firms, and securities exchanges	12.0
		07.23.2020	07.24.2020	Accounting Research and Development Foundation	Continuing education courses for principal accounting officers of issuers, securities firms, and securities exchanges	12.0
		05.13.2021	05.14.2021	Accounting Research and Development Foundation	Continuing education courses for principal accounting officers of issuers, securities firms, and securities exchanges	12.0
		08.11.2022	08.12.2022	Accounting Research and Development Foundation	Continuing education courses for principal accounting officers of issuers, securities firms, and securities exchanges	12.0

Job Title	Name	Date of continuing education		Organizer	Courses	Course hours
		Beginning	Ending			
		05.11.2023	05.12.2023	Accounting Research and Development Foundation	Continuing education courses for principal accounting officers of issuers, securities firms, and securities exchanges	12.0
Corporate Governance Officer	Chang Sheng Chen	10.24.2019	10.24.2019	Securities and Futures Institute (SFI)	Directors, Supervisors (Independent), and Corporate Governance Officers Advanced Seminar - Corporate Governance and the Latest Regulatory Reform	3.0
		11.05.2019	11.05.2019	Taiwan Academy of Banking and Finance	Lecture on Corporate Governance classroom- Strengthening Corporate Governance with the acquisition of liability insurance for directors and supervisors	3.0
		11.06.2019	11.06.2019	Taiwan Stock Exchange	Effectively exercising the functions of directors briefing	3.0
		11.14.2019	11.14.2019	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		04.17.2020	04.17.2020	Taiwan Corporate Governance Association	Corporate Governance and Compliance Case Study	3.0
		04.28.2020	04.28.2020	Taiwan Corporate Governance Association	Promotor of corporate governance: the operations of corporate governance personnel	3.0
		07.22.2020	07.22.2020	Taiwan Academy of Banking and Finance	Board Operation and Corporate Governance Workshop	3.0
		05.11.2021	05.11.2021	Taiwan Corporate Governance Association	Evaluation and effectiveness of Board functions	3.0
		09.08.2021	09.08.2021	Taiwan Academy of Banking and Finance	Corporate Governance Classroom – Enterprise Digital Transformation Corporate Governance Classroom – Enterprise Digital Transformation	3.0
		09.16.2021	09.16.2021	Independent Director Association Taiwan	2021 Elite Academy for Independent Directors - Development Trends and Countermeasures of Fintech in Financial Services Industry under the pandemic	3.0
		11.10.2021	11.10.2021	Taiwan Academy of Banking and Finance	Corporate Governance Classroom - the cognitive framework for the geopolitical effects among the United States, China, and Taiwan under the global confrontation between China and the United States	3.0
		07.20.2022	07.20.2022	Taiwan Corporate Governance Association	Performance evaluation on Board of Directors and Functional Committee seminar	3.0
		08.17.2022	08.17.2022	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
		11.08.2022	11.08.2022	Taiwan Corporate Governance Association	Building corporate with integrity management	3.0
		12.21.2022	12.21.2022	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
07.11.2023	07.11.2023	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0		
09.04.2023	09.04.2023	Financial Supervisory Commission ROC (Taiwan)	Corporate Governance Forum	6.0		
12.15.2023	12.15.2023	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0		

2. The formulation of the “Procedures for Handling Material Inside Information” had been resolved in the 11<sup>th</sup> Board meeting of the 14<sup>th</sup> term of office on December 24, 2009 and disclosed on the Company’s website in details for the compliance of the employees, managerial officers, and directors in handling and controlling the Company’s material financial business information, including the violation and occurrence of insider trading due to negligence.

3. On November 11, 2022, the Company passed the "Financial Business Operation Regulations for Related Enterprises" during the 19th Board of Directors' 3rd meeting. The regulations governing financial transactions between related enterprises have been disclosed in detail on the Company's website to strengthen and implement corporate governance, and ensure that related party transactions do not harm the interests and rights of the Company's shareholders.

5. Information on the Company’s fleet greenhouse gas emissions and energy consumption in the last two years

Type	2022	2023
<b>Total diesel consumption (MT)</b>	5,432	7,945
<b>Total fuel consumption (MT)</b>	218,302	257,182
<b>Total CO2e emissions (tons)</b>	708,912	899,648
<b>CO2e emission per DWT</b>	0.01367	0.01161

The Existing Vessel Design Index (EVDI) is established by the international ship evaluation institution “RightShip.” The Green House Gas Emissions Rating is established on the base of EVDI to evaluate the fuel efficiency of ships and the CO2 emissions per ton-nautical mile, rated A~G from high to low, of which, rated “A” representing higher fuel efficiency and less greenhouse gas emissions, rated “D” or better representing the average value. U-Ming’s fleet was rated over 88% in 2023 that was better than a “C.”

6. The Energy Efficiency Operational Indicator (EEOI) for each ship of the Company in the most recent year

Ship / EEOI	2023	EEOI value	Percentage of difference from base value (%)
<b>Cement carriers</b>	36.83	37	-0.46%
<b>Handy bulk carriers</b>	6.96	16	-56.5%
<b>Supramax bulk carriers</b>	7.52	10	-24.8%
<b>Capesize bulk carrier</b>	3.50	6	-41.67%
<b>Very large bulk carriers</b>	3.25	4.5	-27.78%

Unit: Ton-Nautical Mile

Note: Energy Efficiency Operational Indicator = (Grams of CO2 emitted from fuel combustion)/ Ton-Nautical Mile)

Energy Efficiency Operational Index (EEOI) is the volume of carbon dioxide emitted per ship’s Ton-Nautical Mile (fuel/diesel coefficient: 3.1144 for fuel oil; 3.151 for low-sulfur oil; and 3.206 for diesel), that is, a positive relationship between the carbon dioxide emitted by fuel consumption, cargo quantity, and transport distance; also, it is EEOI of a ship set sailed at a specific speed during the measurement period.

The “Energy Efficiency Design Index (EEDI)” and “Ship Energy Efficiency Management Plan (SEEMP)” of new ships are determined in accordance with the amendments to Annex VI of the International Convention for the Prevention of Pollution from Ships (MARPOL) to make it mandatory for new ships with 400 gross tonnage or more sailing on international waters to have emissions reduced by 30% after the year of 2025.

U-Ming mainly adopts the two international indexes to monitor the greenhouse gas emissions of the Company’s fleet comparing with the global fleets. First of all, the GHG Emission Rating announced by RightShip, a third-party ship evaluation agency, according to the RightShip, the relative performance of each ship is rated from “A~G,” “A” representing the highest energy efficiency and the lowest emissions, “G” representing the lowest energy efficiency and the worst impact on the environment. Greenhouse gas mission goal of U-Ming’s ships: At least 55% of the Company’s proprietary bulk carriers must be with a relative performance rating of “C” or better starting from the base year of 2019. Then, an annual increase of 0.5% from the base value of 55% (55% in 2019, 55.5% in 2020, 56% in 2021, ... , 60.5% in 2030, and so on and so forth). Secondly, introduce the Carbon Intensity Indicator (CII) index issued by the International Maritime Organization to monitor the energy efficiency of ships, reduce greenhouse gas emissions from ships, and protect the environment.

## (IX) Implementation of internal control system

## 1. Internal Control Statement

**U-Ming Marine Transport Corp.  
Internal Control System Statement**

Date: March 6, 2024

The Statement on the Company's 2023 Internal Control System according to the self-evaluation result is made as follows:

- I. The Company knows that it is the responsibility of the Board of Directors and managerial officers to establish, implement, and maintain the internal control system, and the Company has set up such system. It is intended for providing a reasonable assurance for an effective and efficient operation (including profit, performance, and protection of asset safety), reliability, timeliness, transparency of reporting, and compliance with relevant rules and regulations.
- II. There are some limitations to the internal control system. No matter how good the design is, an effective internal control system can only provide reasonable assurance to achieve the said three objectives. Additionally, due to changes in environment and situation, the effectiveness of the internal control system may change accordingly. However, the internal control system of the Company is developed with the self-monitoring mechanism and once a defect is identified, the Company will immediately adopt corrective actions.
- III. The Company determines the effectiveness of the internal control system design and implementation in accordance with the criteria defined in the "Regulations Governing Establishment of Internal Control System by Public Companies" (hereinafter referred to as the "Regulations"). The criteria for determining the effectiveness of the internal control system stated in the "Regulations" refers to the five elements of the internal control system that are gathered throughout a management and control process: 1. Environment control; 2. Risk evaluation; 3. Control operations; 4. Information and communication, and monitoring operations. There are several sub-items under each composition element. Please refer to the "Regulations" for the aforementioned items in details.
- IV. The Company has adopted the aforementioned criteria for internal control system to evaluate the effectiveness of the internal control system design and implementation.
- V. The Company based on the aforementioned evaluation result believes that the internal control system (including supervising and managing the subsidiaries) as of December 31, 2023, including understanding the operating effect, the realization of efficiency, and reporting, is reliable, timely, transparent; also, the compliance with the relevant regulations, the design and implementation of the internal control system is effective and is sufficient to ensure the achievement of the aforementioned objectives.
- VI. The Internal Control System Statement will become major contents of the annual report and the prospectus of the Company, which will be disclosed to the public. Any misrepresentation and nondisclosure of the aforementioned contents is a violation against Article 20, 32, 171, and 174 of the Securities and Exchange Act and will be held accountable by law.
- VII. The Internal Control System Statement was approved by the Company's Board of Directors on March 6, 2024 and none of the eleven attending directors objected. Therefore, The Internal Control System Statement was approved by the eleven attending directors.

U-Ming Marine Transport Corp.



Chairman: Shu Tong Hsu      Signature

:  
  
 President: Choo Kiat Ong      Signature  




2. Independent Auditor's Review Report: The Company did not contract an independent auditor to review the internal control system, therefore, this is not applicable.

(X) If the Company and the internal personnel have been punished by law, or the Company has punished the internal personnel for violating the provisions of the internal control system in the most recent year and as of the annual report publication date, and the act may have a significant impact on the shareholders' equity or securities prices, the content of the punishment, the major nonconformities, and the implementation of the corrective action should be detailed: None

(XI) The important resolutions of the shareholders' meeting and the Board meeting in the most recent year and up to the annual report publication date:

1. The important resolutions of the 2023 shareholders' meeting and the implementation

Date of shareholders' meeting	Contents of Important Resolutions	Implementation of resolutions
06.13.2023	<p>Matters to Be Reported</p> <p>I. The 2022 business report</p> <p>II. The 2022 financial statements</p> <p>III. The Audit Committee's report on the review of the 2022 financial statements</p> <p>IV. The 2022 directors' and employees' remuneration report</p> <p>V. Amendments to the sections of the Company's "Corporate Sustainable Development Policy"</p> <p>Matters to Be Ratified</p> <p>I. Approved the Company's 2022 financial statements.</p> <p>II. Approved the Company's 2022 earnings distribution proposal (cash divided NT\$3 per share).</p>	<p>The proposal for the distribution of cash dividend at NT\$3 per share was resolved in 2022. The Company scheduled the dividend base date on July 12, 2023 with cash dividend distributed on August 3, 2023.</p>

## 2. The important resolutions of the Board of Directors in 2023 and as of the annual report publication date

Meeting time - term	Meeting date	Important resolutions
The 4 <sup>th</sup> meeting of the 19 <sup>th</sup> term	03.07.2023	<ol style="list-style-type: none"> <li>1. Approved the report on the implementation of the long-term contract of affreightment in January to February 2023.</li> <li>2. Approved the report on the implementation of the internal audit plan in November ~ December 2022.</li> <li>3. Approved the report on the sustainability strategy and performance by the Company's Corporate Sustainability Implementation Committee.</li> <li>4. Approved the greenhouse gas inventory and verification timeline planning.</li> <li>5. Approved the summary of the acquisition and disposal of equipment by the Company and the subsidiaries in 2022.</li> <li>6. Approved the appointment of the independent auditors for the Company's 2023 Financial Report and their independence evaluation.</li> <li>7. Approved the appointment of the Company's senior management personnel.</li> <li>8. Approved the minutes (including the 2022 Board of Directors and Functional Committee Self-Evaluation Report) of the 2nd meeting of the 5th term of office of the Remuneration Committee and the Company's 2022 remuneration ratio proposal for the employees and directors.</li> <li>9. Approved the Company's 2022 individual financial statements and consolidated financial statements.</li> <li>10. Approved the Company's 2022 earnings distribution proposal.</li> <li>11. Approved the Company's 2022 business report.</li> <li>12. Approved the convention and related matters of the Company's 2023 general shareholders' meeting.</li> <li>13. Approval of the Company's renaming of "Corporate Sustainability Guidelines" to "Corporate Sustainable Development Policy" and amendment of certain clauses</li> <li>14. Approved the Company's "2022 Internal Control System Statement."</li> </ol>
The 5 <sup>th</sup> meeting of the 19 <sup>th</sup> term	05.09.2023	<ol style="list-style-type: none"> <li>1. Approved the report on the implementation of the long-term contract of affreightment in March to April 2023.</li> <li>2. Approved the report on the implementation of the internal audit plan in January to March 2023</li> <li>3. Approved the report on the sustainability strategy and performance by the Company's Corporate Sustainability Implementation Committee.</li> <li>4. Approved the greenhouse gas inventory and verification timeline planning.</li> <li>5. Approved the retained earnings of U-Ming Marine Transport (Hong Kong) Ltd. before 2022 (inclusive) will not be distributed and repatriated to the parent company.</li> <li>6. Approved the summary of the acquisition and disposal of equipment by the Company and the subsidiaries in the first quarter of 2023.</li> <li>7. Sale of a Supramax Bulk Carrier</li> <li>8. Approved the appointment of the Company's senior management personnel.</li> <li>9. Approved the replacement of the independent auditor for the Company's 2023Q1 financial report.</li> </ol>

Meeting time - term	Meeting date	Important resolutions
The 6 <sup>th</sup> meeting of the 19 <sup>th</sup> term	08.08.2023	<ol style="list-style-type: none"> <li>1. Approved the report on the implementation of the long-term contract of affreightment in June to July, 2023.</li> <li>2. Approved the report on the implementation of the internal audit plan in April to July 2023.</li> <li>3. Approved the renewal of the "Directors and Officers (D&amp;O) Liability Insurance."</li> <li>4. Approved the report on the sustainability strategy and performance by the Company's Corporate Sustainability Implementation Committee.</li> <li>5. Approved the greenhouse gas inventory and verification timeline planning.</li> <li>6. Approved the summary of the acquisition and disposal of equipment by the Company and the subsidiaries in the first half of 2023.</li> <li>7. Approved the extension of retirement and reappointment of the Company's senior managerial officers.</li> <li>8. Approved the consolidated financial statements of the Company for the first half of 2023.</li> <li>9. Approved the amendment of the Articles of the "Rules of Procedure for Board Meetings " of the Company.</li> <li>10. Approved the amendment of the Articles of the "Audit Committee Charter" of the Company.</li> <li>11. Approved the amendment of the Articles of the "Corporate Governance Best Practice Principles" of the Company.</li> <li>12. Approved the appointment of the Company's senior management personnel.</li> <li>13. Approved the electing the Vice Chairman of the 19th term of the Board of Directors.</li> </ol>
The 7 <sup>th</sup> meeting of the 19 <sup>th</sup> term	11.09.2023	<ol style="list-style-type: none"> <li>1. Approved the report on the implementation of the long-term contract of affreightment in September to October, 2023.</li> <li>2. Approved the report on the implementation of the internal audit plan in August to October, 2023.</li> <li>3. Approved the minutes of the 3<sup>rd</sup> meeting of the 5<sup>th</sup> term of the Remuneration Committee.</li> <li>4. Approved the report on the sustainability strategy and performance by the Company's Corporate Sustainability Implementation Committee.</li> <li>5. Approved the greenhouse gas inventory and verification timeline planning.</li> <li>6. Approved the summary of the acquisition and disposal of equipment by the Company and the subsidiaries in the first three quarters of 2023.</li> <li>7. Approved the Company's consolidated financial statements for the first three quarters of 2023.</li> <li>8. Approved the 2024 operating budget of the Company and the subsidiaries.</li> <li>9. Approved the amendment of the Articles of the "Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises" of the Company.</li> <li>10. Approved the amendment of the "Organizational Regulations" of the Company.</li> <li>11. Approved the establishment of the "Information Security Management Committee" and appointment of a security manager along with personnel.</li> <li>12. Approved the establishment of the "Corporate Sustainability Committee" and the "Corporate Sustainability Committee Charter" of the Company.</li> <li>13. Approved the POA for delivery of the new ship.</li> <li>14. Approved the Company's "2024 audit plan".</li> </ol>
The 8 <sup>th</sup> meeting of the 19 <sup>th</sup> term	03.07.2023	<ol style="list-style-type: none"> <li>1. Approved the report on the implementation of the long-term contract of affreightment in January to February, 2024.</li> <li>2. Approved the report on the implementation of the internal audit plan in November to December 2023.</li> <li>3. Approved the minutes of the 1<sup>st</sup> meeting of the 1<sup>st</sup> term of the Corporate Sustainability Committee.</li> <li>4. Approved the greenhouse gas inventory and verification timeline planning.</li> <li>5. Approved the summary of the acquisition and disposal of equipment by the Company and the subsidiaries in 2023.</li> <li>6. Approved the appointment of the independent auditors for the Company's 2024 Financial Report and their independence evaluation.</li> <li>7. Approved the minutes of the 4<sup>th</sup> meeting of the 5<sup>th</sup> term of the Remuneration Committee and the Company's 2023 remuneration ratio proposal for the employees and directors.</li> <li>8. Approved the Company's 2023 individual financial statements and consolidated financial statements.</li> <li>9. Approved the Company's 2023 earnings distribution proposal.</li> <li>10. Approved the Company's 2023 business report.</li> <li>11. Approved the convention and related matters of the Company's 2024 general shareholders'</li> </ol>

Meeting time - term	Meeting date	Important resolutions
		meeting. 12. Approved the sale of the cement carrier. 13. Approved the amendment of the articles of the “Rules of Procedure for Board Meetings” of the company. 14. Approved the amendment of the articles of the “Audit Committee Charter” of the company. 15. Approved the Company’s “2023 Internal Control System Statement.”

(XII) The matters resolved by the Board of Directors with the dissent or reservation of the directors recorded or documented in writing in the most recent year and as of the annual report publication date: None

(XIII) The resignations and dismissals of the Company’s Chairman, President, accounting officer, financial officer, internal audit officer, corporate governance officer, and research and development officer in the most recent year and as of the annual report publication date

April 30, 2023

Job Title	Name	On board date	Dismissal date	Reasons for resignation or dismissal
Chairman	Shu Tong Hsu	06.13.2019	No	NA
President	Choo Kiat Ong	07.01.2000	No	NA
Accounting Officer	Tsung Liang Chang	04.01.1996	No	NA
Financial Officer	Ching Lin Wang	05.02.2019	No	NA
Internal Audit Officer	Bih Shuang Tsai	08.10.2015	No	NA
Corporate Governance Officer	Chang Sheng Chen	05.02.2019	No	NA
R&D Officer	No	NA	NA	NA

## V. Disclosure of independent auditors' fees

## (I) CPA audit fee

Unit: NT\$ Thousand

Name of Accounting firm	Name of CPA	Audit Period	Audit fees	Non-audit fees	Total	Remarks
Deloitte & Touche	Wen-Ching Lin	01/01/2023 ~ 12/31/2023	4,855	1,621	6,476	The non-audit service fee refers to the transfer pricing and tax service fee.
	Xin-Wei Tai					

## (II) Information on the replacement of the CPA firm and the audit fee paid in the year of change less than in the year before:

The Company did not have the CPA firm replaced; therefore, it is not applicable.

## (III) Information on the audit fee paid in current year that is more than 10% less from the year before:

The audit fee paid by the Company to the CPA firm in the most recent year was NT\$4,855 thousand that was 3% more than the amount of NT\$4,715 thousand paid in the year before.

**VI. Change of independent auditors**

**(I) Former independent auditors**

Date of replacement	March 7, 2023		
Reason for and description of the replacement	The independent auditors are replaced due to the internal work rotation and arrangement of Deloitte & Touche. CPA Yi-Wen Wang, the predecessor, is replaced by Xin-Wei Tai, the successor.		
Please state whether the appointment is terminated or declined by the client or the independent auditor	Status	Client	Independent auditor
	Automatic termination of appointment		✓
	Decline of (continuous) appointment		
The audit reports with an opinion other than unqualified opinion issued in the last two years and the reasons	None		
Is there a disagreement with the opinion of the issuer	Yes		Accounting principles or practices
			Disclosures of financial statements
			Audit scope or steps
			Others
	No	✓	
Remarks:			
Other disclosures (Matters to be disclosed additionally as stated in Article 10, Paragraph 6, Subparagraph 1-4 ~ 1-7 of the “Regulations Governing Information to be Published in Annual Reports of Public Companies”)	No		

## (II) Current independent auditors

CPA Firm	Deloitte & Touche
Name of CPAs	CPA Xin-Wei Tai
Appointment date	Approved by the Board of Directors on March 7, 2023
Inquires on accounting treatment methods or accounting principles for specific transactions and possible opinions on financial reports before the appointment, and the results	NA
Written opinions of the successor accountants that are different from the opinions issued by the predecessor accountants	NA

(III) The written replies of the former independent auditor regarding the matters stated in Article 10, Paragraph 6, Subparagraph 1 and Subparagraph 2, Item 3 of the “Regulations Governing Information to be Published in Annual Reports of Public Companies”: None

**VII. The Company’s chairman, president, or managerial officers involved in financial or accounting affairs being employed by the accounting firm or any of its associates within the most recent year:** None

### VIII. Details of shares transferred and changes in equity pledged by directors, managerial officers, and shareholders with more than 10% shareholdings in the most recent year and as of the annual report publication date

#### 1. Changes in shareholding of directors, managerial officers, and shareholders with more than 10% shareholding

Job Title	Name	2023		As of April 30, 2024	
		Increase (decrease) in shareholding	Increase (decrease) in shares pledged	Increase (decrease) in shareholding	Increase (decrease) in shares pledged
Chairman	Shu Tong Hsu	0	0	0	0
Director	Shu Ping Hsu	0	0	0	0
Director	Asia Cement Corporation (Note 1) Representative: Douglas Jefferson Hsu	0 * 0	0 * 0	0 * 0	0 * 0
Director	Asia Cement Corporation (Note 1) Representative: Quin Yen Li	0 * 0	0 * 0	0 * 0	0 * 0
Director	Asia Cement Corporation (Note 1) Representative: Ling Ling Wu	0 * 0	0 * 0	0 * 0	0 * 0
Director	Yue Ding Industry Co., Ltd. Representative: Choo Kiat Ong	0 * 0	0 * 0	0 * 0	0 * 0
Director	Yuan Ding Investment Company Representative: Kuan Chun Lee	0 * 0	0 * 0	0 * 0	0 * 0
Director	Far Eastern Construction Co., Ltd. Representative: Li Chen Tung	0 * 0	0 * 0	0 * 0	0 * 0
Independent Director	Shao Hua Chu	0	0	0	0
Independent Director	Wen Yen Pan	0	0	0	0
Independent Director	Chorng Jian Liu	0	0	0	0
President	Choo Kiat Ong	0	0	0	0
Chief Operating Officer	Sik Wing Lai	0	0	0	0
Executive Vice President	Douglas Jefferson Hsu	0	0	0	0
Vice President	Jiu Sheng Wu	0	0	0	0
Vice President (Accounting Officer)	Tsung Liang Chang	0	0	0	0
Manager (Financial Officer)	Ching Lin Wang	0	0	0	0
Junior Vice President	Chang Sheng Chen	0	0	0	0

Note 1: The Company's major shareholders with more than 10% shareholding

Note 2: \* The number of shares held by the representative of corporate shareholder

Note 3: The counterparty of the share transfer and pledged is not a related party

2. Shares transfer information: The counterparty of the share transfer is not a related party; therefore, there is no information available.

3. Shares pledged information: The counterparty of the share pledged is not a related party; therefore, there is no information available.

### IX. Information on the relationships among Top-10 shareholders who are related parties, spouses, or relatives within the second degree of kinship

April 5, 2024

NAME (NOTE 1)	PRINCIPAL'S SHAREHOLDING		SHAREHOLDINGS OF SPOUSE AND MINORS		SHAREHOLDINGS IN THE NAME OF OTHERS		NAME (TITLE) AND RELATIONSHIP BETWEEN TOP TEN SHAREHOLDERS WHO ARE RELATED PARTIES, SPOUSES, OR RELATIVES WITHIN THE SECOND DEGREE OF KINSHIP TO ONE ANOTHER (NOTE 2)		REMARKS
	Number of Shares	Shareholding ratio (%)	Number of Shares	Sharehold ing ratio (%)	Number of Shares	Shareholding ratio (%)	Name	Relations	
Asia Cement Corporation	331,701,152	39.25	0	0	0	0	Yu Yuan Investment Co., Ltd. Asia Investment Corporation Yuan Ding Investment Company	Invested company under the equity method Subsidiary Same Chairman	No
Taiwan Cooperative Financial Holding Co., Ltd.	12,602,000	1.49	0	0	0	0	No	No	No
Yuan Ding Investment Company	8,869,000	1.05	0	0	0	0	Asia Cement Corporation	Same Chairman	No
Yu Yuan Investment Co., Ltd.	7,968,143	0.94	0	0	0	0	Asia Cement Corporation	The investment in the Company value with equity method by the investor	No
Asia Investment Corporation	7,796,914	0.92	0	0	0	0	Asia Cement Corporation	Parent company	No
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.-Equity Trading Division (Proprietary Trading Desk)	7,182,000	0.85	0	0	0	0	No	No	No
Cathay Life Insurance Co., Ltd.	7,104,000	0.84	0	0	0	0	No	No	No
Japan Securities Finance Co., Ltd.	7,025,000	0.83	0	0	0	0	No	No	No
DBS Bank Ltd - Administrator JPMORGAN	6,441,000	0.76	0	0	0	0	No	No	No
Ya Li Transportation Corporation	6,348,103	0.75	0	0	0	0	Asia Cement Corporation	Parent company	No
Ya Li Transportation Corporation Representative: Tzi-Pong Chang	89,558	0.01	21,645	0.00	0	0	Asia Cement Corporation	Vice present of the said company	No
Asia Investment Corporation Representative: Shu Ping Hsu	83,595	0.01	1,000	0.00	0	0	Asia Cement Corporation Yuan Ding Investment Company	Director of the said company Director of the said company	No

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Asia Cement Corporation Representative: Kun Yen Lee	67,558	0.01	0	0	0	0	No	No	No
Asia Cement Corporation Representative: Douglas Jefferson Hsu	0	0	0	0	0	0	No	No	No
Asia Cement Corporation Representative: Ling Ling Wu	0	0	0	0	0	0	No	No	No
Yuan Ding Investment Company Representative: Kuan Chun Lee	0	0	0	0	0	0	Asia Cement Corporation	Director of the said company	No
Yu Yuan Investment Co., Ltd. Representative: Chun Ming Chen	0	0	0	0	0	0	No	No	No

Note 1: The top-10 shareholders shall all be listed. The name of the corporate shareholders and their representative shall be illustrated respectively.

Note 2: The aforementioned shareholders include juristic persons and natural persons and their relationship shall be disclosed in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers.”

**X. Investments jointly held by the Company, the Company's directors, managerial officers, and enterprises directly or indirectly controlled by the Company and with the shareholding calculated aggregately**

December 31, 2023

Unit: Shares; %

Invested company (Note)	The Company's investment		Investment of the directors, supervisors, managerial officers, and directly or indirectly controlled business entities		Consolidated investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
U-Ming Marine (Singapore) Pte Ltd.	150,145,615	99.99%	1	0.00%	150,145,616	99.99%
U-Ming Marine Transport (Hong Kong) Ltd.	26,999,999	99.99%	1	0.00%	27,000,000	100.00%
Yue-Li Investment Corporation	150,000,000	68.18%	70,000,000	31.82%	220,000,000	100.00%
Yue-Tung Investment Corporation	136,040,000	73.54%	48,960,000	26.46%	185,000,000	100.00%
Global Energy Maritime Co., Ltd.	205,410,000	40.00%	0	-	205,410,000	40.00%
U-Ming Marine Offshore Company Ltd.	20,400,000	51.00%	0	-	20,400,000	51.00%

Note 1: The Company's investments under the equity method.

## Four. Capital Overview

### I. Capital and Shares

#### (I) Source of capital

##### 1. Source of capital

April 30, 2024

Month / Year	Issue price (NTD)	Authorized capital		Paid-in capital		Remarks		
		Shares (Thousand)	Amount (NT\$ Thousand)	Shares (Thousand)	Amount (NT\$ Thousand)	Source of capital	Paid-in capital with property other than cash	Approval date and document
07.1990	10	400,000	4,000,000	331,471	3,314,710	Capitalization of earnings NT\$947,060 thousand	No	(Note 1)
07.1991	10	400,000	4,000,000	364,618	3,646,181	Capitalization of earnings NT\$331,471 thousand	No	(Note 2)
08.1993	10	600,000	6,000,000	466,900	4,669,000	Capitalization of earnings NT\$546,927 thousand Merged Zhong-U Transport Co., Ltd. NT\$475,892 thousand	No	(Note 3)
12.1993	10	650,000	6,500,000	500,445	5,004,449	Capitalization of earnings NT\$335,449 thousand	No	(Note 4)
11.1994	10	650,000	6,500,000	525,467	5,254,671	Capitalization of earnings NT\$50,044 thousand Capitalization of additional paid-in capital NT\$200,178 thousand	No	(Note 5)
07.1995	10	700,000	7,000,000	551,741	5,517,405	Capitalization of earnings NT\$262,734 thousand	No	(Note 6)
06.1996	10	750,000	7,500,000	593,121	5,931,210	Capitalization of earnings NT\$413,805 thousand	No	(Note 7)
01.1997	10	750,000	7,500,000	594,716	5,947,162	Converted Euro-convertible bonds NT\$15,952 thousand	No	(Note 8)
06.1997	10	750,000	7,500,000	624,452	6,244,520	Capitalization of earnings NT\$297,358 thousand	No	(Note 9)
01.1998	10	850,000	8,500,000	627,903	6,279,033	Converted Euro-convertible bonds NT\$34,513 thousand	No	(Note 10)
06.1998	10	850,000	8,500,000	659,298	6,592,985	Capitalization of earnings NT\$313,952 thousand	No	(Note 11)
08.1999	10	850,000	8,500,000	685,670	6,856,704	Capitalization of earnings NT\$263,719 thousand	No	(Note 12)
07.2000	10	850,000	8,500,000	702,812	7,028,122	Capitalization of earnings NT\$171,418 thousand	No	(Note 13)
05.2001	10	850,000	8,500,000	674,935	6,749,352	Cancellation of treasury stock for capital reduction NT\$278,770 thousand	No	(Note 14)
10.2001	10	850,000	8,500,000	635,234	6,352,342	Cancellation of treasury stock for capital reduction NT\$397,010 thousand	No	(Note 15)
03.2002	10	850,000	8,500,000	621,751	6,217,512	Cancellation of treasury stock for capital reduction NT\$134,830 thousand	No	(Note 16)

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Month / Year	Issue price (NTD)	Authorized capital		Paid-in capital		Remarks		
		Shares (Thousand)	Amount (NT\$ Thousand)	Shares (Thousand)	Amount (NT\$ Thousand)	Source of capital	Paid-in capital with property other than cash	Approval date and document
08.2004	10	850,000	8,500,000	715,014	7,150,139	Capitalization of earnings NT\$932,627 thousand	No	(Note 17)
08.2005	10	880,000	8,800,000	858,017	8,580,167	Capitalization of earnings NT\$1,430,028 thousand	No	(Note 18)
01.2016	10	880,000	8,800,000	845,056	8,450,557	Cancellation of treasury stock for capital reduction NT\$129,610 thousand	No	(Note 19)

Note 1: (79) Tai-Tsai-Zheng(I) No. 01365 Letter dated 06.26.1990  
 Note 2: (80) Tai-Tsai-Zheng(I) No. 01524 Letter dated 07.15.1991  
 Note 3: (82) Tai-Tsai-Zheng(I) No. 01518 Letter dated 06.21.1993  
 Note 4: (82) Tai-Tsai-Zheng(I) No. 39910 Letter dated 10.19.1993  
 Note 5: (83) Tai-Tsai-Zheng(I) No. 31375 Letter dated 09.09.1994  
 Note 6: (84) Tai-Tsai-Zheng(I) No. 36075 Letter dated 06.17.1995  
 Note 7: (85) Tai-Tsai-Zheng(I) No. 33345 Letter dated 05.24.1996  
 Note 8: (86) Tai-Tsai-Zheng(I) No. 76649 Letter dated 01.08.1997  
 Note 9: (86) Tai-Tsai-Zheng(I) No. 40942 Letter dated 05.21.1997  
 Note 10: (87) Tai-Tsai-Zheng(I) No. 96801 Letter dated 01.09.1998  
 Note 11: (87) Tai-Tsai-Zheng(I) No. 48468 Letter dated 06.03.1998  
 Note 12: (88) Tai-Tsai-Zheng(I) No. 60360 Letter dated 07.05.1999  
 Note 13: (89) Tai-Tsai-Zheng(I) No. 46660 Letter dated 05.30.2000  
 Note 14: (90) Tai-Tsai-Zheng (III) No. 107432 Letter dated 02.20.2001  
 Note 15: (90) Tai-Tsai-Zheng (III) No. 119806 Letter dated 04.18.2001  
 Note 16: (90) Tai-Tsai-Zheng (III) No. 173529 Letter dated 12.11.2001  
 Note 17: Tai-Tsai-Zheng-I-Zi No. 0930124998 Letter dated 06.04.2004  
 Note 18: Jin-Guang-Zheng-I-Zi No. 0940124629 Letter dated 06.20.2005  
 Note 19: Jin-Guang-Zheng-Jao-Zi No. 1040046013 Letter dated 11.12.2005

Type of shares	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Ordered common stock shares	845,055,712	34,944,288	880,000,000	Listed stock shares

2. Information on the shelf registration system: Not applicable

## (II) Shareholder structure

April 5, 2024

Shareholder structure Quantity	Government agency	Financial institution	Other juristic persons	Individuals	Foreign institution and foreigner	Total
Number of persons	5	42	190	79,024	243	79,504
Shareholdings	7,430,401	40,914,108	408,605,850	294,037,658	94,067,695	845,055,712
Shareholding ratio	0.88%	4.84%	48.35%	34.81%	11.12%	100.00%

## (III) Equity dispersion

## 1. Common stock shares

April 5, 2024

Classification of shareholding	Number of shareholders	Shareholdings	Shareholding ratio
1~ 999	18,281	3,567,050	0.42%
1,000~ 5,000	50,289	99,826,476	11.83%
5,001~ 10,000	6,256	49,675,168	5.88%
10,001~ 15,000	1,533	19,819,858	2.35%
15,001~ 20,000	1,083	20,213,597	2.39%
20,001~ 30,000	773	19,889,365	2.35%
30,001~ 40,000	365	13,208,029	1.56%
40,001~ 50,000	216	10,146,117	1.20%
50,001~ 100,000	366	26,484,197	3.13%
100,001~ 200,000	160	22,683,960	2.68%
200,001~ 400,000	83	23,248,649	2.75%
400,001~ 600,000	31	15,326,671	1.81%
600,001~ 800,000	10	7,215,109	0.85%
800,001~ 1,000,000	11	9,850,435	1.17%
More than 1,000,001	47	503,901,031	59.63%
Total	79,504	845,055,712	100.00%

2. Preferred stock shares: The Company does not issue preferred stock shares.

## (IV) Major shareholders list

## 1. List of shareholders with more than 5% shareholding

April 5, 2024

<b>Major shareholders</b>	<b>Shares</b>	<b>Shareholdings</b>	<b>Shareholding ratio</b>
Asia Cement Corporation		331,701,152	39.25%

## 2. List of Top-10 shareholders in shareholdings

April 5, 2024

<b>Major shareholders</b>	<b>Shares</b>	<b>Shareholdings</b>	<b>Shareholding ratio</b>
Asia Cement Corporation		331,701,152	39.25%
Taiwan Cooperative Financial Holding Co., Ltd.		12,602,000	1.49%
Yuan Ding Investment Company		8,869,000	1.05%
Yu Yuan Investment Co., Ltd.		7,968,143	0.94%
Asia Investment Corporation		7,796,914	0.92%
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.-Equity Trading Division (Proprietary Trading Desk)		7,182,000	0.85%
Cathay Life Insurance Co., Ltd.		7,104,000	0.84%
Japan Securities Finance Co., Ltd.		7,025,000	0.83%
DBS Bank Ltd - Administrator JP MORGAN		6,441,000	0.76%
Ya Li Transportation Corporation		6,348,103	0.75%

## 3. Information on the major shareholders of the corporate shareholders listed as Top-10 shareholders in shareholding ratio

April 5, 2024

Major shareholders	Major shareholders of corporate shareholders (Note)	Shareholding ratio
Asia Cement Corporation	Far Eastern New Century Corporation	21.16%
	Far Eastern Medical Foundation	5.15%
	Cathay United Bank entrusted with the custody of Yuanta Taiwan Dividend Plus ETF account	4.56%
	China Life Insurance Company Limited	2.52%
	Employee Pension Committee of Far Eastern New Century Corporation	1.67%
	Yuan Ding Investment Company	1.53%
	Far Eastern Department Store Co., Ltd.	1.41%
	Yuan Ze University	1.37%
	Chunghwa Post Co., Ltd.	1.35%
	Far Eastern Memorial Foundation	1.24%
Taiwan Cooperative Financial Holding Co., Ltd.	Ministry of Finance, R.O.C. (Taiwan)	26.06%
	Chunghwa Post Co., Ltd.	3.78%
	Taiwan Tobacco and Liquor Corporation	2.21%
	National Farmers' Association, R.O.C.	1.54%
	Citibank Taiwan custody for Investment account of Norges Bank	1.02%
	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a Series of Vanguard Star Funds	0.98%
	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds	0.97%
	Yuanta/P-shares Taiwan Top 50 ETF	0.72%
	New Labor Pension Fund	0.72%
	Taiwan Life Insurance Co., Ltd.	0.63%
Yuan Ding Investment Company	Far Eastern New Century Corporation	99.40%
	An Ho Garment Co., Ltd.	0.30%
	Ta Chu Chemical Fiber Co., Ltd.	0.30%
Yu Yuan Investment Co., Ltd.	Asia Cement Corporation	29.92%
	Yuan Ding Co., Ltd.	25.02%
	Yuan Ding Investment Company	18.96%
	U-Ming Marine Transport Corp.	17.66%
	Ding Shen Investment Co., Ltd.	6.50%
	Yutong Investment Co., Ltd.	1.84%
Yue Ding Industry Co., Ltd.	0.10%	
Asia Investment Corporation	Asia Cement Corporation	100.00%
Cathay Life Insurance Co., Ltd.	Cathay Financial Holdings Co., Ltd.	100.00%
Ya Li Transportation Corporation	Asia Cement Corporation	51.61%
	Yu Yuan Investment Co., Ltd.	48.39%

Note: Name (title) of the major shareholders of the corporate shareholders listed as Top-10 shareholders in shareholding ratio

(V) Market price, net worth, earnings per share, and related information in the last two years

Unit: NT\$

Item		Year	2022	2023	As of April 30, 2024 (Note 8)
Market price per share (Note 1)	Highest		71.20	62.70	57.20
	Lowest		33.60	40.60	46.85
	Average		49.56	49.56	53.44
Net value per share	Before appropriation		38.70	39.88	44.66
	After appropriation (Note 2)		35.70	NA	NA
Earnings per share	Weighted average shares		845,055,712	845,055,712	845,055,712
	Earnings per share (Note 3)		5.21	3.24	1.17
Dividend per share (Note 4)	Cash dividend		3.0	2.4	NA
	Stock dividend	Stock dividend from earnings	0	0	NA
		Stock dividend from additional paid-in capital	0	0	NA
	Cumulative unpaid dividend		0	0	NA
Analysis of return on investment	Price-to-Earnings Ratio (Note 5)		9.51	15.30	NA
	Price-to-dividend ratio (Note 6)		16.52	20.65	NA
	Cash dividend yield (Note 7)		6.05%	4.84%	NA

Note 1: It refers to the highest and lowest market price in each year; also, calculating the annual average market price based on the transaction value and volume in each year.

Note 2: The amount after appropriation is filled in according to the resolutions of the Board of Directors or the shareholders' meeting held in the following year.

Note 3: There was none occurrence of the Company's adjusting the earnings per share retrospectively due to the distribution of stock dividend in the last two years

Note 4: The earnings distribution proposal for the year of 2023 is yet to be resolved in the 2024 shareholders meeting.

Note 5: Price-to-earnings ratio = Average closing price per share of current year/earnings per share.

Note 6: Price-to-dividend ratio = Average closing price per share of current year/cash dividend per share.

Note 7: Cash dividend yield = Cash dividend per share/average closing price per share of current year.

Note 8: Net value per share and earnings per share are the financial data reviewed by the independent accountants in the most recent quarter as of the annual report publication date; the data filled in the other columns are the data of the current year as of the annual report publication date.

## (VI) The Company's dividend policy and the implementation

## 1. The Company's dividend policy stated in the Articles of Incorporation

Under the dividend policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes and offsetting losses of previous years. Providing that there is any remaining profit, 10% of the unappropriated earnings from the net profit after tax for the current period coupled with other items that recognized in retained earning directly for the current period shall be set aside as legal reserve. After setting aside or reversing a special reserve in accordance with the laws and regulations, the Company shall use the remaining profit together with any undistributed retained earnings as the basis for the Company's board of directors to propose a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

Dividends distributed to stockholders are decided after consideration has been given to the business perspective of the Company, the life cycle of various products or service provided, capital requirement in the future and the effect of possible changes of tax laws. Dividends shall be distributed under the objective of maintaining a stable dividend policy. For issue of dividends, except to save for the purposes of improving the financial structure, reinvestments, production expansion or other capital expenditures in which capital is required, dividends distributed shall not be lower than 50% of net profit after tax deduction for offset of losses, legal reserve, and special reserve, and the cash dividend shall not be lower than 10% of shareholders' bonus of that year.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Take the dividends distributed by the Company in the last three years for an example, a 52%, 58%, and 74% dividend was distributed in 2021, 2022, and 2023, respectively. The cash dividend distribution rate met the requirements stated in the Company's Articles of Incorporation "the cash dividends shall not be less than 10% of the total dividends of the current year and shareholders' dividends," which is calculated as follows:

Unit: NT\$ Thousand / shares

Year	Earnings per share after tax	Cash dividend from retained earnings (B)	Cash dividend from legal reserve (C)	Total cash dividend (D=B+C)	Dividend ratio (D/A)	Cash dividend ratio (B+C)/D
2021	5.79	3.00	0	3.00	52%	100%
2022	5.21	3.00	0	3.00	58%	100%
2023	3.24	2.40	0	2.40	74%	100%

## 2. Dividend distribution proposed in the current shareholders' meeting

The 2023 earnings distribution proposal was resolved for NT\$2.4 per share in cash by the Board of Directors prior to the shareholders' meeting. The ex-dividend date for the distribution of dividend will be scheduled after the resolutions reached in the 2024 general shareholders' meeting.

## 3. Expected significant changes in dividend policy: None

## (VII) The impact of the proposed stock dividend in current year on the Company's operating performance and earnings per share

Item		Year	2024 (estimated)
Paid-in capital – beginning (NTD)			8,450,557,120
Stock dividend distributed in current year	Cash dividend per share (NTD)		2.40
	Stock dividend per share from earnings		0
	Stock dividend per share from additional paid-in capital		0
Changes in operating performance	Operating profits		NA (Note 1)
	Ratio of increase (decrease) in operating profits from the year before		
	Net income		
	Ratio of increase (decrease) in net income from the year before		
	Simple earnings per share (EPS)		
	Ratio of increase (decrease) in earnings per share (EPS) from the year before		
	Annual average return on investment (reversal of annual price-to-earnings ratio)		
Pro forma EPS and Price-to-Earnings Ratio	If the capitalization of earnings is with cash dividend distributed instead	Pro forma earnings per share (EPS)	NA (Note 1)
		Pro forma annual average return on investment	
	If capitalization of additional paid-in capital is cancelled	Pro forma earnings per share (EPS)	
		Pro forma annual average return on investment	
	If capitalization of additional paid-in capital is cancelled and the capitalization of earnings is with cash dividend distributed instead	Pro forma earnings per share (EPS)	
		Pro forma annual average return on investment	

Note 1: The Company has not prepared and announced the 2024 financial forecast. Therefore, according to the (89) Tai-Chai-Zheng(I)-Zi No. 00371 Letter dated February 1, 2000 by the Securities and Futures Bureau of the Ministry of Finance, there is no need to disclose such information.

## (VIII) Employees' compensation and remuneration of directors

1. The percentage or range of employees' compensation and remuneration of directors stated in the Company's Articles of Incorporation

The Company accrued employees' compensation and remuneration of directors at the rates 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors.

2. The basis for the estimated employees' compensation and remuneration of directors in the current period, the basis for the calculation of stock dividend distributed to employees as compensation, and the accounting treatment for the difference, if any, between the actual amount distributed and the amount estimated

The employees' compensation and remuneration of directors for the years ended December 31, 2023 which were approved by the Company's board of directors on March 6, 2024, was as follows:

Accrual Rate and Amount

	2023	
	Accrual Rate	Cash Amount (Thousand)
Employees' compensation	1%	\$ 27,571
Remuneration of directors	1%	27,571

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

If it is resolved in the shareholders' meeting to have stock dividend distributed to employees as compensation, the number of shares shall be determined by dividing the amount resolved to be distributed by the fair value of the stock. The fair value of the stock refers to the closing price on the day before the resolution reached in the shareholders' meeting, taking into account the impact of ex-rights and ex-dividends as the basis for calculation.

### 3. The distribution of remuneration approved by the Board of Directors

The Company's Board of Directors resolved the distribution of employees' compensation and remuneration of directors on March 6, 2024 as follows:

- (1) If there is difference between the amount of employees' compensation and remuneration of directors distributed in cash or stock and the estimated amount in the year of expense recognized, the amount of difference, reasons, and handling process shall be disclosed:

#### Accrual Rate and Amount

	2023	
	<u>Accrual Rate</u>	<u>Cash Amount (Thousand)</u>
Employees' compensation	1%	\$ 27,571
Remuneration of directors	1%	27,571

There is no difference between the employees' compensation and remuneration of directors proposed by the Board of Directors and the amount of NT\$27,571 thousand and NT\$27,571 thousand as employees' compensation and remuneration of directors, respectively, recognized in the 2023 financial statements.

- (2) The amount of employees' compensation distributed in stock and the ratio of the said amount to the total amount of net income and total employees' compensation in the current standalone or individual financial report:

The Company does not distribute stock shares to employees as compensation; therefore, it is not applicable.

4. If there is difference between the actual distribution of employees' compensation and remuneration of directors and the recognized employees' compensation and remuneration of directors, the amount of difference, reasons, and handling process shall be stated.

The employees' compensation and remuneration of directors for the years ended December 31, 2022 which were approved by the Company's board of directors on March 7, 2023 and the shareholders' meeting on June 13, 2023, was as follows:

#### Accrual Rate and Amount

	2022	
	<u>Accrual Rate</u>	<u>Cash Amount (Thousand)</u>
Employees' compensation	1%	\$ 45,364
Remuneration of directors	1%	45,364

There was no difference between the actual amounts of employees' compensation and remuneration of directors approved and the amounts recognized in the financial statements for the years ended December 31, 2022.

### (IX) The Company's repurchase of the Company's stock shares

The Company did not repurchase the Company's stock shares in the most recent year and as of the annual report publication date.

**II. Issuance of corporate bond:** None

**III. Issuance of preferred stocks:** None

**IV. Issuance of Global Depository Receipts (GDR):** None

**V. Issuance of employee stock warrants**

The Company did not issue employee stock warrants in the most recent year and as of the annual report publication date.

**VI. Issuance of new restricted employee shares:** None

**VII. New shares issued for merging or acquiring shares of other companies:** None

**VIII. Progress on Planned Use of Capital:**

(I) A description of the plans

For the period as of the quarter prior to the annual report publication date, with respect to each uncompleted public issue or private placement of securities, and to such issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits: None

(II) Status of implementation

Comparison and analysis of the capital use, implementation, and expected benefits: Not applicable

## Five. Operational Overview

### I. Business activities

The operation of bulk carrier is the main business of U-Ming Marine. Currently, the Company owns various types of dry bulk carriers for the transport of iron ore, coal, grain, and cement. In order to generate more profits, U-Ming has formed a strategic alliance with the related industries to expand the scale of the fleet, and to enter the oil tanker transportation market and the offshore wind power shipping services for diversified the business operations. U-Ming has subsidiaries organized in Singapore, Hong Kong, and China so to expand a global business through the concept of operating headquarters and a macro vision. U-Ming is now actively implementing the green fleet expansion plan, aiming at energy saving, high efficiency, intelligence, and safety, pursuing the strength and further growth of the Company's business operation, and becoming a world-class company in the field of logistics and transportation.

#### (I) Business scope

##### 1. The Company's business scope and ratio

###### (1) The main business operation of the consolidated company

Company	Main business operations
U-Ming Marine Transport Corp.	Ship transportation, ship trading, Class A shipping agency business, and non-chartered businesses; also, businesses that are not prohibited or restricted by laws and regulations
U-Ming Marine Transport (Singapore) Pte Ltd.	Ship transportation, ship trading, shipping agency, etc.
U-Ming Marine Transport (Hong Kong) Ltd.	Ship transportation, ship trading, shipping agency, etc.
U-Ming Marine Offshore Co., Ltd.	Ship transportation, ship trading, shipping agency, etc.
Yue-Li Investment Corporation	Various investment businesses, etc.
Yue-Tung Investment Corporation	Various investment businesses, etc.
U-Ming Marine (Xiamen) International Ship Management Co., Ltd.	Ship management business, etc.
Falcon Investment Private Limited	Various investment businesses, etc.
Eagle Investment Private Limited	Transportation business
Overseas Shipping Private Limited	Transportation business

###### (2) Ratio of sales income

Unit: NT\$ Thousand

Item \ Year	2022		2023	
	Amount of sales income	Ratio of sales income (%)	Amount of sales income	Ratio of sales income (%)
Freight income	13,863,935	98	14,113,634	98
Other operating income	306,461	2	261,839	2
Total	14,170,396	100	14,375,473	100

## 2. The Company's existing fleet and business operations

### (1) Capesize bulk carriers

U-Ming owns "M.V. Cape Globe," "M.V. Cape Neptune," "M.V. Cape Stars," "M.V. Cape Splendor," "M.V. Cape Australia," "M.V. Cape America," "M.V. Cape Europe," "M.V. Cape India," "M.V. Cape Excelsior," "M.V. Cape Success," "M.V. Cape Brilliance," "M.V. Cape Galaxy," "M.V. Ubuntu Harmony," "M.V. Ubuntu Equality," "M.V. Cape Venus," "M.V. Ubuntu Integrity," "M.V. Cape Jupiter," "M.V. Cape Mercury," "M.V. Ubuntu Loyalty," "M.V. Cape Mars" "M.V. Grand Pioneer," and "M.V. Grand Wisdom" proprietarily and owns "Cape Victory," "Cape Asia," and "Cape Shanghai" jointly with Hong Kong shipowners for a fleet with 25 Capesize bulk carriers.

### (2) Panamax bulk carriers

U-Ming owns "M.V. Cemtex Orient," "M.V. Cemtex Innovation," "M.V. Cape Creation," "M.V. Cemtex Hunter," "M.V. Cemtex Leader," "M.V. Cemtex Honor," "Cemtex Fortune," "M.V. Cemtex Renaissance," "M.V. Cemtex Sincerity," "M.V. Cemtex Diligence," "M.V. Cemtex Excellence" "M.V. Cemtex Dominance," "M.V. Cemtex Eminence," and "M.V. Cemtex Unity," and proprietarily for a total of 14 ships, owns "ITG-Uming 1," "ITG-Uming 2," and "ITG-Uming 3" jointly through a joint venture, hosts "Chailease Glory," "Chailease Blossom," and "Chailease Virtue" and "Chailease Cherish" "signs a ship management contract with Taipower Corporation to manage "Taipower Prosperity V," "Taipower Prosperity VI," "Taipower Prosperity VII," and "Taipower Prosperity VIII," and operates and manages Panamax bulk carrier fleet for a total of 25 ships

### (3) Supramax carriers

Currently, there are 4 vessels including" "M.V. Asian Majesty," "M.V. Asian Summit," "M.V. Asian Prominence" and "M.V. Asian Pride."

### (4) Very Large Crude Carrier

The Company bases on the strategy of diversifying operations and optimizing assets to form a joint venture with CNPC and AVIC for "GEM NO. 1," "GEM NO. 2," "GEM NO. 5," and LR1 oil tanker "GEM NO. 3, a total of 4 ships.

### (5) Cement carriers

There are 4 ships in this fleet intended for cement automatic unloading service, including "Asia Cement No. 3," "Asia Cement No. 5," and "Asia Cement No. 6." and "Asia Cement No. 9."

### (6) Offshore wind ships

U-Ming enters offshore wind power transportation market in Taiwan for the first time. There are currently six Crew Transfer Vessels (CTV) in service, including "World Sail" and "World Sea," plus "UMO Mistral" "UMO Scirocco" "UMO Green" and "UMO Jade "owned by the joint venture company. The offshore wind power fleet will be expanded in the future eventually so to provide transportation services to the wind power market in Taiwan.

### (7) Business operations

The operation of bulk carrier is the main business of U-Ming Marine for the transport of iron ore, coal, grain, and cement. The management team evaluates the economic change within the industry and market supply and demand to properly deploy the fleet in the spot and long-term contract markets in order to maximize the Company's profits and reduce market fluctuation risk.

U-Ming Marine continues to have the outdated ships retired and replaced them with new ones. As of Apr 30, 2024, U-Ming has a fleet of 50 ships, both proprietary ships in service and ships in construction; also, the bulk carrier of the fleet is with an average of 6 years in service. The fleet of 50 ships is expanded to 72 ships with the additional 22 ships from a joint venture and chartered service for a total of 8.84 million DWT.

## 3. New services planned for development

The International Maritime Organization (IMO) at its 80th session of the Marine Environment Protection Committee (MEPC 80) upgraded emissions reduction regulations for the shipping industry to achieve net-zero greenhouse gas (GHG) emissions by 2050. Non-compliant vessels are required to slow down or install energy-saving equipment to comply with the regulations. In order to maintain a consistent competitive advantage in the long term, in addition to regular fleet renewal to keep the

fleet young, U-MING is actively conducting feasibility studies on installing Rotor Sails, carbon capture systems, and converting traditional fuel systems to methanol dual-fuel systems for vessels. These actions are expected to significantly reduce the carbon footprint of the existing fleet. Furthermore, besides transporting traditional bulk cargo, U-MING is also planning to enter the liquefied natural gas (LNG) energy transportation and offshore wind farm service vessel (SOV) markets. This diversification aligns with international environmental policies and customer demands.

## (II) Industry overview

### 1. The macroeconomic environment and the current status and development of the industry that the Company engaged

In 2023, the Baltic Dry Index (BDI) averaged 1,378 points for the year, marking a decline of 29% compared to 2022. Throughout the year, global inflationary pressures continued to rise, prompting central banks in many countries to initiate interest rate hikes and implement tighter monetary policies to alleviate inflationary pressures. Consequently, the global economy faced risks of stagflation, slowing economic growth, geopolitical tensions, and a notable downturn in the Chinese real estate market, posing significant challenges to the bulk shipping industry.

The International Energy Agency (IEA) predicted in December 2023 that global coal demand would reach a historic high of 8.54 billion tons due to robust demand from emerging and developing economies. In response to increased demand for steel, unexpected performance of hydro and nuclear power, coal demand is expected to rise, leading major coal-producing countries such as China and India to expand production.

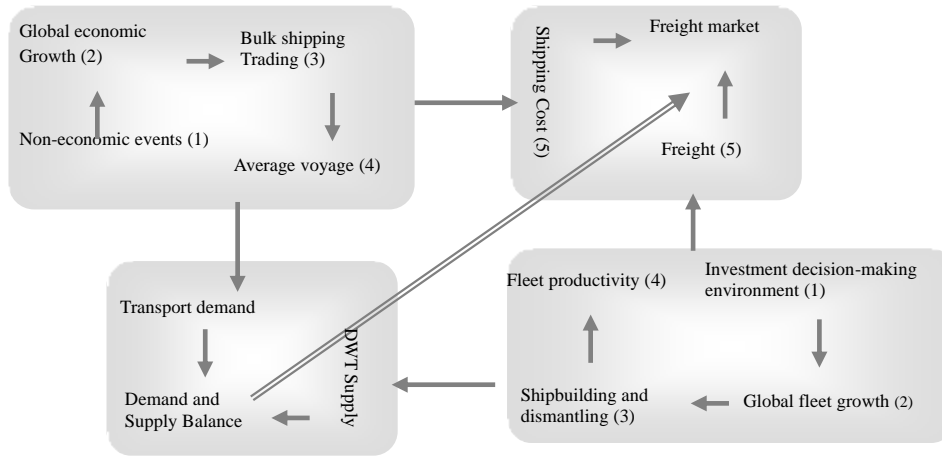
During the 80th session of the Marine Environment Protection Committee (MEPC 80) convened by the International Maritime Organization (IMO), regulations for emissions reduction in the shipping industry were upgraded to require achieving net-zero carbon emissions by 2050.

The International Monetary Fund (IMF) estimated a global economic growth rate of 3.1% for 2024. The World Steel Association projected that China's steel demand in 2024 would gradually stabilize due to slowing economic growth and the strengthening of domestic environmental protection regulations. India's steel demand is expected to grow by 7.7% to 136 million tons in 2024, making it the world's second-largest steel consumer after China.

As a leading domestic dry bulk shipping company, U-MING actively promotes the creation of a green and intelligent fleet to leave a better environment for future generations. U-MING is adopting green operations by using wind propulsion systems or alternative fuels for existing vessels and purchasing new vessels powered by clean energy sources such as hydrogen/ammonia/methanol. This aligns with IMO's requirement for the shipping industry to achieve net-zero carbon intensity by 2050. Additionally, U-MING is actively embracing sustainable development trends by calculating carbon footprints, implementing carbon offset projects, and promoting biodiversity initiatives to help customers reduce greenhouse gas emissions.

U-MING will continue to pursue strategic alliances, create win-win models, seek high-quality customers, secure long-term contracts for profitability, and undergo continuous digital transformation. By upgrading safety systems and developing an environmentally friendly and intelligent fleet, U-MING aims to enhance its core competitiveness and achieve sustainable operations.

2. Bulk shipping market supply and demand and the correlation between upstream, midstream, and downstream operations



Data source: *Martin Stopford. Maritime Economics*

2. The development trend of the Company’s business, the competition, and the responsive strategy

U-Ming Marine under the leadership of the management team has performed outstandingly in the sense of business planning, ship scheduling, and ship maintenance, added with stable financial planning and prudent risk control, the Company is able to generate maximum profits and excellent performance during the economic peak of the shipping industry. U-Ming is also ready to act while facing the downturn of the shipping market. In addition to enhancing the Company’s financial position, adjusting the shipping operation structure, and taking preventive actions against the risk of rising oil prices, rampant piracy, financing interest rates, and market defaults, the Company grasps the increasing market opportunities, signs new ship construction contracts with excellent shipyards in a timely manner, expands the scale of the fleet, and replaces the old and outdated ships with new ones to enhance competitiveness.

(III) Technology and R&D Overview

The “Fleet Safety Management (FSM)” system developed by U-Ming synchronizes ship operation and meteorological data through ship networking, transmitting it back to the company’s shore for analysis and monitoring, further enhancing ship efficiency, reducing failure rates, and improving operational efficiency.

In addition to obtaining the SMARTShip Notation certification from ship classification societies such as Japan’s NK, Norway’s DNV, Taiwan’s CR, and France’s BV, the “Fleet Safety Management (FSM)” system has also been awarded the Singapore International Safety@ Sea Awards. Apart from the large-scale of the vessels, the unit’s fuel consumption and operational costs are relatively reduced. It also adopts the characteristics of low-speed sailing for energy saving and emission reduction, uses a slender streamlined bridge design, and optimizes the hull line to reduce wind and water resistance, further reducing fuel consumption and increasing

competitive advantage.

#### (IV) Long-term and short-term business development plans

The bulk shipping market fluctuates significantly. U-Ming grasps the market information in real time, and flexibly converts and deploys the ratio of long-term and short-term contracts. Bulk shipping is with conspicuous economic cycle. U-Ming invests prudently, deploys flexibly, and evaluates market changes carefully; also, makes proper planning for all aspects of finance and business, utilizes existing resources and environment to find opportunities for profitable investments, and moves forward carefully so to find a new horizon for the Company.

U-Ming's short-term goals:

1. Continue to carry out the ship replacement plan.
2. Make good use of the Company's resources and enhance the market and operation strategy of each ship.
3. Increase the operating days of ships and improve the utilization rate of ships.
4. Promote the digitalization of maritime affairs and improve the operational efficiency of each department.
5. Substantiate Port State Control (PSC) inspection records and achieve PSC zero arrest of ship rate.
6. Improve overall maritime safety management and enhance seafarer training so to reduce the risk of human errors.
7. Enhance the onshore and offshore environmental protection awareness and perform the corporate social responsibility of protecting the marine ecological environment.

U-Ming's long-term goals:

1. Search for valuable business partners and create long-term fixed income.
2. Grasp the opportunity to invest in different types of ships and logistics-related operations across fields so to create enterprise differentiation.
3. Invest in or merge relevant companies with appropriate and good assets after deliberation to expand business territories.
4. Plan to expand a new generation environmentally friendly fleet with the features of energy-conservation, high-efficiency, intelligence, and safety.
5. Invest in "green energy," fulfill social responsibilities, and become a top corporate citizen.

#### (V) Long-term and short-term investment and financial development plans

1. The return on investment (ROI) and cash flow evaluation of fleet expansion plans;
2. Manage and control the risk of loss from exchange rates and financing interest rates.
3. Observe the average days sales in accounts receivable and increase the turnover (times).
4. Properly plan long-term and short-term loans, reduce domestic interest expenses, and increase overseas investment income.
5. The Company's long-term financial planning is based on a stable foundation while pursuing the maximum returns on shareholders' investment.

## II. Market, production, and sales overview

### (I) Market analysis

#### 1. The Company's main service areas and market share

Bulk shipping is a global business, and U-Ming serves customers all over the world who are mainly the iron ore and coal suppliers in Australia, Brazil, Africa, Indonesia, etc., as well as the steel plants and power plants in Taiwan, China, Japan, etc. U-Ming fleet is operated with destinations mainly in Taiwan and China, and East Asia and Europe comes in second. The Company has a wide range of ship models, of which, Capesize and Panamax are the main types of ships in operation. As of the end of 2023, 25,016 thousand tons of iron ore were shipped, a decrease of 23.7% from the year before, 8,023 thousand tons of coal were shipped, an increase of 38.4% from the year before, 5,953 thousand tons of cement and other dry cargoes were shipped, a total of 38,992 thousand tons for the year that accounted for 0.71% of the global bulk cargo of 5,508,400 thousand tons.

#### 2. The future market supply and demand and the growth potentials

According to the International Monetary Fund (IMF), the global economic growth rate is expected to reach 3.1% in 2024. The World Steel Association's Short-Range Outlook, released in October 2023, forecasts zero annual growth in China's steel demand in 2024, with the country transitioning to a stable plateau period due to a slowdown in economic growth, fatigue in the real estate market, and the continuous strengthening of domestic environmental protection regulations. However, the Chinese government launched a series of economic stimulus measures at the end of 2023, expecting moderate growth in infrastructure investment in 2024. India, the world's second-largest steel demand country after China, is projected to experience a 7.7% annual growth rate in steel demand in 2024, mainly driven by government infrastructure investment. With the growth of emerging markets and urban populations worldwide, global steel demand is expected to increase slightly by 1.9%.

Iron ore, the leading dry bulk commodity, is primarily exported by Australia and Brazil. Brazilian mining company VALE is stabilizing its capacity and output, shifting its focus to improving the quality rather than the quantity of iron ore extraction. Major global miners have forecasted iron ore production volumes exceeding those of 2023 in 2024.

India's economy is one of the fastest-growing emerging economies globally and ranks among the world's top ten economies. With the government vigorously promoting infrastructure projects exceeding \$120 billion (10 trillion rupees) in scale, along with domestic consumption recovery and increased domestic capital expenditure, the IMF forecasts robust economic growth of 6.5% in 2024 and 2025, leading among major global economies.

The International Energy Agency (IEA) predicted in December 2023, in its coal report, that global coal demand would reach a historic high of 8.54 billion tons in 2023 due to continued strong demand from emerging and developing economies. With increased demand for steel and unforeseen challenges in hydro and nuclear power generation, coal demand is also rising, prompting major coal-producing countries like China and India to expand production.

Currently, orderbooks for bulk carriers account for approximately 9% of the total fleet, remaining at historically low levels. Clarkson's Dry Bulk Trade Outlook in March 2024 forecasts a modest 2.9% growth in overall bulk carrier tonnage in 2024. Additionally, as the world's commitments to green shipping become increasingly stringent, low-capacity growth will benefit the continuation of the shipping market's prosperity.

### 3. Competition advantage and the advantage, disadvantage, and countermeasure of development prospect

#### (1) The Company's competition advantage and the advantage of development prospect

##### A. Operational advantage

- a. Excellent team: The experienced and excellent management team grasps market opportunities at any time, pursues profit maximization, and flexibly adjusts the ratio of spot and long-term contracts.
- b. Transportation efficiency: Provide quality transportation services and diversified bulk carriers and replace old and outdated ships with new ones in a timely manner to keep the fleet rejuvenate and optimize transportation efficiency.
- c. Transportation quality: Select and cultivate excellent seafarers, maintain ships regularly, pass international certification (Rightship), and implement the "Fleet Safety Management System" that is jointly developed by U-Ming and Ericsson to provide customers with the best, safest, and most efficient transportation and management quality under the precondition of 100% navigation safety.
- d. Environmental Fleet: Continuously collaborating with major clients to expand the LNG/Ammonia/Methanol and other clean energy fleets, in line with world-class customer requirements for zero net carbon emissions in the shipping industry.
- e. Real-time information: The Company had established the "Business Intelligence Group" in 2021 to monitor market information in real time through visual charts, improve communication efficiency, help report readers see trends and abnormality easily, work closely with business units, provide salespersons with the most updated and accurate aspects and data so to help predict future trends and formulate more macroeconomic, effective, and valuable strategic plans for the reference of managerial officers in decision-making.

##### B. Strategic advantage

- a. Business expansion strategy:
  - I. Short-term: Grasp the best time for ship construction in the market, expand the fleet in a timely manner, and improve transportation capacity and cost competitiveness.
  - II. Long-term: Cooperate with customers who are with stable income, good reputation, and high quality so to reduce the risk of breach and ensure sound financial performance.
- b. Differentiation strategy:
  - I. Green Culture:
    - i. Green Energy Policy: Formulate the Environmental Management System (EMS) and the Ship Energy Efficiency Management Plan (SEEMP) to have the concept of environmental protection deeply rooted in the minds of colleagues. U-Ming's fleet has adopted and implemented the environmental management system ISO 14001; also, the average discharge of wastewater and waste from

ships is clearly defined in accordance with the “Environmental Management System Procedures.”

ii. Energy-saving ships: Order ships that are fueled with environmentally friendly energy, such as, liquefied natural gas (LNG) or ammonia/methanol-fuelled ships, and constantly control greenhouse gas emissions, and maintain a good marine ecological environment.

iii. Intelligent ships: In addition to obtaining the SMARTShip Notation certification from ship classification societies such as Japan's NK, Norway's DNV, Taiwan's CR, and France's BV, the FSM ship management platform has also been awarded the Singapore International Safety@ Sea Awards, proving U-Ming's leadership in digitalization and safety management in the industry. Through collaboration with the Finnish startup Groke, the platform integrates sensors and develops a situational awareness system, utilizing cutting-edge technology to enhance navigation safety, reduce the risk of ship collisions, and will continue to adhere to the highest fleet safety standards, and uphold U-Ming's sustainable commitment to a "safety first" culture.

iv. Environmental ships: U-Ming has a full-time unit to actively inquire about the latest regulations or regularly log in to the relevant websites of environmental protection laws to grasp the new and revised trends of the latest environmental protection regulations. In the face of various international maritime environmental regulations, U-Ming has made the most comprehensive preparations in advance.

II. The Company has made it a mission to become a global citizen, to fulfill corporate social responsibility, and to create a better society and a marine ecological environment through a joint effort.

(2) Unfavorable factors and countermeasures

A. Financing interest rate risk: The Company has bank loans negotiated for the newly ordered ships accordingly at an agreed long-term interest rate; therefore, the long-term loan costs will not be affected by fluctuations in market interest rates.

B. Risk of oil price fluctuations: The Company has actively controlled the fuel consumption of ships by slowing down sailing speed, and by constructing a new generation, energy-saving, highly efficient, and environmentally friendly ships so to reduce the impact of oil price fluctuations on operating costs.

C. Market Uncertainty Risk: Despite existing uncertainties in the economy, our company will continually monitor market information and maintain flexibility to adjust contract schedules proportionally. Looking ahead, we aim to set goals and visions, stay abreast of the times, make comprehensive preparations, focus on innovation and sustainability, and face the challenges of the global new landscape head-on.

4. Industry-specific key performance indicators

Unit: Points; NT\$ Thousand

KPI	Year	2022	2023	As of March 31, 2024
	Baltic Dry Index (BDI)	Highest	3,369	3,346
Lowest		965	530	1,308
Average		1,934	1,378	1,824
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)		7,468,413	7,394,134	2,241,313
Earnings per share (EPS) (NTD)		5.21	3.24	1.17

(II) Intended use and production process of main products: The Company is in the shipping service industry; therefore, it is not applicable.

(III) Supply of main raw materials: The Company is in the shipping service industry; therefore, it is not applicable.

(IV) Names and transactions of the suppliers (customers) who accounted for more than 10% of total purchases (sale) in any of the last two years

1. Information on major suppliers in the last two years

(1) The main purchase cost of the Company and the subsidiaries accounted for more than 10% of the consolidated operating cost in details:

Unit: NT\$ Thousand

Item	2022				2023				As of the last quarter of 2024			
	Name	Consolidated amount	Ratio to total net annual purchase (%)	Relation with the issuer	Name	Consolidated amount	Ratio to total net annual purchase (%)	Relation with the issuer	Name	Consolidated amount	Ratio to total net purchase as of the last quarter of current year (%)	Relation with the issuer
1	Marubeni Petroleum Co., Ltd	624,396	7	None	Sinopec Fuel Oil (Singapore) Pte Ltd.	674,578	6	None	Sinopec Fuel Oil (Singapore) Pte Ltd.	235,643	8	None
	Others	8,477,395	93	None	Others	10,318,785	94	None	Other	2,557,292	92	None
	Net operating costs	9,101,791	100		Net operating costs	10,993,363	100		Net operating costs	2,792,935	100	

Note: (1) The purchase of the ship fuel by the Company and the subsidiaries is adjusted mainly by referring to market supply and demand and price fluctuations, and taking into account the actual demand of the Company, resulting in an increase or decrease in the ratio of major suppliers accounted for the consolidated operating costs.

(2) The other suppliers were not accounted for more than 10% of the total purchase amount of the Company.

(2) The Company's main purchase cost accounted for more than 10% of the annual operating cost:

Unit: NT\$ Thousand

Item	2022				2023				As of the last quarter of 2024			
	Name	Amount	Ratio to total net annual purchase (%)	Relation with the issuer	Name	Amount	Ratio to total net annual purchase (%)	Relation with the issuer	Name	Amount	Ratio to total net purchase as of the last quarter of current year (%)	Relation with the issuer
1	Marubeni Petroleum Co., Ltd	185,471	17	None	CPC Corporation, Taiwan	144,160	10	None	Marubeni Petroleum Co., Ltd	43,408	13	None
2	CPC Corporation, Taiwan	166,675	15	None	Marubeni Petroleum Co., Ltd	138,727	9	None	CPC Corporation, Taiwan	37,027	11	None
	Others	724,233	68	None	Others	1,240,205	81	None	Others	248,463	76	None
	Net operating costs	1,076,379	100		Net operating costs	1,523,092	100		Net operating costs	328,898	100	

Note: (1) The purchase of the ship fuel by the Company is adjusted mainly by referring to market supply and demand and price fluctuations, and taking into account the actual demand of the Company, resulting in an increase or decrease in the ratio of major suppliers accounted for the operating costs.

(2) The other suppliers were not accounted for more than 10% of the total purchase amount of the Company.

## 2. Information on major customers in the last two years

(1) The operating income from the main customers of the Company and the subsidiaries accounted for more than 10% of the consolidated operating income in details:

Unit: NT\$ Thousand

Item	2022				2023				As of the last quarter of 2024			
	Name	Consolidated amount	Ratio to total net annual sales	Relation with the issuer	Name	Consolidated amount	Ratio to total net annual sales	Relation with the issuer	Name	Consolidated amount	Ratio to total net annual sales as of the last quarter of current year (%)	Relation with the issuer
1	Rio Tinto Shipping Pty Ltd.	1,426,530	10	None	Rio Tinto Shipping Pty Ltd.	2,007,800	14	None	Rio Tinto Shipping Pty Ltd.	851,169	22	None
2	BHP Billiton Freight Singapore Pte. Ltd.	1,393,791	10	None	Anglo American Marketing Ltd.	1,355,505	10	None	Anglo American Marketing Ltd.	467,524	12	None
3	Asia Cement Corporation	1,185,182	8	The major share holder	BHP Billiton Freight Singapore Pte. Ltd.	1,299,140	9	None	BHP Billiton Freight Singapore Pte. Ltd.	398,402	10	None
	Others	10,164,893	72	None	Others	9,713,028	67	None	Others	2,128,151	56	None
	Net operating income	14,170,396	100		Net operating income	14,375,473	100		Net operating income	3,845,246	100	

Note: (1) Some of the shipping services of the Company and the subsidiaries were adjusted flexibly according to market demand and the requests of customers, resulting in an increase or decrease in the ratio of major customers accounted for the consolidated operating income.

(2) The other customers were not accounted for more than 10% of the total sales of the Company.

(2) The operating income from the main customers of the Company accounted for more than 10% of the annual operating income in details:

Unit: NT\$ Thousand

Item	2022				2023				As of the last quarter of 2024			
	Name	Amount	Ratio to total annual sales (%)	Relations with the issuer	Name	Amount	Ratio to total annual sales (%)	Relations with the issuer	Name	Amount	Ratio to total net annual sales as of the last quarter of current year (%)	Relations with the issuer
1	Asia Cement Corporation	650,891	41	The major shareholder	Taiwan Power Company	1,115,614	60	None	Taiwan Power Company	238,937	55	None
2	Taiwan Power Company	461,114	29	None	Asia Cement Corporation	421,691	23	The major shareholder	Asia Cement Corporation	138,116	32	The major shareholder
3	U-Ming (Singapore)	276,863	17	Subsidiary	U-Ming (Singapore)	159,133	8	Subsidiary	U-Ming (Singapore)	31,379	7	Subsidiary
	Others	194,088	13	None	Others	177,333	9	None	others	25,212	6	None
	Net operating income	1,582,956	100		Net operating income	1,873,771	100		Net operating income	433,644	100	

Explanation: (1) Some of the shipping services of the Company were adjusted flexibly according to market demand and the requests of customers, resulting in an increase or decrease in the ratio of major customers accounted for the operating income.

(2) The other customers were not accounted for more than 10% of the total sales of the Company.

(V) The production volume and value of the last two years: The Company is in the shipping service industry; therefore, it is not applicable.

(VI) The shipping volume and value in the last two years

1. The consolidated cargo shipping volume of the Company and the subsidiaries in the last two years

Unit: Thousand tons

Cargo \ Year	2022				2023			
	The volume shipped by the Company	%	The consolidated shipping volume	%	The volume shipped by the Company	%	The consolidated shipping volume	%
<b>Cement</b>	2,768	69.2	2,890	9.3	2,539	67.0	2,539	6.5
<b>Iron ore</b>	0	0	20,223	65.2	0	0	25,016	64.2
<b>Coal</b>	1,234	30.8	5,796	18.7	1,248	33.0	8,023	20.6
<b>Others</b>	0	0	2,098	6.8	0	0	3,414	8.7
<b>Total</b>	4,002	100	31,007	100	3,787	100	38,992	100

2. The consolidated operating income for the last two years

Unit: NT\$ Thousand

Year	2022	2023
<b>Freight income</b>	13,863,935	14,113,634
<b>Other operating income</b>	306,461	261,839
<b>Total operating income</b>	14,170,396	14,375,473

**III. Employee Information****(I) Employees**

Year		2022	2023	As of April 30, 2024
<b>Number of employees</b>	Onshore	136	144	148
	Crew	1011	976	1010
	Others	0	0	0
	Total	1,147	1120	1158
<b>Average age</b>		38.32	36.74	37.05
<b>Average years of service</b>		5.55	4.56	4.78
<b>Education (%)</b>	PhD.	0.26	0.27	0.26
	Master	4.10	4.29	4.15
	Junior college	43.68	45.18	45.68
	Senior high school	5.93	4.73	5.01
	Below Senior high school	46.03	45.54	44.91

(II) The certification obtained by the Company's personnel who are responsible for information transparency according to the requirements of the competent authorities

1. Senior salespersons of securities firm: 3 persons in the Finance and Accounting Division
2. Trust personnel: 4 persons in the Finance, Accounting and Auditing Division
3. Certified Public Accountant of the R.O.C.: None
4. Enterprise internal control basic competency test: 3 persons in the Finance, Accounting and Auditing Division
5. International Internal Auditor: 1 person in the Auditing Division
6. International Computer Auditor: None

#### IV. Contribution to Environmental Protection

(I) Losses arising from environmental pollution in the most recent year and up to the annual report publication date:

On September 20, 2023, Asia Cement No. 3, suffered minor pollution at a distance of 6.6 nautical miles off the coast of Shimen, New Taipei City, due to the obsolescence of machinery and the heavy reliance on manual operation, leading to the failure to immediately activate the oil-water separator switch and the wastewater treatment alarm on board. Due to the appropriate emergency response by the company and the crew onboard, the Ocean Affairs Council imposed a minimum fine of NT\$300,000.

(II) Future countermeasures

1. Proposed corrective actions and estimated environmental capital expenditure

To address the pollution incident mentioned above, U-Ming immediately established a task force and completed the necessary improvements within the deadline set by the Ocean Affairs Council. Subsequently, personnel pollution prevention training was conducted again, and the relevant equipment of the old cement carriers was updated to ensure that the sewage pump cannot be started when the alarm is not activated, thereby preventing a recurrence of the incident.

2. Future countermeasures

- (1) The Company has received the International Oil Pollution Prevention (IOPP) Certificate from the International Association of Classification Societies for the ships owned by the Company.
- (2) The equipment installed on the Company's ships meets the requirements of International Maritime Organization (IMO); therefore, it meets the environmental pollution prevention standards.

## V. Labor Relations

(I) The Company's employee welfare measures, continuing education, training, retirement systems and their implementation; also, the labor-management agreements, and other protection measures for employees' rights

### 1. Employee benefit measures

- (1) The Company has established an employee welfare committee lawfully to handle employee welfare and to coordinate and promote welfare matters. Employees are encouraged to form social clubs, organize leisure events and sports, employee group tours, New Year's compensations, and other activities, including distributing birthday gift certificates, tour subsidies, etc. that help employees care for their physical and mental health and promote forming comradeship after work. The Company has scholarships for employees' and employees' children, subsidies for weddings, funerals, and hospitalization made available for the benefits of the employees.
- (2) The Company values the importance of employees' health; therefore, regularly arranges health checkups and lectures on physical and mental health, and applies for the "Work-Life Grant (WLG) Program by the Ministry of Labor" so to invest more resources in the physical and mental health care of employees. The Company applied for the "Badge of Accredited Healthy Workplace" to the National Health Administration's Healthy Workplace and got the certification in 2023.
- (3) In addition to arranging the labor insurance, employment insurance, and national health insurance lawfully, the Company also arranges group life insurance, medical insurance, accident insurance, director and key employee liability insurance, business traveling safety insurance, etc. to improve employee protection.
- (4) The Company cooperates with the nearby kindergartens in the name of the Group and in response to the measures of the affiliated enterprises to formulate preferential measures for childcare services.
- (5) The Company has completed the MLC2006 system certification, and handled matters in accordance with the International Labor Organization (ILO) 2006 Maritime Labor Convention (MLC2006) to improve the working and living conditions of seafarers on board. Seafarers work at sea all year round; therefore, in order to help them concentrate at work, in addition to providing them with a reasonable pay, the Company also values the importance of the seafarers' working environment, room and board, addition of leisure activities and instruments, and a harmonious labor relation.
- (6) The Company provides coffee machines and free tea bags for the enjoyment of colleagues. The Company's employees are entitled to the shopping discounts, meal subsidies, and various preferential benefits provided by the Group regularly.
- (7) The Company has formulated measures to commend the seniority of the seafarers and staff with prize and trophy awarded so to show appreciation to the senior personnel and retired staff, and to encourage employees to serve the Company with enthusiasm and to continue to serve. U-Ming appreciates the senior seafarers and staff for their contributions to the Company.
- (8) The Company was again awarded with the "Asia Best Employer Award", "Diversity, Equity & Inclusion Awards", "Digital Transformation Awards", and "Most Caring Company Awards" in 2023, which were arranged by HR Asia, a renowned human resources magazine in Asia. U-Ming Marine is the one and only bulk carrier operator in Taiwan that received such honor in three consecutive years. U-Ming Marine values the importance of caring for employees and teams, that is beyond the reach of others in this industry.

- (9) The Company has implemented an Employee Assistance Program (EAP) to take a proactive approach in preventing issues. Through professional counseling from our psychological counselors, we aim to assist employees in resolving their personal problems.

Please refer to the Company's website at <https://www.uming.com.tw/> for the relevant information.

## 2. Employee continuing education and training

- (1) The Company selects qualified employees to participate in various training courses of the annual training program arranged by the Human Resources Center of the Group according to the needs of the employees in performing job responsibilities and their personal development potential.
- (2) In order to expand the international horizon of colleagues and enhance business English reading, conversation, and writing skills, employees are selected to take English courses depending on the needs of their job responsibilities and their English fluency; also, supervisors are selected to take one-on-one training courses with English study subsidy provided; furthermore, colleagues are encouraged to participate in the English International Speech Club in order to improve their English fluency and create a learning atmosphere comprehensively. To meet business needs, a Japanese language training course has been established specifically for relevant business colleagues to strengthen their Japanese language skills and enhance the competitiveness of the company.
- (3) The Company selects employees to participate in various professional courses and seminars held by relevant training institutions occasionally so to improve their professional ability, absorb the latest information, and improve work efficiency. Furthermore, the Company subscribes "CommonWealth Magazine" reading account for employee's access to multiple learning channels in order to receive professional knowledge and practical information in different fields at anytime and anywhere.
- (4) The Company holds new recruits training programs to pass on the Company's culture and business philosophy and to substantiate the goal of talent cultivation.
- (5) U-Ming establishes the "proposal for improvement system" to encourage employees to propose ideas that are beneficial to the improvement of the Company's operations, to stimulate employees' potentials, and to increase productivity, quality, safety, efficiency, and morale so to achieve rationalization and simplification of work processes, and then to improve business strength. U-Ming encourages employees to propose innovative proposals continuously for the review and deliberation of the senior managers jointly with the feasible proposals selected for implementation; also, the productive proposers are then rewarded.
- (6) The Company has established a comprehensive database of rules and regulations in the SharePoint system and human resources system for the benefit of the employees to absorb new knowledge, improve work efficiency, and enhance personal competitiveness; also, has filtered and sorted out the latest government laws, rules and regulations, and professional knowledge for employees' reference and inquiry.
- (7) The Company arranges on-board traineeship and ship-shore rotation program as needed to help employees promptly understand the shipping-related knowledge and the practical operation of the fleet.
- (8) The Company arranges overseas training programs as needed to cultivate talents, help colleagues expand their public relations, absorb new knowledge, and improve their English fluency.

- (9) The Company arranges ISM Code education training and fire safety training courses regularly every year lawfully to help ship-shore colleagues familiarize with the working environment and to improve safety management.
- (10) The Company assigned employees to participate in the Company's professional occupational education and training courses with a total of 51 courses provided for a total of 1,153 hours, an expense of NT\$699 thousand, and a total of 120 participant-time incurred in 2023.
- (11) The Company arranges ISM Code education and training, occupational safety training, EMS environmental management system course, fire safety training course, and other shipping-related courses regularly every year to help employees get familiar with the work environment and improve safety management. The Company assigned seafarers to participate in the education and training courses for a total of 1,387 hours, a training expense of approximately NT\$5,715 thousand, and a total of 945 participant-time incurred in 2023.

Please refer to the Company's website at <https://www.uming.com.tw/> for the relevant information.

### 3. Employee retirement system

The Company has formulated the Employee Retirement Plan and Seafarer Retirement Plan in accordance with the Labor Standards Act, the Labor Pension Act, The Seafarer Act, the Maritime Act, and other relevant regulations; also, the employment, attendance evaluation, rewards and punishments, promotions, remuneration and benefits, and pension plan are clearly stipulated in the Company's "Work Rules."

The Company has a "Supervisory Committee of Business Entities' Labor Retirement Reserve" established to appropriate pension funds to the government-designated agencies for an amount equivalent to a certain percentage of the monthly salary; also, a review meeting is held regularly to supervise and review the use of pension funds so to fully protect the rights and interests of colleagues in retirement. In addition, for employees who choose to be subject to the Labor Pension Act, a pension reserve is appropriated in accordance with the monthly salary amount plus the additional appropriation at the discretion of each employee, which shall be deposited in the employee's personal pension account with the Bureau of Labor Insurance to protect the rights and interests of the employees. There were 0 employees and 3 seafarers retired in 2023.

Please refer to the Company's website at <https://www.uming.com.tw/> for the relevant information.

Please refer to the appendix of this annual report for the Company's pension information.

### 4. Labor-management agreement and various employee rights protection measures

The Company has personnel management regulations formulated to protect the rights and interests of employees in accordance with the Labor Standards Act, the Labor Pension Act, the Employment Services Act, and the Act of Gender Equality in Employment; also, it is submitted to the competent authority for future reference. On March 7, 2023, the Company passed the "Human Rights Policy" during the 19th Board of Directors' 4<sup>th</sup> meeting. Based on several international human rights conventions, we have developed and implemented a human rights policy that includes provisions such as working hour protection and benefits, equality and anti-discrimination, prohibition of child labor, non-forced labor, freedom of assembly and association, collective bargaining rights, maternal protection, and a healthy and safe workplace.

Relevant information is publicly disclosed in the company's website file section (<https://www.uming.com.tw/investors/Index.aspx?CID=IGC0007&ID=INV0016>).

## 5. Work environment and employee personal safety protection measures

- (1) The Company has organized an Occupational Safety and Health Office, an Occupational Safety Committee, and various safety measures, such as, firefighting facilities, emergency evacuation routes and reporting systems, etc. Also, for the prevention of occupational hazards and for the protection of employee' safety and health, the Company has formulated the Occupational Safety and Health Best Practice Principles in accordance with the Occupational Safety and Health Act and the ISM Code for the compliance of the employees and for securing a safe working environment and preparing for ISO 45001 system certification to enhance our management system.
- (2) The Company arranges competent colleagues to receive first-aid training courses and qualify as first-aid personnel lawfully. Also, hiring dedicated occupational health service medical personnel and implementing an Employee Assistance Program (EAP) for staff support., and to provide professional assistance related to the Company's occupational safety and consulting services on personal and physical health of office colleagues. Our company was honored with the "Workplace Sustainable Health and Safety" Excellence Award in 2023, as well as being recognized as one of the top 10% leading enterprises in "Health Workforce Sustainability" for the same year.
- (3) The Company regularly performs elevator, workplace environmental risk assessment, environmental monitoring and fire-fighting facility maintenance service and enhance access control and management; also, regularly arranges occupational safety training, license maintenance and fire drills to maintain personnel safety and enhance personnel professionalism.
- (4) The Company has formulated the "Measures of Prevention, Complain, and Punishment at Workplace" to protect employees and to create a harmonious relationship, prevent sexual harassment by employees, protect the rights and interests of employees, and arrange a harmonious and safe working environment. and regularly conducting hazard identification and risk assessment for unlawful infringements.
- (5) The Company performs regular health checkups lawfully, and implements health management according to the health checkup results and health analysis, to conducted to plan appropriate health promotion measures based on employees' health issues, aiming to improve their health status and achieve the goal of zero work-related injuries and illnesses by maintaining and promoting occupational safety.
- (6) The Company has a labor-management meeting arranged in 2017 to comply with laws and regulations and to protect the rights and interests of the employer and employees. The representative of the employer is to be designated by the Company while the representative of the employees is to be elected among themselves, which should be reported to the Department of Labor, Taipei City Government for future reference. A labor-management meeting shall be convened once in every 3-month lawfully to report and discuss labor-management related issues.
- (7) An AED (Automated External Defibrillator) has been installed in the office and emergency-related education and training are provided to prevent pre-hospital deaths and strive for critical interventions in the event of sudden illness. In addition to providing critical care equipment, knowledge, and skills, this also enhances employees' health awareness.

Please refer to the Company's website at <https://www.uming.com.tw/> for the relevant information and monthly occupational accident statistics.

## 6. Employee Code of Conduct or Ethics

The Company bases on the spirit of “sincerity, diligence, thrift, prudence, and innovation” to operate the business. “Sincerity” is good faith, “diligence” is industriousness, “thrift” is frugality, “prudence” is conservation, and “innovation” is to create new value for customers and shareholders continuously. Such spirit is part of the corporate culture and deeply rooted in the hearts of employees.

The Company’s “Ethical Corporate Management Best Practice Principles” and “Guidelines for the Adoption of Codes of Ethical Conduct” were approved at the 2<sup>nd</sup> Board meeting of the 16<sup>th</sup> term of office on August 12, 2013, and reported to the shareholders’ meeting on June 9, 2014. In addition, the amendments were made in response to the changes in laws and regulations and they were approved by the Board of Directors on May 7, 2020, and reported to the shareholders’ meeting on June 9, 2020. The Company has the “Ethical Corporate Management Best Practice Principles” and “Guidelines for the Adoption of Codes of Ethical Conduct” promoted to employees on the website for its implementation. In addition, the Company has established the “Human Resources-related Regulations” on the portal website of the human resources system for employees’ reference online, which contains the provisions related to employee code of conduct or ethics in details.

The Company’s “Work Rules” contains a clear definition of the code of conduct with an emphasis on the employee’s self-discipline, dedication to job duties, department heads’ responsibilities to train, lead, and evaluate their subordinates so to help them fully understand the code of conduct with the main specifications illustrated as follows:

- (1) The Company’s employees should comply with all legal rules of the Company and the reasonable guidance of their supervisors. Also, the Company’s employees must sign the “Loyalty Statement” every year; also, they are not allowed to have their own business practices or take a part-time job without the approval of the President.
- (2) Supervisors at all levels should evaluate the attendance of the subordinates seriously in accordance with the regulations impartially.
- (3) The Company’s employees should perform the respective duties truthfully without fear for and avoidance of hardship, assigning blames to others, or causing unreasonable delays.
- (4) The Company’s employees shall strive to fulfill their respective job duties, work hard, and commit no fault in disclosing business secrets or other information; may not disclose document, accounting books, and electronic files or make business-related statements publicly without the permission of the supervisor. All new recruits must sign the “Employees’ Using IT Equipment and Information Software Consent Form” and strictly comply with the relevant laws and regulations and network specifications.
- (5) The Company’s employees shall properly use and retain public property without committing any violation of waste, damage, alternation, or unauthorized personal use.

(II) The estimated current and future losses due to labor disputes in the most recent year and as of the annual report publication date, and the countermeasures: None

## VI. Information security management

(I) Information security risk management framework, information security policy, specific management plan, resources invested in information security management, etc.: U-Ming established its Information Security Committee in 2023, approved by the board of directors, to complete information security risk management through annual reviews. The committee comprises division heads and vice presidents from various units, including the Marine Division, Engineering & Material Division, Auditing Division, Administration Division, and etc. Members are selected to serve as the information security supervisor and dedicated personnel to comply with relevant regulations set by the Financial Supervisory Commission. Additionally, U-Ming has established the FSM and Digital Management Department to separately manage information, responsible for Ship Safety Management System and ship-side digitalization engineering. The Information Security Committee implements information security policy and has it maintained and adjusted in accordance with the PDCA cycle. The Company uses the information security equipment to connect to Far Eastern Group's network, and adopts the information security inheritance method to comply and control, for example, the use of Next-Generation Firewall (NGFW), WAF, IPS, and other equipment with monitoring function outsourced. The fleet does have the fixed and regularly revised network security procedures and Endpoint Detection and Response (EDR) system available for implementation; also, the fleet has routinely tested the security procedure and an infrastructure equipment available for virus prevention, scanning, and blocking external attacks. There will be more equipment and software refined continuously and adopted, when necessary, after an evaluation and deliberation.

(II) If the losses, possible impacts and countermeasures of major information security incidents cannot be reasonably estimated in the most recent year and up to the annual report publication date, such fact should be explained in detail: None

**VII. Major Contracts**

Nature of contract	Counterparty	Contract duration	Main contents	Restrictive clauses
<b>Long-term contract of affreightment</b>	Asia Cement Corporation	1.2023 ~ 12.2023	Cement import and export shipping operation	No
	Weltrans Marine Services Inc	1.2023 ~ 12.2023	Cement export shipping operation	No
	Taiwan Power Company	5.2020~ 4.2024	Asia-Pacific imported thermal coal shipping operation (Panama bulk carrier)	No
		1.2023~ 12.2026	Asia-Pacific imported thermal coal shipping operation (Panama bulk carrier)	No
	Vale international S.A.	6.2020 ~ 9.2045	Brazil to China Iron Ore shipping (Very Large Ore Bulk Carrier) operation	No
	Anglo American Shipping Pte Ltd	12.2022~3.2033	LNG dual-fuel powered bulk carriers 10 years shipping operation	No
<b>Chartered carrier contract</b>	Taiwan Power Company	4.2022 ~ 3.2027	Chartered coal currier operation of "TAIPOWER PROSPERITY V"	No
		5.2022 ~ 4.2027	Chartered coal currier operation of "TAIPOWER PROSPERITY VI"	No
		8.2022~ 7.2027	Chartered coal currier operation of "TAIPOWER PROSPERITY VII"	No
		10.2022 ~ 9.2027	Chartered coal currier operation of "TAIPOWER PROSPERITY VIII"	No
<b>Bulk carrier construction contract</b>	Bodewes International Shipbuilding B.V.	12.2021~4.2024	Cement carrier construction contract	No
	Sumec Marine, New Dayang Shipbuilding	7.2022~4.2025	Bulk carrier construction contract	No

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Nature of contract	Counterparty	Contract duration	Main contents	Restrictive clauses
<b>Long-term loan agreement</b>	Chang Hwa Bank	12.2020 ~ 12.2025	Facility Agreement	No
	Taiwan Cooperative Bank	11.2023 ~ 11.2026	Facility Agreement	No
	Mega International Commercial Bank	7.2019 ~ 7.2024	Mid-term and long-term Facility Agreement	No
		9.2022 ~ 9.2025	Mid-term and long-term Facility Agreement	No
		8.2023 ~ 8.2028	Mid-term and long-term Facility Agreement	No
		11.2023 ~ 11.2028	Mid-term and long-term Facility Agreement	No
	Bank of Taiwan	3.2022 ~ 3.2025	Facility Agreement	No
		6.2022 ~ 6.2025	Facility Agreement	No
	Export-Import Bank of the Republic of China	3.2022 ~ 3.2025	Facility Agreement	No
		8.2022 ~ 8.2032	Facility Agreement	No
	CTBC Bank	9.2022 ~ 9.2027	Facility Agreement	No
	CTBC Bank, Singapore Branch	1.2014 ~ 1.2024	Facility Agreement, Deed of Covenants and Assignment	No
	ANZ Bank (OBU)	1.2017 ~ 1.2024	Facility Agreement, Deed of Covenants and Assignment	No
	ANZ Bank Singapore Branch	4.2022 ~ 4.2027	Facility Agreement, Deed of Covenants and Assignment	No
	Japan Bank for International Cooperation, Citibank Tokyo Branch	9.2015 ~ 1.2024	Loan Agreement, Deed of Covenants, Security Assignment	No
	Chang Hwa Bank (OBU)	8.2021 ~ 2.2033	Facility Agreement, Deed of Covenants and Assignment	No
		8.2021 ~ 2.2033	Facility Agreement, Deed of Covenants and Assignment	No
		4.2022 ~ 7.2033	Facility Agreement, Deed of Covenants and Assignment	No
		4.2022 ~ 1.2034	Facility Agreement, Deed of Covenants and Assignment	No
	Mega International Commercial Bank (OBU)	9.2020 ~ 9.2027	Loan Agreement, Deed of Covenants	No
		9.2021 ~ 12.2032	Loan Agreement, Deed of Covenants and Assignment	No
	E.Sun Bank(OBU)	12.2021 ~ 3.2033	Facility Agreement, Deed of Covenants and Assignment	No
	Bank of Taiwan (OBU)	12.2015 ~ 12.2025	Facility Agreement, Deed of Covenants and Assignment	No
	Shin Kong Commercial Bank (OBU)	12.2020 ~ 12.2027	Facility agreement	No
	Hua Nan Commercial Bank (OBU)	12.2021 ~ 12.2032	Facility Agreement, Deed of Covenants and Assignment	No
		12.2021 ~ 1.2033	Facility Agreement, Deed of Covenants and Assignment	No
	OCBC Singapore Branch	12.2021 ~ 3.2033	Facility Agreement, Deed of Covenants and Assignment	No
12.2021 ~ 4.2033		Facility Agreement, Deed of Covenants and Assignment	No	

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<b>Nature of contract</b>	<b>Counterparty</b>	<b>Contract duration</b>	<b>Main contents</b>	<b>Restrictive clauses</b>
<b>Long-term loan agreement</b>	Mega International Commercial Bank Cheng Chung Branch	12.2022~12.2032	Mid-term and long-term Facility Agreement, Deed of Covenants and Assignment	No
	BNP Singapore Branch	30.3.2022~30.3.2032	Facility Agreement	No

**Six Financial summary****I. Condensed Balance Sheet and Comprehensive Income Statement for the Last Five Years, and the independent auditors' opinions****(I) Condensed Balance Sheet and Comprehensive Income Statement - IFRS****1. Condensed Balance Sheet - Consolidated Information**

Unit: NT\$ Thousand

Item	Year	Financial data of the last five years					Financial data as of March 31, 2024 (Note 1)
		2019	2020	2021	2022	2023	
<b>Current assets</b>		\$ 26,488,828	\$ 23,253,691	\$ 24,378,142	\$ 26,084,677	\$ 25,427,414	\$ 27,645,897
<b>Property, plant and equipment</b>		27,933,249	29,114,345	27,255,637	32,380,475	43,810,923	44,799,389
<b>Intangible assets</b>		58,799	47,038	73,646	60,191	39,287	36,389
<b>Other assets</b>		7,778,101	8,227,413	10,571,756	17,901,047	11,356,317	12,236,919
<b>Total assets</b>		62,258,977	60,642,487	62,279,181	76,426,390	80,633,941	84,718,594
<b>Current liabilities</b>	<b>Before appropriation</b>	14,777,745	18,389,962	17,938,423	16,538,576	17,676,065	18,707,541
	<b>After appropriation</b>	16,383,351	19,404,029	20,473,590	19,073,743	-	-
<b>Noncurrent liabilities</b>		20,636,673	19,077,031	18,482,040	26,987,311	29,134,728	28,149,871
<b>Total liabilities</b>	<b>Before appropriation</b>	35,414,418	37,466,993	36,420,463	43,525,887	46,810,793	46,857,412
	<b>After appropriation</b>	37,020,024	38,481,060	38,955,630	46,061,054	-	-
<b>Shareholders' equity attributable to parent company</b>		26,844,559	23,175,494	25,858,718	32,705,309	33,697,999	37,741,079
<b>Capital stock</b>		8,450,557	8,450,557	8,450,557	8,450,557	8,450,557	8,450,557
<b>Additional paid-in capital</b>		115,152	115,163	115,150	118,545	119,009	119,304
<b>Retained earnings</b>	<b>Before appropriation</b>	16,363,410	15,632,571	19,520,906	21,413,369	21,615,428	22,650,038
	<b>After appropriation</b>	14,757,804	14,618,504	16,985,739	18,878,202	-	-
<b>Other equity</b>		1,915,440	(1,022,797)	(2,227,895)	2,722,838	3,513,005	6,521,180
<b>Treasury stock</b>		0	0	0	0	0	0
<b>Non-controlling equity</b>		0	0	0	195,194	125,149	120,103
<b>Total equity</b>	<b>Before appropriation</b>	26,844,559	23,175,494	25,858,718	32,900,503	33,823,148	37,861,182
	<b>After appropriation</b>	25,238,953	22,161,427	23,323,551	30,365,336	-	-

Note 1: The financial information as of March 31, 2024 was reviewed by the independent auditor.

## 2. Condensed Comprehensive Income Statement - Consolidated Information

Unit: NT\$ Thousands, except for earnings per share in NTD

Item \ Year	Financial data of the last five years					Financial data as of March 31, 2024 (Note 1)
	2019	2020	2021	2022	2023	
Operating income	\$10,067,914	\$ 8,507,364	\$ 14,012,433	\$ 14,170,396	\$ 14,375,473	\$ 3,845,246
Gross profit	1,894,708	935,555	4,432,008	5,068,605	3,382,110	1,052,311
Operating profit and loss	1,455,727	509,343	3,816,117	4,339,228	2,707,935	886,705
Non-operating profit and loss	284,073	323,509	1,093,431	133,712	( 55,947)	135,257
Net income before tax	1,739,800	832,852	4,909,548	4,472,940	2,651,988	1,021,962
Net income of the continuing business entity	1,621,695	878,425	4,892,584	4,406,169	2,668,870	983,123
Loss of the discontinued business entity	0	0	0	0	0	0
Net income	1,621,695	878,425	4,892,584	4,406,169	2,668,870	983,123
Other comprehensive profit and loss (net amount) - current	1,118,819	( 2,941,713)	( 1,194,945)	4,974,081	788,491	3,054,188
Total profit and loss - current	2,740,514	( 2,063,288)	3,697,639	9,380,250	3,457,361	4,037,311
Net income attributable to parent company	1,621,695	878,425	4,892,584	4,404,312	2,738,915	988,169
Net income attributable to non-controlling equity	0	0	0	1,857	( 70,045)	( 5,046)
Total profit and loss attributable to shareholders' equity of parent company	2,740,514	( 2,063,288)	3,697,639	9,378,393	3,527,406	4,042,357
Total profit and loss attributable to non-controlling equity	0	0	0	1,857	( 70,045)	( 5,046)
Earnings per share	1.92	1.04	5.79	5.21	3.24	1.17

Note 1: The financial information as of March 31, 2024 was reviewed by the independent auditor.

## 3. Condensed Balance Sheet – Standalone Company Information

Unit: NT\$ Thousand

Item		Year	Financial data of the last five years				
			2019	2020	2021	2022	2023
<b>Current assets</b>			\$ 2,225,116	\$ 2,088,840	\$ 2,156,201	\$ 2,539,272	\$ 2,728,912
<b>Property, plant and equipment</b>			839,966	846,584	939,253	1,867,966	1,698,025
<b>Intangible assets</b>			56,274	43,742	71,511	59,007	39,287
<b>Other assets</b>			48,698,722	46,647,179	50,648,929	57,214,686	59,336,020
<b>Total assets</b>			51,820,078	49,626,345	53,815,894	61,680,931	63,802,244
<b>Current liabilities</b>	<b>Before appropriation</b>		11,281,141	14,349,470	14,284,980	12,443,399	13,783,807
	<b>After appropriation</b>		12,886,747	15,363,537	16,820,147	14,978,566	-
<b>Noncurrent liabilities</b>			13,694,378	12,101,381	13,672,196	16,532,223	16,320,438
<b>Total liabilities</b>	<b>Before appropriation</b>		24,975,519	26,450,851	27,957,176	28,975,622	30,104,245
	<b>After appropriation</b>		26,581,125	27,464,918	30,492,343	31,510,789	-
<b>Shareholders' equity attributable to parent company</b>			26,844,559	23,175,494	25,858,718	32,705,309	33,697,999
<b>Capital stock</b>			8,450,557	8,450,557	8,450,557	8,450,557	8,450,557
<b>Additional paid-in capital</b>			115,152	115,163	115,150	118,545	119,009
<b>Retained earnings</b>	<b>Before appropriation</b>		16,363,410	15,632,571	19,520,906	21,413,369	21,615,428
	<b>After appropriation</b>		14,757,804	14,618,504	16,985,739	18,878,202	-
<b>Other equity</b>			1,915,440	( 1,022,797)	( 2,227,895)	2,722,838	3,513,005
<b>Treasury stock</b>			0	0	0	0	0
<b>Non-controlling equity</b>			0	0	0	0	0
<b>Total equity</b>	<b>Before appropriation</b>		26,844,559	23,175,494	25,858,718	32,705,309	33,697,999
	<b>After appropriation</b>		25,238,953	22,161,427	23,323,551	30,170,142	-

## 4. Condensed Comprehensive Income Statement – Standalone Company Information

Unit: NT\$ Thousands, except for earnings per share in NTD

Item	Year	Financial data of the last five years				
		2019	2020	2021	2022	2023
Operating income		1,062,972	1,039,426	1,660,430	1,582,956	1,873,771
Gross profit		135,659	200,072	212,018	506,577	350,679
Operating profit and loss		( 166,205)	( 83,596)	( 245,555)	53,406	( 72,491)
Non-operating income and loss		1,890,056	905,795	5,138,630	4,392,258	2,774,413
Net income before tax		1,723,851	822,199	4,893,075	4,445,664	2,701,922
Net income of the continuing business entity		1,621,695	878,425	4,892,584	4,404,312	2,738,915
Loss of the discontinued business entity		0	0	0	0	0
Net income		1,621,695	878,425	4,892,584	4,404,312	2,738,915
Other comprehensive profit and loss (after tax) - current		1,118,819	(2,941,713)	(1,194,945)	4,974,081	788,491
Total comprehensive profit and loss – current		2,740,514	(2,063,288)	3,697,639	9,378,393	3,527,406
Earnings per share		1.92	1.04	5.79	5.21	3.24

## (II) Independent auditor's opinion of the last five years

Year	CPA Firm	Independent auditors	Audit opinion
2019	Deloitte & Touche	Zhen-Ming Li, Li-Wen Guo	Unqualified opinion
2020	Deloitte & Touche	Zhen-Ming Li, Yi-Wen Wang	Unqualified opinion
2021	Deloitte & Touche	Wen-Ching Lin, Yi-Wen Wang	Unqualified opinion
2022	Deloitte & Touche	Wen-Ching Lin, Xin-Wei Tai	Unqualified opinion
2023	Deloitte & Touche	Wen-Ching Lin, Xin-Wei Tai	Unqualified opinion

## II. Financial analysis for the last five years

### (I) Financial analysis - IFRSs

#### 1. Consolidated financial ratio analysis

Analysis item		Financial analysis of the last five years					As of March 31, 2024 (Note 1)
		2019	2020	2021	2022	2023	
Financial structure	Ratio of liabilities to assets (%)	56.88	61.78	58.48	56.95	58.05	55.31
	Ratio of long-term fund to property, plant and equipment (%)	169.98	145.13	162.68	184.35	143.42	147.08
Solvency	Current ratio (%)	179.25	126.45	135.90	157.72	143.85	147.78
	Quick ratio (%)	175.06	123.98	131.93	153.99	139.86	143.59
	Interest earned ratio (times)	3.81	3.02	15.20	8.85	2.80	3.77
Operating ability	Accounts receivable turnover (times)	27.20	23.46	29.69	19.79	16.30	4.13
	Average days sales in accounts receivable	13.42	15.56	12.29	18.44	22.39	21.78
	Inventory turnover (times)	NA					
	Accounts payable turnover (times)	NA					
	Average days in sales	NA					
	Property, plant and equipment turnover (times)	0.35	0.30	0.50	0.48	0.38	0.09
	Total assets turnover (times)	0.16	0.14	0.23	0.20	0.18	0.05
Profitability	Ratio of return on total assets (%)	3.37	1.97	8.41	7.01	4.90	1.55
	Ratio of return on shareholders' equity (%)	6.18	3.51	19.96	15.05	8.04	2.75
	Ratio of net income before tax to paid-in capital (%)	20.59	9.86	58.10	52.93	31.38	12.09
	Profit ratio (%)	16.11	10.33	34.92	31.09	18.57	25.57
	Earnings per share (NTD)	1.92	1.04	5.79	5.21	3.24	1.17
Cash flows	Cash flow ratio (%)	30.58	18.75	32.97	37.97	32.31	8.92
	Cash flow adequacy ratio (%)	63.61	69.85	77.56	72.27	64.85	62.97
	Cash re-investment ratio (%)	4.89	3.21	8.45	4.94	3.91	1.94
Leverage	Operation leverage	4.49	10.95	2.46	2.22	3.38	2.86
	Financial leverage	1.74	5.24	1.10	1.15	2.19	1.71

#### Analysis of changes in financial ratios exceeding 20% in the last two years:

- The decrease in ratio of long-term fund to property, plant and equipment was mainly due to the increase in the net property, plant and equipment in 2023 from the year of 2022.
- The decrease in interest earned ratio was mainly due to the increase in interest expenses in 2023 from the year of 2022.
- The decrease in property, plant and equipment turnover and the increase in average days sales in accounts receivable were mainly due to the increase in average net receivables and net property, plant and equipment in 2023 from the year of 2022.
- The decrease in ratio of return on total assets, ratio of return on shareholders' equity, ratio of net income before tax to paid-in capital, profit ratio and earnings per share were mainly due to the increase in operating costs in 2023 from the year of 2022; therefore, the lower profit from operations, profit before income tax and net profit for the year relatively.
- The decrease in cash re-investment ratio was mainly due to the increase in gross property, plant and equipment in 2023 from the year of 2022.
- The increase in operation leverage and financial leverage were mainly due to the decline in shipping freight rates in 2023, as well as the global economic slowdown, which has been affected by prolonged recession, high inflation, labor shortages, geopolitical turmoil, and other factors. Freight costs have increased, resulting in a decrease in gross profit and a relative decrease in profit from operations.

Note 1: The operating income after deducting interest expenses is negative; therefore, it is excluded.

2. Standalone financial ratio analysis

Analysis items		Year	Financial analysis of the last five years				
			2019	2020	2021	2022	2023
<b>Financial structure</b>	Ratio of liabilities to assets (%)		48.20	53.30	51.95	46.98	47.18
	Ratio of long-term fund to property, plant and equipment		4,826.26	4,166.97	4,208.76	2,635.89	2,945.68
<b>Solvency</b>	Current ratio (%)		19.72	14.56	15.09	20.41	19.80
	Quick ratio (%)		19.10	14.29	14.72	20.02	19.20
	Interest earned ratio (times)		7.34	4.43	21.44	14.04	6.28
<b>Operating ability</b>	Accounts receivable turnover (time)		13.63	13.76	20.93	10.77	9.71
	Average days sales in accounts receivable		27	27	17	34	38
	Inventory turnover (time)		NA				
	Accounts payable turnover (time)		NA				
	Average days of sales		NA				
	Property, plant and equipment turnover (times)		1.24	1.23	1.86	1.13	1.05
	Total assets turnover (time)		0.02	0.02	0.03	0.03	0.03
<b>Profitability</b>	Ratio of return on total assets (%)		3.54	2.11	9.83	8.10	5.02
	Ratio of return on shareholders' equity (%)		6.18	3.51	19.96	15.04	8.25
	Ratio of net income before tax to paid-in capital (%)		20.40	9.73	57.90	52.61	31.97
	Profit ratio (%)		152.56	84.51	294.66	278.23	146.17
	Earnings per share (NTD)		1.92	1.04	5.79	5.21	3.24
<b>Cash flow</b>	Cash flow ratio (%)		(0.84)	0.29	0.02	0.58	(0.58)
	Cash flow adequacy ratio (%)		(5.41)	(14.72)	(12.60)	(0.72)	(0.83)
	Cash re-investment ratio (%)		(Note 4)	(Note 4)	(Note 4)	(Note 4)	(Note 4)
<b>Leverage</b>	Operation leverage		(Note 2)	(Note 2)	(Note 2)	12.37	(Note 2)
	Financial leverage		(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)

**Analysis of changes in financial ratios exceeding 20% in the last two years:**

- The decrease in interest earned ratio was mainly due to the increase in interest expenses in 2023 from the year of 2022.
- The decrease in ratio of return on total assets, ratio of return on shareholders' equity, ratio of net income before tax to paid-in capital, profit ratio and earnings per share were mainly due to the increase in operating costs in 2023 from the year of 2022; therefore, the lower profit from operations, profit before income tax and net profit for the year relatively.
- The decrease in cash flow ratio was mainly due to the decrease in net cash generated from operating activities in 2023 from the year of 2022.
- The decrease in operation leverage was mainly due to the decrease in profit from operations in 2023 from the year of 2022.

Note 1: The financial information as of March 31, 2024 is based on International Financial Reporting Standards (IFRSs) and has been reviewed by independent auditors.

Note 2: The ratio is zero or negative.

Note 3: The operating income after deducting interest expenses is negative; therefore, it is excluded.

Note 4: The net cash flow from operating activities after deducting cash dividends is negative.

Note 5: The calculation formula of financial analysis is as follows:

1. Financial structure

- (1) Ratio of liabilities to assets = Total liabilities/total assets
- (2) Ratio of long-term funds to property, plant and equipment = (Total equity + noncurrent 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) Interest earned ratio (times) = Net income before income tax and interest expense / interest expense for the current period

3. Operating ability

- (1) Accounts receivable (including accounts receivable and notes receivable arising from business operations) turnover ratio = Net sales / average receivables in each period (including accounts receivable and note receivable arising from business operations)
- (2) Average days sales in accounts receivable = 365/accounts receivable turnover (times)
- (3) Inventory turnover (times) = Cost of goods sold / average inventory
- (4) Accounts payable (including accounts payable and notes payable arising from business operations) turnover ratio = Cost of goods sold / average payables in each period (including accounts payable and notes payable arising from business operations)
- (5) Average days in sales = 365/inventory turnover (times)
- (6) Property, plant and equipment turnover (times) = Net sales/average net property, plant and equipment
- (7) Total asset turnover (times) = Net sales / average total assets

4. Profitability

- (1) Ratio of return on total assets = [Net income (loss) + interest expense × (1-tax rate)]/average total assets
- (2) Ratio of return on shareholders' equity = Net income (loss) / average net equity
- (3) Profit ratio = Net income (loss) / net sales
- (4) Earnings per share = (Profit or loss attributable to shareholders of parent company – preferred stock dividend) / weighted average outstanding shares

5. Cash flows

- (1) Cash flow ratio = Net cash flow from operating activities / current liabilities
- (2) Net cash flow adequacy ratio = Net cash flow from operating activities in the last five years / (capital expenditure + inventory increase + cash dividends) in the last five years
- (3) Cash re-investment ratio = (Net cash flow from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other noncurrent assets + working capital)

6. Leverage

- (1) Operation leverage = (Net operating income - variable operating costs and expenses) / operating profit.
- (2) Financial leverage = Operating profit / (operating profit - interest expense)

### III. Audit Committee's Review Report on the Latest Financial Statements

#### Audit Committee's Review Report on 2023 Business and Financial Statements

The Board of Directors have prepared and submitted to us the Company's 2023 Business Reports, the Financial Statements and the Proposal for Earnings Distribution of 2023 with approval and the Financial Statements have also been audited by the CPAs Wen-Ching Lin and Xin-Wei Tai of Deloitte and Touche Co. The above reports, financial statements, and proposal have been further examined as conforming the Company Act and related law by the undersigned Supervisors of U-Ming Marine Transport Corp.

According to Article 219 of the Company Act., we hereby submit this report.

To  
2024 Shareholders' Meeting of U-Ming Marine Transport Corp.

Audit Committee Convener: CHU, Shao-Hua

Date: March 6, 2024



**IV. Latest Financial Report**

(The full version of financial statements is available at the appendix of the annual report and the Market Observation Post System website)

**INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
U-Ming Marine Transport Corporation

**Opinion**

We have audited the accompanying consolidated financial statements of U-Ming Marine Transport Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 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 and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

**Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the 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 Group 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 consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Stage of Completion of Freight Contracts

The Group's freight revenue is recognized by reference to the stage of completion of the contract. Because management is required to exercise judgments and to have estimates to a certain extent when measuring and calculating the stage of completion of freight contracts, revenue recognition and measurement might be affected by the selection and application of calculation methods; therefore, the determination of the stage of completion of freight contracts was deemed to be a key audit matter. Refer to Note 5 to the consolidated financial statements: Material accounting judgments and key sources of estimation uncertainty for information on the stage of completion of freight contracts.

The main audit procedures that we performed in respect of the key audit matter stated above were as follows:

1. We obtained an understanding of and tested the design and implementation of the key controls over the recognition of freight revenue.
2. We obtained relevant documents and understood the determination of the stage of completion of freight contracts, and we confirmed that the calculation method was appropriate and applied consistently.
3. We verified the management's calculation of the percentage of voyages and freight revenue by collating the information on actual voyages, entering/departing reports, sailing schedules and freight contracts.

### **Other Matter**

We have also audited the parent company only financial statements of U-Ming Marine Transport Corporation as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

### **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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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 maintain 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 and appropriate audit evidence regarding the financial information of 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 for the year ended December 31, 2023, 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.

The engagement partners on the audits resulting in this independent auditors' report are Wen-Ching Lin and Xin-Wei Tai.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 6, 2024

#### Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

## U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 6 and 24)	\$ 13,499,793	17	\$ 14,558,599	19
Financial assets at fair value through profit or loss (Notes 7 and 24)	1,317,154	2	1,454,502	2
Financial assets at fair value through other comprehensive income (Notes 8, 24 and 25)	7,921,478	10	7,398,815	10
Financial assets at amortized cost	160,764	-	393,316	1
Contract assets (Notes 18 and 24)	437,283	1	208,995	-
Trade receivables from unrelated parties (Note 9)	836,651	1	763,260	1
Trade receivables from related parties (Notes 9 and 24)	16,402	-	147,259	-
Other receivables (Note 24)	325,975	-	380,089	-
Fuel inventory	606,769	1	524,841	1
Other current assets	305,145	-	255,001	-
Total current assets	<u>25,427,414</u>	<u>32</u>	<u>26,084,677</u>	<u>34</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income (Note 8)	2,397,502	3	2,265,992	3
Financial assets at amortized cost	1,762,785	2	1,407,451	2
Investments accounted for using the equity method (Notes 11 and 24)	4,840,703	6	4,637,204	6
Property, plant and equipment (Notes 12, 25 and 26)	43,810,923	54	32,380,475	42
Intangible assets	39,287	-	60,191	-
Deferred tax assets (Note 20)	1,820	-	3,472	-
Prepayments for equipment (Notes 12 and 26)	1,859,564	2	9,137,927	12
Refundable deposits (Notes 24 and 25)	98,913	-	60,668	-
Long-term receivables from related parties (Note 24)	395,030	1	388,333	1
Total non-current assets	<u>55,206,527</u>	<u>68</u>	<u>50,341,713</u>	<u>66</u>
<b>TOTAL</b>	<u>\$ 80,633,941</u>	<u>100</u>	<u>\$ 76,426,390</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 14, 24 and 25)	\$ 10,672,000	13	\$ 7,367,000	10
Short-term bills payable (Notes 14 and 25)	1,459,349	2	3,819,551	5
Financial liabilities at fair value through profit or loss (Note 7)	1,292	-	3,191	-
Trade payables (Note 24)	246,100	-	242,772	-
Other payables (Note 15)	1,069,067	1	1,085,905	2
Current tax liabilities (Note 20)	203,024	-	39,232	-
Current portion of long-term borrowings (Notes 14 and 25)	3,660,187	5	3,714,757	5
Other current liabilities (Notes 18 and 24)	365,046	1	266,168	-
Total current liabilities	<u>17,676,065</u>	<u>22</u>	<u>16,538,576</u>	<u>22</u>
<b>NON-CURRENT LIABILITIES</b>				
Bank loans (Notes 14 and 25)	29,032,073	36	26,686,484	35
Deferred tax liabilities (Note 20)	13,989	-	216,892	-
Net defined benefit liabilities (Note 16)	88,666	-	83,935	-
Total non-current liabilities	<u>29,134,728</u>	<u>36</u>	<u>26,987,311</u>	<u>35</u>
Total liabilities	<u>46,810,793</u>	<u>58</u>	<u>43,525,887</u>	<u>57</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 17)</b>				
Common share capital	8,450,557	11	8,450,557	11
Capital surplus	119,009	-	118,545	-
Retained earnings				
Legal reserve	7,897,055	10	7,454,292	10
Special reserve	-	-	2,227,895	3
Unappropriated earnings	13,718,373	17	11,731,182	15
Total retained earnings	21,615,428	27	21,413,369	28
Other equity	3,513,005	4	2,722,838	4
Total equity attributable to owners of the company	33,697,999	42	32,705,309	43
<b>NON-CONTROLLING INTERESTS</b>				
	125,149	-	195,194	-
Total equity	<u>33,823,148</u>	<u>42</u>	<u>32,900,503</u>	<u>43</u>
<b>TOTAL</b>	<u>\$ 80,633,941</u>	<u>100</u>	<u>\$ 76,426,390</u>	<u>100</u>

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

# U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
<b>OPERATING REVENUE</b>				
Freight revenue (Notes 18 and 24)	\$ 14,113,634	98	\$ 13,863,935	98
Other operating revenue (Note 19)	<u>261,839</u>	<u>2</u>	<u>306,461</u>	<u>2</u>
Total operating revenue	<u>14,375,473</u>	<u>100</u>	<u>14,170,396</u>	<u>100</u>
<b>OPERATING COSTS</b>				
Freight cost (Notes 19 and 24)	<u>10,993,363</u>	<u>76</u>	<u>9,101,791</u>	<u>64</u>
GROSS PROFIT	3,382,110	24	5,068,605	36
OPERATING EXPENSES (Notes 9, 19 and 24)	<u>674,175</u>	<u>5</u>	<u>729,377</u>	<u>5</u>
PROFIT FROM OPERATIONS	<u>2,707,935</u>	<u>19</u>	<u>4,339,228</u>	<u>31</u>
<b>NON-OPERATING INCOME AND EXPENSES</b>				
Other income (Note 24)	15,568	-	23,819	-
Finance costs	(1,472,927)	(10)	(570,032)	(4)
Share of the profit or loss of associates (Note 11)	273,042	2	177,899	1
Interest income	786,776	6	338,338	2
Dividend income	199,541	1	209,221	2
Gain on disposal of property, plant and equipment	4,705	-	98,717	1
Net gain on foreign currency exchange	13,450	-	19,237	-
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	214,004	2	(142,007)	(1)
Other losses	(10,864)	-	(21,480)	-
Impairment loss	<u>(79,242)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
Total non-operating income and expenses	<u>(55,947)</u>	<u>-</u>	<u>133,712</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	2,651,988	19	4,472,940	32
INCOME TAX (BENEFIT) EXPENSE (Note 20)	<u>(16,882)</u>	<u>-</u>	<u>66,771</u>	<u>1</u>
NET PROFIT FOR THE YEAR	<u>2,668,870</u>	<u>19</u>	<u>4,406,169</u>	<u>31</u>

(Continued)

# U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
<b>OTHER COMPREHENSIVE INCOME</b>				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 16)	\$ (12,325)	-	\$ 22,530	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	769,389	5	135,394	1
Share of other comprehensive income of associates accounted for using the equity method	12,961	-	16,446	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	21,508	-	4,658,564	33
Share of other comprehensive (loss) income of associates accounted for using the equity method	(3,042)	-	141,147	1
Other comprehensive income for the year, net of income tax	788,491	5	4,974,081	35
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>\$ 3,457,361</u>	<u>24</u>	<u>\$ 9,380,250</u>	<u>66</u>
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO</b>				
Owners of the Company	\$ 2,738,915	19	\$ 4,404,312	31
Non-controlling interests	(70,045)	-	1,857	-
	<u>\$ 2,668,870</u>	<u>19</u>	<u>\$ 4,406,169</u>	<u>31</u>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>				
Owners of the Company	\$ 3,527,406	25	\$ 9,378,393	66
Non-controlling interests	(70,045)	(1)	1,857	-
	<u>\$ 3,457,361</u>	<u>24</u>	<u>\$ 9,380,250</u>	<u>66</u>
<b>EARNINGS PER SHARE (Note 21)</b>				
Basic	<u>\$ 3.24</u>		<u>\$ 5.21</u>	
Diluted	<u>\$ 3.24</u>		<u>\$ 5.21</u>	

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

## U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company					Other Equity					Total Equity to Owners of the Company	Non-controlling Interests	Total Equity	
	Common Share Capital	Capital Surplus	Retained Earnings		Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Gain (Loss) on Hedging Instruments		Gain on Property Revaluation				Total
			Legal Reserve	Special Reserve										
BALANCE AT JANUARY 1, 2022	\$ 8,450,557	\$ 115,150	\$ 6,964,052	\$ 1,022,797	\$ 11,534,057	\$ (5,509,349)	\$ 3,281,306	\$ 1	\$ 147	\$ (2,227,895)	\$ 25,858,718	\$ -	\$ 25,858,718	
Appropriation of 2021 earnings														
Legal reserve	-	-	490,240	-	(490,240)	-	-	-	-	-	-	-	-	
Special reserve	-	-	-	1,205,098	(1,205,098)	-	-	-	-	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	(2,535,167)	-	-	-	-	-	(2,535,167)	-	(2,535,167)	
Changes in capital surplus from investments in associates accounted for using the equity method	-	735	-	-	-	-	-	-	-	-	735	-	735	
Net profit for the year ended December 31, 2022	-	-	-	-	4,404,312	-	-	-	-	-	4,404,312	1,857	4,406,169	
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	21,714	4,799,711	152,634	-	22	4,952,367	4,974,081	-	4,974,081	
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	4,426,026	4,799,711	152,634	-	22	4,952,367	9,378,393	1,857	9,380,250	
Changes in ownership interest in subsidiaries	-	2,663	-	-	-	-	-	-	-	-	2,663	193,337	196,000	
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	1,634	-	(1,634)	-	-	(1,634)	-	-	-	
Cash dividends claimed after over prescription by shareholders	-	(3)	-	-	-	-	-	-	-	-	(3)	-	(3)	
Changes from investments in associates accounted for using the equity method	-	-	-	-	(30)	-	-	-	-	-	(30)	-	(30)	
BALANCE AT DECEMBER 31, 2022	8,450,557	118,545	7,454,292	2,227,895	11,731,182	(709,638)	3,432,306	1	169	2,722,838	32,705,309	195,194	32,900,503	
Appropriation of 2022 earnings														
Legal reserve	-	-	442,763	-	(442,763)	-	-	-	-	-	-	-	-	
Reversal of special reserve	-	-	-	(2,227,895)	2,227,895	-	-	-	-	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	(2,535,167)	-	-	-	-	-	(2,535,167)	-	(2,535,167)	
Changes in capital surplus from investments in associates accounted for using the equity method	-	517	-	-	-	-	-	-	-	-	517	-	517	
Net profit (loss) for the year ended December 31, 2023	-	-	-	-	2,738,915	-	-	-	-	-	2,738,915	(70,045)	2,668,870	
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	(9,232)	18,466	779,257	-	-	797,723	788,491	-	788,491	
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	2,729,683	18,466	779,257	-	-	797,723	3,527,406	(70,045)	3,457,361	
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	7,556	-	(7,556)	-	-	(7,556)	-	-	-	
Cash dividends claimed after over prescription by shareholders	-	(53)	-	-	-	-	-	-	-	-	(53)	-	(53)	
Changes from investments in associates accounted for using the equity method	-	-	-	-	(13)	-	-	-	-	-	(13)	-	(13)	
BALANCE AT DECEMBER 31, 2023	\$ 8,450,557	\$ 119,009	\$ 7,897,055	\$ -	\$ 13,718,373	\$ (691,172)	\$ 4,204,007	\$ 1	\$ 169	\$ 3,513,005	\$ 33,697,999	\$ 125,149	\$ 33,823,148	

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

# U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 2,651,988	\$ 4,472,940
Adjustments for:		
Depreciation expenses	3,246,256	2,396,168
Amortization expenses	22,963	29,273
Expected credit loss reversed on trade receivables	13,103	31,775
Net (gain) loss on financial assets and liabilities at fair value through profit or loss	(214,004)	142,007
Finance costs	1,472,927	570,032
Interest income	(786,776)	(338,338)
Dividend income	(454,657)	(511,484)
Share of the profit or loss of associates	(273,042)	(177,899)
Gain on disposal of property, plant and equipment	(4,705)	(98,717)
Impairment loss recognized on property, plant and equipment	79,242	-
Net loss on foreign currency exchange	40,077	29,511
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	351,099	(56,001)
Contract assets	(228,288)	92,826
Trade receivables (including related parties)	45,173	(371,544)
Other receivables	143,287	(90,663)
Fuel inventory	(82,699)	206,770
Other current assets	(50,144)	(114,970)
Trade payables	3,328	47,740
Other payables	(71,688)	(61,335)
Other current liabilities	103,448	(42,993)
Net defined benefit liabilities	(7,594)	(8,044)
Cash generated from operations	5,999,294	6,147,054
Interest received	697,603	138,018
Dividends received	454,657	510,220
Interest paid	(1,415,617)	(518,853)
Income tax (paid) refund	(25,147)	2,599
Net cash generated from operating activities	<u>5,710,790</u>	<u>6,279,038</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	-	(408,883)
Proceeds from sale of financial assets at fair value through other comprehensive income	115,165	-
Purchase of financial assets at amortized cost	(124,878)	(702,068)
Acquisition of associates accounted for using the equity method	-	(111,976)
Purchase of property, plant and equipment	(7,275,829)	(4,751,936)
Proceeds from disposal of property, plant and equipment	495,214	674,413
(Increase) decrease in refundable deposits	(21,993)	27

(Continued)

# U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Decrease in financing provided - related parties	\$ -	\$ 140,084
Payments for intangible assets	(1,540)	(15,619)
Increase in prepayments for equipment	(777,581)	(6,022,571)
Dividends received	<u>71,310</u>	<u>92,328</u>
Net cash used in investing activities	<u>(7,520,132)</u>	<u>(11,106,201)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term borrowings	3,590,000	(786,000)
Decrease in short-term bills payable	(2,362,000)	(2,911,000)
Proceeds from long-term borrowings	14,902,315	18,803,261
Repayments of long-term borrowings	(12,859,662)	(8,811,217)
Changes in non-controlling interest	-	196,000
Dividends paid to owners of the Company	<u>(2,535,220)</u>	<u>(2,535,170)</u>
Net cash generated from financing activities	<u>735,433</u>	<u>3,955,874</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>15,103</u>	<u>1,502,047</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,058,806)	630,758
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>14,558,599</u>	<u>13,927,841</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 13,499,793</u>	<u>\$ 14,558,599</u>

The accompanying notes are an integral part of the consolidated financial statements.  
(Concluded)

## **V. Latest Audited Standalone Financial Report**

(The full version of financial statements is available at the appendix of the annual report and the Market Observation Post System website)

### **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
U-Ming Marine Transport Corporation

#### **Opinion**

We have audited the accompanying parent company only financial statements of U-Ming Marine Transport Corporation (collectively referred to as the “Company”), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the “parent company only financial statements”).

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 of 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 the 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 parent company only financial statements for the year ended December 31, 2023. 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, and we do not provide a separate opinion on these matters.

### Stage of Completion of Freight Contracts

The Company's freight revenue is recognized by reference to the stage of completion of the contract. Because management is required to exercise judgments and to have estimates to a certain extent when measuring and calculating the stage of completion of freight contracts, revenue recognition and expression might be affected by the selection and application of calculation methods; therefore, the determination of the stage of completion of freight contracts was deemed to be a key audit matter. Refer to Note 5 to the parent company only financial statements: material accounting judgments and key sources of estimation uncertainty for information on the stage of completion of freight contracts.

The main audit procedures that we performed in respect of the key audit matter stated above were as follows:

1. We obtained an understanding of and tested the design and implementation of the key controls over the recognition of freight revenue.
2. We obtained relevant documents and understood the determination of the stage of completion of freight contracts, and we confirmed that the calculation method is appropriate and applied consistently.
3. We verified the management's calculation of the percentage of voyages and freight revenue by collating the information on actual voyages, entering/departing reports, sailing schedules and freight contracts.

### **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 auditing standards generally accepted in 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of 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 company 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 for the year ended December 31, 2023 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.

The engagement partners on the audit resulting in this independent auditors' report are Wen-Ching Lin and Xin-Wei Tai.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 6, 2024

*Notice to Readers*

*The translation version is intended for reference only. If any inconsistency between the Chinese and English versions, the Chinese version shall govern.*

**U-MING MARINE TRANSPORT CORPORATION**  
**PARENT COMPANY ONLY BALANCE SHEETS**  
**DECEMBER 31, 2023 AND 2022**  
(In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Note 6 and 22)	\$ 186,820	-	\$ 118,414	-
Financial assets at fair value through other comprehensive income - current (Note 7 and 23)	2,255,095	4	2,117,507	4
Trade receivables from unrelated parties (Note 8)	154,319	-	36,747	-
Trade receivables from related parties (Note 8 and 22)	16,402	-	178,371	-
Other receivables (Note 22)	14,291	-	23,452	-
Fuel inventory	59,292	-	24,664	-
Other current assets (Note 22)	42,693	-	40,117	-
Total current assets	<u>2,728,912</u>	<u>4</u>	<u>2,539,272</u>	<u>4</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income (Note 7)	831,123	1	893,215	2
Investments accounted for using equity method (Note 9)	58,040,905	91	56,103,905	91
Property, plant and equipment (Note 10 and 23)	1,698,025	3	1,867,966	3
Intangible assets	39,287	-	59,007	-
Deferred tax assets (Note 18)	1,820	-	3,472	-
Prepayments for equipment	395,677	1	165,763	-
Refundable deposits (Note 22 and 23)	66,495	-	48,331	-
Total non-current assets	<u>61,073,332</u>	<u>96</u>	<u>59,141,659</u>	<u>96</u>
<b>TOTAL</b>	<u>\$ 63,802,244</u>	<u>100</u>	<u>\$ 61,680,931</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 12, 22 and 23)	\$ 10,150,000	16	\$ 6,785,000	11
Short-term bills payable (Note 12)	1,459,349	2	3,797,562	6
Trade payables (Note 22)	45,528	-	34,463	-
Other payables (Note 13)	377,430	1	456,098	1
Current tax liabilities (Note 18)	197,287	1	33,574	-
Current portion of long-term borrowings (Note 12)	1,470,000	2	1,320,000	2
Other current liabilities (Note 16 and 22)	84,213	-	16,702	-
Total current liabilities	<u>13,783,807</u>	<u>22</u>	<u>12,443,399</u>	<u>20</u>
<b>NON-CURRENT LIABILITIES</b>				
Bank loans (Note 12 and 23)	16,230,000	25	16,240,000	26
Deferred tax liabilities (Note 18)	13,989	-	216,892	1
Net defined benefit liabilities (Note 14)	76,449	-	75,331	-
Total non-current liabilities	<u>16,320,438</u>	<u>25</u>	<u>16,532,223</u>	<u>27</u>
Total liabilities	<u>30,104,245</u>	<u>47</u>	<u>28,975,622</u>	<u>47</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 15)</b>				
Common share capital	<u>8,450,557</u>	<u>13</u>	<u>8,450,557</u>	<u>14</u>
Capital surplus	<u>119,009</u>	<u>-</u>	<u>118,545</u>	<u>-</u>
Retained earnings				
Legal reserve	7,897,055	12	7,454,292	12
Special reserve	-	-	2,227,895	4
Unappropriated earnings	<u>13,718,373</u>	<u>22</u>	<u>11,731,182</u>	<u>19</u>
Total retained earnings	<u>21,615,428</u>	<u>34</u>	<u>21,413,369</u>	<u>35</u>
Other equity	<u>3,513,005</u>	<u>6</u>	<u>2,722,838</u>	<u>4</u>
Total equity	<u>33,697,999</u>	<u>53</u>	<u>32,705,309</u>	<u>53</u>
<b>TOTAL</b>	<u>\$ 63,802,244</u>	<u>100</u>	<u>\$ 61,680,931</u>	<u>100</u>

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

# U-MING MARINE TRANSPORT CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Note 16 and 22)	\$ 1,873,771	100	\$ 1,582,956	100
OPERATING COSTS (Note 17 and 22)	<u>1,523,092</u>	<u>81</u>	<u>1,076,379</u>	<u>68</u>
GROSS PROFIT	350,679	19	506,577	32
OPERATING EXPENSES (Note 17 and 22)	<u>423,170</u>	<u>23</u>	<u>453,171</u>	<u>29</u>
(LOSS) PROFIT FROM OPERATIONS	<u>(72,491)</u>	<u>(4)</u>	<u>53,406</u>	<u>3</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 22)	21,963	1	30,782	2
Financial costs	(511,262)	(27)	(340,831)	(21)
Share of the profit or loss of subsidiaries and associates (Note 9)	3,052,452	163	4,495,284	284
Interest income	6,446	-	453	-
Dividend income	195,226	10	204,779	13
Net gain on foreign currency exchange	14,332	1	10,607	1
Other losses	(4,726)	-	(8,816)	(1)
Loss on disposal of property, plant and equipment	<u>(18)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating income and expenses	<u>2,774,413</u>	<u>148</u>	<u>4,392,258</u>	<u>278</u>
PROFIT BEFORE INCOME TAX	2,701,922	144	4,445,664	281
INCOME TAX (BENEFIT) EXPENSE (Note 18)	<u>(36,993)</u>	<u>(2)</u>	<u>41,352</u>	<u>3</u>
NET PROFIT FOR THE YEAR	<u>2,738,915</u>	<u>146</u>	<u>4,404,312</u>	<u>278</u>

(Continued)

# U-MING MARINE TRANSPORT CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
<b>OTHER COMPREHENSIVE INCOME</b>				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 14)	\$ (9,377)	(1)	\$ 10,808	1
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	75,495	4	73,721	4
Share of the other comprehensive income of subsidiaries, associates and joint ventures using the equity method	703,906	38	89,841	6
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	19,104	1	4,627,848	292
Share of the other comprehensive income of subsidiaries, associates and joint ventures using the equity method	<u>(637)</u>	<u>-</u>	<u>171,863</u>	<u>11</u>
Other comprehensive income for the year, net of income tax	<u>788,491</u>	<u>42</u>	<u>4,974,081</u>	<u>314</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>\$ 3,527,406</u>	<u>188</u>	<u>\$ 9,378,393</u>	<u>592</u>
<b>EARNINGS PER SHARE (Note 19)</b>				
Basic	<u>\$ 3.24</u>		<u>\$ 5.21</u>	
Diluted	<u>\$ 3.24</u>		<u>\$ 5.21</u>	

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

**U-MING MARINE TRANSPORT CORPORATION**

**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)**

	Common Share Capital	Capital Surplus	Retained Earnings			Exchange Differences on Translating the Financial Statements of Foreign Operations	Other Equity				Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Gain on Property Revaluation	Total	
BALANCE AT JANUARY 1, 2022	\$ 8,450,557	\$ 115,150	\$ 6,964,052	\$ 1,022,797	\$ 11,534,057	\$ (5,509,349)	\$ 3,281,306	\$ 1	\$ 147	\$ (2,227,895)	\$ 25,858,718
Appropriation of 2021 earnings											
Legal reserve	-	-	490,240	-	(490,240)	-	-	-	-	-	-
Special reserve	-	-	-	1,205,098	(1,205,098)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(2,535,167)	-	-	-	-	-	(2,535,167)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	735	-	-	-	-	-	-	-	-	735
Net profit for the year ended December 31, 2022	-	-	-	-	4,404,312	-	-	-	-	-	4,404,312
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	21,714	4,799,711	152,634	-	22	4,952,367	4,974,081
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	4,426,026	4,799,711	152,634	-	22	4,952,367	9,378,393
Share of changes in equities of subsidiaries	-	2,663	-	-	-	-	-	-	-	-	2,663
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associate	-	-	-	-	1,634	-	(1,634)	-	-	(1,634)	-
Cash dividends claimed after over prescription by shareholders	-	(3)	-	-	-	-	-	-	-	-	(3)
Changes from investments in associates and joint ventures accounted for using the equity method	-	-	-	-	(30)	-	-	-	-	-	(30)
BALANCE AT DECEMBER 31, 2022	\$ 8,450,557	\$ 118,545	\$ 7,454,292	\$ 2,227,895	\$ 11,731,182	\$ (709,638)	\$ 3,432,306	\$ 1	\$ 169	\$ 2,722,838	\$ 32,705,309
Appropriation of 2022 earnings											
Legal reserve	-	-	442,763	-	(442,763)	-	-	-	-	-	-
Special reserve	-	-	-	(2,227,895)	2,227,895	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(2,535,167)	-	-	-	-	-	(2,535,167)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	517	-	-	-	-	-	-	-	-	517
Net profit for the year ended December 31, 2023	-	-	-	-	2,738,915	-	-	-	-	-	2,738,915
Other comprehensive income for the year ended December 31, 2023, net of income tax	-	-	-	-	(9,232)	18,466	779,257	-	-	797,723	788,491
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	2,729,683	18,466	779,257	-	-	797,723	3,527,406
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associate	-	-	-	-	7,556	-	(7,556)	-	-	(7,556)	-
Cash dividends claimed after over prescription by shareholders	-	(53)	-	-	-	-	-	-	-	-	(53)
Changes from investments in associates and joint ventures accounted for using the equity method	-	-	-	-	(13)	-	-	-	-	-	(13)
BALANCE AT DECEMBER 31, 2023	\$ 8,450,557	\$ 119,009	\$ 7,897,055	\$ -	\$ 13,718,373	\$ (691,172)	\$ 4,204,007	\$ 1	\$ 169	\$ 3,513,005	\$ 33,697,999

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

# U-MING MARINE TRANSPORT CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 2,701,922	\$ 4,445,664
Adjustments for:		
Depreciation expenses	204,202	185,030
Amortization expenses	21,761	28,123
Finance costs	511,262	340,831
Interest income	(6,446)	(453)
Dividend income	(195,226)	(204,779)
Share of the profit of subsidiaries, associates and joint ventures	(3,052,452)	(4,495,284)
Loss on disposal of property, plant and equipment	18	-
Net profit on foreign currency exchange	(1,346)	(4,345)
Changes in operating assets and liabilities		
Contract assets	-	15,851
Trade receivables (including related parties)	44,397	(136,337)
Other receivables	8,979	13,708
Fuel inventory	(34,628)	5,495
Other current assets	(2,576)	(10,732)
Trade payables	11,065	(2,700)
Other payables	(70,058)	(1,298)
Other current liabilities	67,511	(6,377)
Net defined benefit liabilities	(8,259)	(8,723)
Cash generated from operations	200,126	163,674
Interest received	6,628	392
Dividends received	195,226	204,779
Interest paid	(518,085)	(320,611)
Income tax (paid) refund	(545)	23,524
	<u>(116,650)</u>	<u>71,758</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	-	(90,382)
Acquisition of investments accounted for using equity method	-	(104,000)
Purchase of property, plant and equipment	(34,279)	(808,866)
Increase in refundable deposits	(18,164)	(4,945)
Payment for intangible assets	(1,540)	(15,619)
Increase in prepayment for equipment	(230,415)	(164,549)
Dividends received from investments accounted for using equity method	<u>1,838,328</u>	<u>2,739,890</u>
	<u>1,553,930</u>	<u>1,551,529</u>

(Continued)

## U-MING MARINE TRANSPORT CORPORATION

### PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	\$ 3,650,000	\$ (3,865,000)
Decrease in short-term bills payable	(2,340,000)	(2,700,000)
Proceeds from long-term borrowings	9,000,000	12,920,000
Repayments of long-term borrowings	(9,145,000)	(5,390,000)
Dividends paid	<u>(2,535,220)</u>	<u>(2,535,170)</u>
Net cash used in financing activities	<u>(1,370,220)</u>	<u>(1,570,170)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>1,346</u>	<u>4,345</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	68,406	57,462
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>118,414</u>	<u>60,952</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 186,820</u>	<u>\$ 118,414</u>

The accompanying notes are an integral part of the parent company only financial statements.  
(Concluded)

**VI. Financial Difficulties Encountered by the Company and Its Associates in the Most Recent Year and as of the Annual Report Publication Date: None.**

## Seven. Review and Analysis of Financial Position and Business Performance, and Risks

### I. Financial review and analysis

#### (I) Comparative analysis of financial status

Unit: NT\$ Thousand

Item	Year			Difference	
		1 2 / 3 1 / 2 0 2 3	1 2 / 3 1 / 2 0 2 2	Increase (decrease) in amount	(%) Ratio change (%)
Current assets		\$ 25,427,414	\$ 26,084,677	\$(657,263)	(3)
Property, plant and equipment		43,810,923	32,380,475	11,430,448	35
Intangible assets		39,287	60,191	(20,904)	(35)
Other assets		11,356,317	17,901,047	(6,544,730)	(37)
Total assets		80,633,941	76,426,390	4,207,551	6
Current liabilities		17,676,065	16,538,576	1,137,489	7
Noncurrent liabilities		29,134,728	26,987,311	2,147,417	8
Total liabilities		46,810,793	43,525,887	3,284,906	8
Capital stock		8,450,557	8,450,557	-	-
Capital surplus		119,009	118,545	464	-
Retained earnings		21,615,428	21,413,369	202,059	-
Other equity		3,513,005	2,722,838	790,167	29
Non-controlling interests		125,149	195,194	(70,045)	(36)
Total equity		33,823,148	32,900,503	922,645	3

#### Analysis of the ratio of increase or decrease in assets, liabilities and equity exceeding 20% in the last two years:

##### Assets

- 1.The increase in property, plant and equipment was mainly due to the delivery of nine environmentally friendly and energy-saving new ships in 2023, in response to the operational strategy of the Group.
- 2.The decrease in intangible assets was mainly due to the amortization of computer software license and Fleet Safety Management (FSM) Platform.
- 3.The decrease in other assets was mainly due to the delivery of nine environmentally friendly and energy-saving new ships in 2023, resulting in a relative decrease in prepayments for equipment.

##### Equity

- 4.The increase in other equity was mainly due to the increase in unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income in 2023 from the year of 2022.
- 5.Non-controlling interests were attributable to external investor who obtained 49% equity of U-Ming Marine Offshore. The decrease in non-controlling interests was mainly due to the operating losses of U-Ming Marine Offshore in 2023, resulting in a decrease in total comprehensive income attributable to non-controlling interests compared to 2022.

Note: The financial information for the last two years was prepared in accordance with International Financial Reporting Standards (IFRS), and was audited and certified by independent auditors.

(II) Impact of changes in financial condition: No significant impact on financial condition.

(III) Future countermeasures: Not applicable

## II. Review and Analysis of Financial Performance

### (I) Comparative analysis of financial performance

Unit: NT\$ Thousand

Item	Year	2023	2022	Difference	
				Increase (decrease) in amount	Change ratio (%)
Operating income		\$ 14,375,473	\$ 14,170,396	\$ 205,077	2
Operating cost		10,993,363	9,101,791	1,891,572	21
Gross profit		3,382,110	5,068,605	(1,686,495)	(33)
Operating expense		674,175	729,377	(55,202)	(8)
Operating profit		2,707,935	4,339,228	(1,631,293)	(38)
Non-operating income and expense		(55,947)	133,712	(189,659)	(142)
Profit before income tax		2,651,988	4,472,940	(1,820,952)	(41)
Income tax expense		(16,882)	66,771	(83,653)	(125)
Net profit for the year		2,668,870	4,406,169	(1,737,299)	(39)
Other comprehensive income for the year		788,491	4,974,081	(4,185,590)	(84)
Total comprehensive income for the year		3,457,361	9,380,250	(5,922,889)	(63)
Net profit attributable to owners of the Company		2,738,915	4,404,312	(1,665,397)	(38)
Net profit attributable to non-controlling interests		(70,045)	1,857	(71,902)	(3,872)
Total comprehensive income attributable to owners of the Company		3,527,406	9,378,393	(5,850,987)	(62)
Total comprehensive income attributable to non-controlling interests		(70,045)	1,857	(71,902)	(3,872)

#### Analysis of the increase or decrease ratio of freight income, operating profit, and net income before tax exceeding 20% in the last two years:

1. The increase in operating cost and the decrease in gross profit, operating profit, profit before income tax, net profit for the year and net profit attributable to owners of the Company were mainly due to the decline in shipping freight rates in 2023, as well as the global economic slowdown, which has been affected by prolonged recession, high inflation, labor shortages, geopolitical turmoil, and other factors. Freight costs have increased, resulting in a decrease in gross profit, operating profit, profit before income tax, net profit for the year and net profit attributable to owners of the Company.
2. The decrease in non-operating income and expense was mainly due to the decrease in gain on disposal of property, plant and equipment in 2023 from the year of 2022. On the other hand, due to the global economic slowdown and the impact of Federal Reserve interest rate hikes and geopolitical turmoil, financial costs increased in 2023 compared to 2022.
3. The decrease in income tax expense was mainly due to adjustments made to income tax expenses from prior years in 2023.
4. The decrease in other comprehensive income, total comprehensive income, and total comprehensive income attributable to the owners of the Company were mainly due to the decrease in the exchange difference arising from the translation of the net assets of foreign operations from their functional currency into the Company's expressing currency (that is, New Taiwan dollar) in 2023 from the year of 2022.
5. Non-controlling interests were attributable to external investor who obtained 49% equity of U-Ming Marine Offshore. The decrease in net profit attributable to non-controlling interests and total comprehensive income attributable to non-controlling interests were mainly due to the operating losses of U-Ming Marine Offshore in 2023, resulting in a decrease in net profit attributable to non-controlling interests and total comprehensive income attributable to non-controlling interests compared to 2022.

Note: The financial information for the last two years was prepared in accordance with International Financial Reporting Standards (IFRS), and was audited and certified by independent auditors.

(II) The expected sales volume in the next year and its basis of rationality, the possible impact on the Company's future financial business and countermeasures:

The Company is engaged in the bulk shipping business to provide shipping services to customers by way of voyage charter and time charter. Please refer to "Five. Operational Overview - Market, production, and sales overview – market analysis" in the Company's annual report for the main factors affecting the continuing growth or decline of the market in the future.

### III. Review and Analysis of Cash Flow

#### (I) Analysis of cash flow changes in the most recent year

Unit: NT\$ Thousand

Beginning cash balance①	Annual net cash flow from operating activities ②	Annual cash outflow ③	Cash balance (insufficient) amount ① + ② + ③	Remedies for insufficient cash	
				Investment plan	Financial plan
\$14,558,599	\$ 5,710,790	\$ (6,769,596)	\$13,499,793	None	None
<b>Analysis of changes in cash flow in 2023:</b> <ol style="list-style-type: none"> <li>Net cash inflow from operating activities for an amount of NT\$5,710,790 thousand was mainly due to cash inflow from operations.</li> <li>Net cash outflow from investing activities for an amount of NT\$7,520,132 thousand was mainly due to the increase in purchase of property, plant and equipment in 2023.</li> <li>Net cash inflow from financing activities for an amount of NT\$735,433 thousand was mainly due to proceeds from long-term borrowings in 2023.</li> </ol>					

(II) Corrective action for insufficient liquidity in the most recent year: Not applicable

(III) Liquidity analysis for the last two years

Item	Year		
	2023	2022	Increase (decrease) ratio
Cash flow ratio (%)	32.31	37.97	(14.9)%
Cash flow adequacy ratio (%)	64.85	72.27	(10.3)%
Cash re-investment ratio (%)	3.91	4.94	(20.9)%
<b>Analysis of the increase/decrease ratio:</b> <ol style="list-style-type: none"> <li>The decrease in cash re-investment ratio was mainly due to an increase in gross property, plant and equipment and long-term investment in 2023 from the year of 2022.</li> </ol>			

(IV) Analysis of cash flow in the next year

Unit: NT\$ Thousand

Beginning cash balance ①	Expected annual net cash flow from operating activities②	Expected annual cash outflow ③	Expected cash balance (insufficient) amount ①+②-③	Remedies for expected insufficient cash	
				Investment plan	Financial plan
\$ 13,499,793	\$6,429,262	(\$3,483,022)	\$16,446,033	NA	NA
<b>Analysis of changes in cash flow in 2024:</b> 1. Operating activities: The cash inflow from operating activities is mainly the expected inflow of working capital in 2024. 2. Investing activities: The cash outflow from investing activities is mainly due to the estimated payment for the construction of transportation equipment in 2024, resulting in an increase in equipment prepayment. 3. Financing activities: The cash inflow from financing activities is mainly the expected repayments of long-term borrowings paid in 2024. <b>Remedies for expected insufficient cash and analysis:</b> Not applicable					

**IV. The impact of significant capital expenditures on the financial business in the most recent year**

(I) Significant capital expenditures and source of funds

Unit: US\$ Thousand

Project items	Actual or expected source of funding	Actual or expected completion date	Total funds needed
Expansion of operational equipment: Construction of bulk carriers	Earnings and bank loans	Ships will be completed and delivered successively from January 2023 to the April 2025	338,384

(II) Anticipated possible benefits

The Company currently having the old and outdated shipped replaced with the new one and actively expanded the scale of the fleet in order to increase the overall efficiency of the fleet and keep the fleet rejuvenate. In addition to expanding the original fleet in size, the Company is focusing on environmental protection and energy-saving design to meet the market and international regulations. At the same time, U-Ming is committed to sailing at an economical speed so to reduce fuel consumption and to improve the operating efficiency of ships, in return, the Company will be able to improve operating performance and profitability while facing high oil prices, and hope to provide the Company's customers with diversified choices and comprehensive service through fleet renewal and business expansion.

## V. Review and analysis of reinvestment policy in the most recent years

December 31, 2023 Unit: NT\$ Thousand

Item	Note	Book value	Policy	Main reason for profit or loss	Corrective action	Future investment plans
U-Ming Marine Transport (Singapore) Pte Ltd.		\$39,750,676	Long term investment	Bulk shipping operating profit	NA	None
U-Ming Marine Transport (Hong Kong) Ltd.		10,850,119	Long term investment	Bulk shipping operating profit	NA	None
Yue-Li Investment Corporation		2,721,957	Long term investment	Dividend income	NA	None
Yue-Tung Investment Corporation		2,395,183	Long term investment	Dividend income, recognition of investment profit under equity method	NA	None
U-Ming Marine Offshore Co., Ltd.		130,257	Long term investment	Initial loss of operation	Cost savings; enhance the operational efficiency of offshore wind vessel fleet	None
Global Energy Maritime Co., Ltd.		2,192,713	Long term investment	Operating profits from shipping crude oil and oil products	NA	None

## VI. Risk analysis

(I) The impact of interest rate, exchange rate changes, and inflation on the Company's profit and loss in the most recent year and as of the annual report publication date, and the future countermeasures

### 1. The impact of interest rate changes on the Company's profit and loss and the future countermeasures

The major financial instruments of the consolidated company include equity investments, derivatives, accounts receivable, accounts payable, and loans. The Finance Department of the consolidated company provides services to each business unit, coordinates the operation in the domestic and international financial markets, and supervises and manages the financial risks related to the operation of the consolidated company in accordance with the internal risk report that is related to the risk exposure analysis according to the extent and breadth of the risk. Please refer to the appendix of the annual report for the disclosure of the relevant financial risk management objectives and policy.

The long-term and short-term loans of the consolidated company amounted to NT\$44,823,609 thousand and NT\$44,797,623 thousand in 2023 and as of March 31, 2024, accounted for 55.59% and 52.88% of total assets, respectively. The Company will closely observe the future trend of interest rates and support the overall capital planning in order to reduce the risk of interest rate changes.

### 2. The impact of exchange rate changes on the Company's profit and loss and the future countermeasures

The Company's foreign currency deposits, accounts receivable, foreign currency loans, and derivatives are affected by changes in exchange rates. In addition, the investment gains and losses from the derivatives held, together with foreign exchange gains and losses directly affect the Company's profit and loss.

The ratios of foreign exchange gains and losses and derivatives gains and losses to consolidated operating income in 2023 and as of March 31, 2024 are as follows:

Unit: NT\$ Thousand

Item \ Year	2023	As of March 31, 2024
Exchange profit and loss	13,450	1,172
Derivatives gains and losses	26,009	21,898
Net gains and losses from foreign exchange and derivatives (A)	39,459	23,070
Operating income (B)	14,375,473	3,845,246
Ratio to operating income(A)/(B)	0.27%	0.60%

As stated, in 2023 and as of March 31, 2024, the ratio of the Company's foreign exchange gains and losses and derivatives net gains and losses to operating income was 0.27% and 0.60%, respectively.

The Company's revenue is mostly denominated in US dollars. The Company has the net US Dollar inflow processed with a spot sale, Cross Currency Swap agreement, and forward foreign exchange so to manage exchange rate risks.

### 3. The impact of inflation on the Company's profit and loss and the future countermeasures

The average Consumer Price Index (CPI) of Taiwan was approximately 2.50% in 2023. Such inflation rate did not have a significant impact on the Company's operations and profits. At the same time, the central bank of each country is observing the inflation with countermeasures planned; also, the Company actively controls costs. Therefore, the pressure of inflation in the future is expected to be controlled effectively without a significant impact on the Company's profit and loss.

(II) The policy, main reasons for profit or loss, and future countermeasures for engaging in high-risk, high-leverage investment, loaning of funds to others, endorsements/guarantees, and derivatives trading in the most recent year and as of the annual report publication date

The Company is not engaged in high-risk and high-leverage investment. Derivatives trading is with an aim at avoiding the risk of changes in interest rates or exchange rates. All transactions are controlled and audited in accordance with the Company's "Procedures for the Acquisition or Disposal of Assets," so there is no significant impact on the Company's finances.

The financing provided to others and endorsements/guarantees provided between the Company and the subsidiaries are conducted in accordance with the "Procedures for Financing Provided to Others" and the "Procedures for Endorsements/Guarantees Provided" that are approved by the Board of Directors and shareholders' meeting with a regular audit performed so to avoid any negative impact on the Company.

The financing provided to others and endorsements/guarantees provided in 2023 and as of March 31, 2024 are as follows:

Unit: NT\$ Thousand

Financing provided to others	2023		As of March 31, 2024	
	Ending Balance	Highest Limit	Ending Balance	Highest Limit
The Company's financing provided to others	0	0	0	0
Each subsidiary's financing provided to others	1,446,206	20,240,319	1,507,200	16,929,971

Endorsements/guarantees provided	2023		As of March 31, 2024	
	Ending Balance	Maximum Amount	Ending Balance	Maximum Amount
The Company's endorsements/guarantees provided	2,809,399	33,697,999	2,848,000	37,741,079
Each subsidiary's endorsements/guarantees provided	424,926	54,593,066	1,408,330	58,193,150

(III) Future R&D plans and expected R&D expenses in the most recent year and as of the annual report publication date

The Company is in the shipping business and has no specific research and development plan; therefore, it is not applicable.

(IV) The impact of the changes in the important domestic and foreign policies and laws on the Company's financial business in the most recent year and as of the annual report publication date and the countermeasures

The 80th session of the Marine Environment Protection Committee (MEPC 80) convened by the International Maritime Organization (IMO) upgraded the emission reduction regulations for the shipping industry, requiring net zero carbon emissions to be achieved by 2050. U-MING has proactively deployed measures ahead of time regarding the Carbon Intensity Indicator (CII), setting a target to reduce fleet carbon intensity by at least 2% annually starting from 2023, aiming for a reduction of at least 59% by 2050 compared to 2019 levels. Concrete actions will involve planning for the replacement of old vessels, utilizing alternative fuels, and purchasing green energy to meet these goals.

With the aim of leaving a better environment for future generations, U-MING is actively developing a green smart fleet. Existing vessels are being considered for the installation of wind wing equipment or conversion to biofuel power, or alternatively, the acquisition of new vessels powered by clean energy sources such as hydrogen or ammonia to comply with the IMO's decarbonization requirements. U-MING will continue to expand its green shipping business and develop smart vessels, creating a new generation of sustainable bulk carrier fleets that are energy-efficient, intelligent, and environmentally friendly.

The company will closely monitor changes in important domestic and international policies and laws, strengthening internal operational capabilities to enhance business performance.

**(V) The impact of technological changes and industrial changes on the Company's financial business and the countermeasures in the most recent year and as of the annual report publication date**

The Company is in the shipping business to provide bulk carrier service. The business is highly related to international economic and trade development, but technological changes have no obvious impact on the Company's business operations. The Company will take advantage of the latest technology, enhance business management capabilities, and improve operating procedures to upgrade the Company's overall competitiveness.

U-Ming Marine is a highly information-based company with a digitalized business operation and financial/accounting process implemented and a complete set of information security protection mechanisms installed. However, computer viruses or cyberattacks are changing with each passing day. Therefore, it isn't easy to protect the information system completely free from the possibility of being attacked or sabotaged.

The Company's information security management policy is with three main aspects:

● System and updates:

The Company has established an Information Security Committee, and the fleet has also set up a network security team to cooperate in maintaining the Company and maritime information security. Upon the occurrence of an information security incident, a contingency plan should be taken in a timely manner to preserve system records, audit trails, etc., to identify the loopholes of the protection systems, and find the solution for enhancing the protection mechanism. The Company adopts the "Plan-Do-Check-Act" (PDCA) cycle operation mode, and establishes an information security management system, and maintains its effective operation and continuous improvement. At the same time, the network security status of the fleet is properly controlled in accordance with the "Network Security Procedures," the information operation is regularly checked by the internal and external audit units, and conduct information security inspection during the year so to furnish a comprehensive information security protection mechanism.

● Technology and application:

The information system regularly monitors the balance between the security and availability of the defense structure, and then introduces new sciences and technologies to improve the management efficiency of the fleet and the Company. Different defense technologies are also implemented to increase the diversity of defense. A local (off-site) backup system is also constructed according to the importance of the system structure so to secure an uninterrupted information service upon the occurrence of a disaster.

● Rehearsal and training:

Arrange the disaster emergency drill annually to improve the disaster response capabilities of colleagues in order to reduce disaster losses. At the same time, arrange information security education courses regularly for the ship-shore colleagues, announce information security messages occasionally, and strengthen the overall information security concept of the Company and the fleet taking as a whole.

(VI) The impact of changes in corporate image on corporate crisis management and the countermeasures in the most recent year and as of the annual report publication date

The Company has based on the spirit of “sincerity, diligence, thrift, prudence, and innovation” to operate the business, to fulfill social responsibilities, to exercise the good corporate image without any corporate crisis resulted from a change in corporate image.

(VII) The expected benefits, possible risks, and countermeasures of mergers and acquisitions in the most recent year and as of the annual report publication date:

None

(VIII) The expected benefits, possible risks, and countermeasures of the plant expansion in the most recent year and as of the annual report publication date:

The company is in the shipping business and has no plant expansion plan intended; therefore, it is not applicable.

(IX) Risks and countermeasures for purchase or sales concentration in the most recent year and as of the annual report publication date

The information on major suppliers and major customers was disclosed on pages 102-104 of the annual report in 2023 and as of the last quarter of 2024; also, there was no excessive concentration of purchases and sales.

(X) The impact of massive transfer or exchange of shares on the Company by the directors, supervisors, or major shareholders with more than 10% shareholding, the risks, and the countermeasures in the most recent year and as of the annual report publication date

There was no massive transfer or exchange of shares by the directors, supervisors, or major shareholders with more than 10% shareholding in the most recent year and as of the annual report publication date.

(XI) The impact of the change in management rights on the Company, the risk, and countermeasures in the most recent year and as of the annual report publication date:

None

(XII) The Company, the Company’s directors, supervisors, President, substantive responsible persons, major shareholders with more than 10% shareholding, and affiliated companies involving in a major litigation, non-litigation, or administrative litigation already ruled or in pending with an outcome of which may have a significant impact on shareholders’ equity or securities prices in the most recent year and as of the annual report publication date:

None

(XIII) Other important risks and countermeasures:

None

#### (XIV) Risk management policy

1. The “Risk Management Policy” were resolved in the 3rd Board meeting of the 19th term of office on November 11, 2022 in order to enhance the Company’s governance, establish sound risk management operations, and to achieve the Company’s operational objectives reasonably.
2. The Company has established a sound risk management operation at all levels, in which all employees and management are assigned relevant responsibilities to play important roles. They remain vigilant at all times to the potential impact and degree of impact of internal and external environmental changes on the company. Risk management is considered a part of corporate governance and daily operations, and is aimed at achieving the following objectives: 1. Realization of corporate goals ; 2. Enhanced management efficiency ; 3. Provision of reliable information ; 4. Effective allocation of resources.
3. The Company’s risk management procedures include the following 9 steps: 1. Awareness establishment ; 2. Goal setting ; 3. Risk identification ; 4. Risk analysis ; 5. Risk assessment ; 6. Risk response ; 7. Control activities ; 8. Information and communication ; 9. Risk monitoring.
4. The Company’s Auditing Division implements the statistical analysis of the Company’s internal and external environmental Key Risk Indicator (KRI) with the use of the Control Self-Assessment System (CSA) every year. Each department is responsible for submitting action plans in response to the respective main risk identified; also, report to the Risk Management Committee for discussion semiannually and report to the Board of Directors annually.

#### (XV) Risk Management Framework and responsibilities

##### Board of Directors:

The highest authority for the Company’s risk management. Its main responsibilities include:

1. Approval of risk management policies, procedures, and frameworks ;
2. Ensuring alignment between operational strategies and risk management policies ;
3. Ensuring the establishment of appropriate risk management mechanisms and risk management culture ;
4. Supervising and ensuring the effective operation of the overall risk management mechanisms ;
5. Allocating and assigning sufficient and appropriate resources to ensure the effective operation of risk management.

##### Risk Management Committee:

The Risk Management Committee is chaired by the President and its members include the division head. Its main responsibilities include: 1. Reviewing the risk management policies, procedures and frameworks and periodically evaluating their suitability and effectiveness; 2. Approving the risk appetite and guiding resource allocation; 3. Ensuring that the risk management mechanisms can fully address the risks faced by the company and are integrated into the daily operational processes; 4. Reviewing the management report on significant risk issues; 5. Approving the results of risk assessments and risk rankings; 6. Reviewing the action plans and key risk indicators (KRIs); 7. Reviewing the implementation of risk management and making necessary improvement recommendations, and reporting to the board of directors at least once a year; 8. Implementing the risk management decisions made by the board of directors.

##### Senior Management team:

1. Establish risk management policies, procedures, and frameworks ;
2. Monitor the overall risks of the company, ensuring a sound risk management process and functionality ;
3. Establish a risk management culture.

**Auditing Division:**

1. Assist in convening meetings of the Risk Management Committee, responsible for agenda collection, minutes of meetings, and action items tracking ;
2. Assist each departments in conducting risk assessment and maintaining the Control Self-Assessment system (CSA) ;
3. Maintain the Key Risk Indicators (KRI) warning dashboard ;
4. Assist in establishing a risk management culture and assist in promoting relevant regulations

**Division Head:**

1. Assist and monitor risk management activities within the department, develop risk appetite, and ensure effective execution of control procedures ;
2. Responsible for identifying, assessing, managing, and reporting daily risks in the department, and taking necessary actions ;
3. Develop and monitor key risk indicators (KRI) for major risks ;
4. Report and follow up the execution of action plans ;
5. Assist in establishing a risk management culture and promoting relevant regulations ;
6. Execute risk management decisions made by the Risk Management Committee.

**Employee:**

1. Execute daily risk management activities ;
2. Report risk information in real-time to comply with relevant laws and company policies ;
3. Conduct risk control self-assessment.

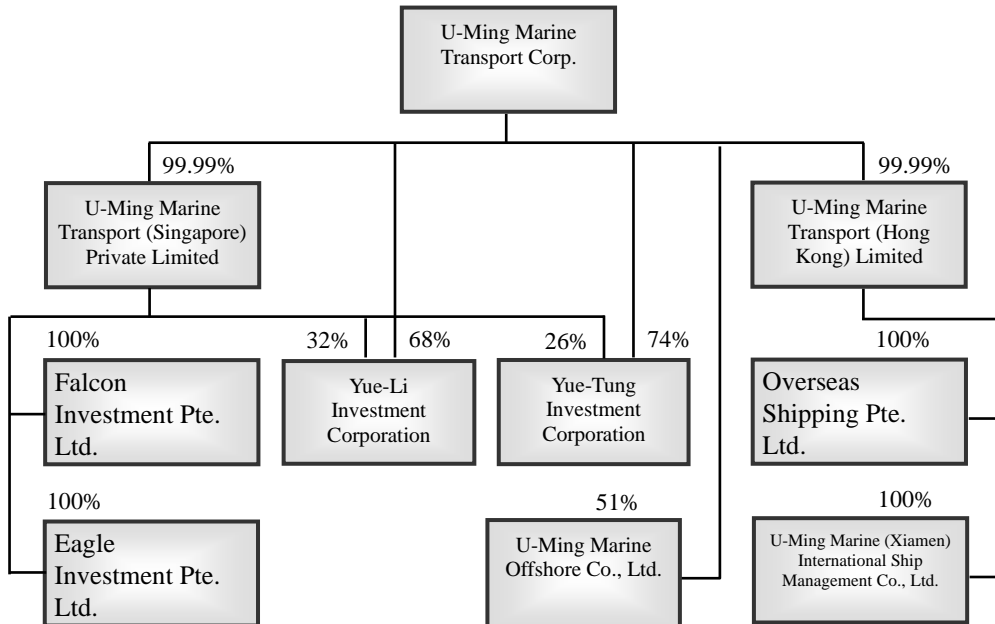
**VII. Other material issues: None**

**Eight. Special Disclosures**

**I. Associate information**

(I) Associate consolidated business report

1. Associate Organization Chart



2. Profile of each associate

Unit: NT\$ Thousand, unless otherwise specified

Company	Incorporation date	Address	Paid-in capital	Main business operation or products
U-Ming Marine Transport (Singapore) Private Limited	01.22.1994	5 Little Rd., #08-01, Cemtex Industrial Building, Singapore	2,649,382	Ship transportation, ship trading, shipping agency, etc.
U-Ming Marine Transport (Hong Kong) Limited	03.20.2003	11 <sup>th</sup> Fl., Lippo Leighton Tower, 103-109, Leighton Rd., Causeway Bay, Hong Kong	121,923	Ship transportation, ship trading, shipping agency, etc.
Yue-Li Investment Corporation	04.12.1995	29 <sup>th</sup> Floor, No. 207, Section 2, Dunhua South Road, Daan District, Taipei City	2,200,000	Various investment businesses, etc.
Yue-Tung Investment Corporation	12.03.1999	29 <sup>th</sup> Floor, No. 207, Section 2, Dunhua South Road, Daan District, Taipei City	1,850,000	Various investment businesses, etc.

(Carryforward to next page)

(Carryforward from last page)

Company	Incorporation date	Address	Paid-in capital	Main business operation or products
Falcon Investment Pte. Ltd.	09.07.2006	Palm Grove House P.O. Box 438, Road Town, Tortola, British Virgin Islands	USD20,000,001	Various investment businesses, etc.
Eagle Investment Pte. Ltd.	08.29.2006	5 Little Road #08-01 Cemtex Industrial Building Singapore 536983	USD 1	Transportation business
Overseas Shipping Pte. Ltd.	07.16.2004	Trust Company Complex, Ajeltake Island, Ajeltake Road, Majuro, The Republic of Marshall Island MH96960	USD16,000,000	Transportation business
U-Ming Marine (Xiamen) International Ship Management Co., Ltd.	9.19.2011	Room 2601, 26 <sup>th</sup> Floor, Bank Center, No. 189, Xiahe Road, Xiamen City, Fujian Province, China	USD1,000,000	Ship service information inquiry
U-Ming Marine Offshore Co., Ltd.	6.23.2021	29 <sup>th</sup> Floor, No. 207, Section 2, Dunhua South Road, Daan District, Taipei City	400,000 (Note 1)	Ship transportation, ship trading, shipping agency, etc.

3. Is there a control and subordinate relationship presumed in accordance with Article 369-3 of the Company Act: None

4. The business scope of the overall associates

The Company has eight associates, including U-Ming Marine Transport (Singapore) Private Limited, U-Ming Marine Transport (Hong Kong) Limited, Yue-Li Investment Corporation, Yue-Tung Investment Corporation, Falcon Investment Pte. Ltd., Eagle Investment Pte. Ltd., Overseas Shipping Pte. Ltd., and U-Ming Marine Offshore Co., Ltd., of which, U-Ming Marine Transport (Singapore) Private Limited, U-Ming Marine Transport (Hong Kong) Limited are mainly engaged in the operation of bulk carrier transportation business, and take advantage of their competitive advantages of enjoying tax-free concessions in Singapore and Hong Kong to operate chartered ship business. Yue-Li Investment Corporation and Yue-Tung Investment Corporation are mainly engaged in investment in shipping industry, service industry, securities investment companies, banks, insurance companies, construction of commercial buildings, construction of national housing, and various production businesses., that is, mainly engaged in investment business other than the Company's main business operation. Overseas Shipping Pte. Ltd. is an offshore investment company established by U-Ming Marine Transport (Hong Kong) Limited in Marshall Islands in 2004 to mainly engage in oil tanker transportation business. Falcon Investment Pte. Ltd. and Eagle Investment Pte. Ltd. are offshore investment companies established in BVI by U-Ming Marine Transport (Singapore) Private Limited in 2006 and then registered in Singapore in 2020 instead to mainly engage in investment and transportation business. U-Ming Marine Transport (Hong Kong) Limited had invested to have Xiamen U-Ming Ship Service Co., Ltd. incorporated in 2011 for developing the cross-strait shipping business; also, it was renamed as U-Ming Marine (Xiamen) International Ship Management Co., Ltd. in 2015 mainly engage in international ship management and ship service information consultation. U-Ming Marine Offshore Co., Ltd., the subsidiary, was incorporated in 2021 with a focus on green energy transportation in response to the emerging of green energy transportation industry in Taiwan recently.

5. Information on the affiliates' directors, supervisors, and Presidents

Aril 30, 2024

Company	Job title	Name of representative	Shareholdings	
			Shares	Shareholding ratio (%)
U-Ming Marine Transport Corp.	Chairman	Shu Tong Hsu	992,133	0.12
	Director	Kun-Yen Lee (Representative of Asia Cement Corporation)	331,701,152	39.25
	Director	Douglas Jefferson Hsu (Representative of Asia Cement Corporation)	331,701,152	39.25
	Director	Ling Ling Wu (Representative of Asia Cement Corporation)	331,701,152	39.25
	Director	Shu Ping Hsu	83,595	0.01
	Director	Choo Kiat Ong (Representative of Yue Ding Industry Co., Ltd.)	93,000	0.01
	Director	Kuan Chun Lee (Representative of Yuan Ding Investment Corp.)	8,869,000	1.05
	Director	Li Chen Tung (Representative of Far Eastern Construction Co., Ltd.)	1,589,790	0.19
	Independent Director	Shao Hua Chu	0	0
	Independent Director	Wen Yen Pan	0	0
Independent Director	Chorng Jian Liu	0	0	
President	Choo Kiat Ong	41,400	0	
U-Ming Marine Transport (Singapore) Private Limited	Director	U-Ming Marine Transport Corp.	150,145,615	99.99
	Director	Shu Tong Hsu		
	Director	Choo Kiat Ong	1	0.00
	Director	Boon Haw Phua	0	0
	Director	Jiu Sheng Wu	0	0
	Director	Douglas Jefferson Hsu	0	0
	Director	Soon Heng Leong	0	0
	President	Choo Kiat Ong	0	0
			(NT\$1 per share)	
U-Ming Marine Transport (Hong Kong) Limited	Director	U-Ming Marine Transport Corp.	26,999,999	99.99
	Director	Shu Tong Hsu		
	Director	Choo Kiat Ong	1	0.00
	Director	Jiu Sheng Wu	0	0
	Director	Tsung Liang Chang	0	0
	Director	Ching Lin Wang	0	0
	Director	Mei Huang Wu	0	0
			(HK\$1 per share)	
Yue-Li Investment Corporation	Chairman	Tsung Liang Chang (Representative of U-Ming Marine Transport Corp.)	150,000,000	68.18
	Director	Chang Sheng Chen (Representative of U-Ming Marine Transport Corp.)	150,000,000	68.18
	Director	Ching Lin Wang (Representative of U-Ming Marine Transport Corp.)	150,000,000	68.18
	Supervisor	Chao-Yu Wang (Representative of U-Ming Marine Transport (Singapore) Pte. Ltd.)	70,000,000	31.82
Yue-Tung Investment Corporation	Chairman	Tsung Liang Chang (Representative of U-Ming Marine Transport Corp.)	136,040,000	73.54
	Director	Chang Sheng Chen (Representative of U-Ming Marine Transport Corp.)	136,040,000	73.54
	Director	Ching Lin Wang (Representative of U-Ming Marine Transport Corp.)		

	Supervisor	Chao-Yu Wang (Representative of U-Ming Marine Transport (Singapore) Pte. Ltd.)	136,040,000 48,960,000	73.54 26.46
U-Ming Marine Offshore Co., Ltd.	Chairman	Jiu Sheng Wu (Representative of U-Ming Marine Transport Corp.)	20,400,000	51.00
	Director	Tsung Liang Chang (Representative of U-Ming Marine Transport Corp.)	20,400,000	51.00
	Director	(Interim vacancy) (Representative of WMO Taiwan A/S corporate)	19,600,000	49.00
	Supervisor	Chang Sheng Chen	0	0
Falcon Investment Pte. Ltd.		U-Ming Marine Transport (Singapore) Private Limited	3	100.00
	Director	Boon Haw Phua	0	0
	Director	Tsung Liang Chang	0	0
Eagle Investment Pte. Ltd.		U-Ming Marine Transport (Singapore) Private Limited	1	100.00
	Director	Boon Haw Phua	0	0
	Director	Tsung Liang Chang	0	0
Overseas Shipping Pte. Ltd.		U-Ming Marine Transport (Hong Kong) Limited	500	100.00
	Director	Hsueh-Ying Kao	0	0
	Director	Hung-Hui Lee	0	0
	Director	Boon Haw Phua	0	0
	Director	Tsung Liang Chang	0	0
U-Ming Marine (Xiamen) International Ship Management Co., Ltd.	Chairman & legal representative	U-Ming Marine Transport (Hong Kong) Limited	*USD1,000,00	100.00
	Director	Choo Kiat Ong	0	0
	Director	Boon Haw Phua	0	0
	Director	Jiu Sheng Wu	0	0
	Director	Chao-Yu Wang	0	0
	Supervisor	Tsung Liang Chang	0	0

Note 1: \* Indicates that it is not a company limited; therefore, no shares and it is booked in the currency of US dollar.

6. Operational overview of each associate

December 31, 2023

Unit: NT\$ Thousand

Company	Capital stock	Total assets	Total liabilities	Net value	Operating income	Operating profit	Net income (after tax)	Earnings per share (NTD) (after tax)
U-Ming Marine Transport (Singapore) Private Limited	2,649,382	53,244,323	13,493,647	39,750,676	11,770,891	2,293,165	2,155,095	14.35
U-Ming Marine Transport (Hong Kong) Limited	121,923	12,451,849	1,601,730	10,850,119	1,355,946	215,410	650,375	24.09
Yue-Li Investment Corporation	2,200,000	4,124,432	132,161	3,992,271	196,096	149,260	144,901	0.66
Yue-Tung Investment Corporation	1,850,000	3,597,754	340,559	3,257,195	139,338	139,002	133,758	0.72
U-Ming Marine Offshore Co., Ltd.	400,000	531,693	276,287	255,406	104,576	(58,158)	(142,949)	(3.57)
Falcon Investment Pte. Ltd.	661,080	711,905	20,558	691,347	11,694	(66,597)	(44,986)	(14,995,278.67)
Eagle Investment Pte. Ltd.	0	1,755,517	1,680,251	75,266	327,128	138,019	29,068	29,067,832
Overseas Shipping Pte. Ltd.	474,692	874,460	169	874,291	16,512	(7,432)	28,744	(57,487.46)
U-Ming Marine (Xiamen) International Ship Management Co., Ltd.	29,579	94,107	26,579	67,528	153,165	16,583	12,819	Note 1

Note 1: The business entity in Mainland China is not a limited company; therefore, the earnings per share cannot be calculated.

## (II) Declaration of Consolidation of Financial Statements of Affiliates

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2023 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standards No. 10, “Consolidated Financial Statements”. 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. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

U-MING MARINE TRANSPORT CORPORATION

By



DOUGLAS TONG HSU  
Chairman



March 6, 2024

(III) Affiliation Report: Not applicable

**II. Private Placement of Securities in the most recent year and as of the annual report publication date:** None

**III. The Company's Shares held or disposed of by Subsidiaries in the most recent year and as of the annual report publication date:** None

**IV. Other Supplementary Information:** None

**V. Occurrence of the matters listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act affecting shareholders' equity or security price in the most recent year or as of the annual report publication date:** None

**Appendix of 2023 Annual Report**  
**The Notes of the Consolidated Financial Statements**

# U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

U-Ming Marine Transport Corporation (the “Company”) was incorporated in the Republic of China (ROC) in August 1968. The Company and its subsidiaries (collectively referred to as the “Group”) own and manage ships that transport dry bulk cargoes, specializing in cement, coal, iron ore and grain. The Company’s shares have been listed on the Taiwan Stock Exchange since December 8, 1990.

The consolidated financial statements of the Group are presented in the Company’s functional currency, the New Taiwan dollars

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on March 6, 2024.

### 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	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 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards will be effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of aforementioned standards and interpretations will not have a material impact on the Group's financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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 IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of aforementioned standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### 4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

- a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

- b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

Refer to Note 10 and Tables 8 and 9 for the detailed information of subsidiaries (including the percentage of ownership and main business).

e. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction and are not retranslated subsequently.

For the purpose of presenting consolidated financial statements, the functional currencies of the Company and the group entities (including subsidiaries and associates in other countries that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollars, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

f. Fuel inventory

Fuel inventory is the stock of fuel, which is stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The replacement cost is used to determine the net realizable value, as fuel inventory is for operations instead of sales. Inventories are recorded at the weighted-average cost on the balance sheet date.

g. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates. Under the equity method, investments in associates are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of those associates. The Group also recognizes the changes in the Group's share of the equity of associates.

When the Group subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Group's ownership interest is reduced due to the additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses, if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

#### h. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Depreciation of transportation equipment is recognized on a straight-line basis. Depreciation of miscellaneous equipment is recognized on a fixed-percentage-of-declining-balance basis and each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

#### i. Impairment of property, plant and equipment

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

#### j. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss (FVTPL) are recognized immediately in profit or loss.

#### 1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

##### a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and equity instruments at FVTOCI.

##### i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL, including investments in equity instruments which are not designated as at FVTOCI.

Financial assets at FVTPL are subsequently measured at fair value, any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 23.

##### ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables, other receivables, refundable deposits and long-term receivables, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of the financial asset; and
- ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities, which are short-term and highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost and contract assets.

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables and contract assets. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

- i. Internal or external information show that the debtor is unlikely to pay its creditors.
- ii. When a financial asset is more than 365 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Financial liabilities

a) Subsequent measurement

Except financial liabilities at FVTPL, all financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities are classified as at FVTPL when the financial liabilities are held for trading, and are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any interest or dividend paid on the financial liability. Fair value is determined in the manner described in Note 23.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

k. Revenue recognition

Revenue from the rendering of services

The Group identifies contracts with customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Revenue from rendering of services comes from the freight received from goods shipping and vessel chartering, and revenue from vessel management.

As the Group provides goods shipping, vessel chartering and vessel management services, the customer simultaneously receives and consumes the benefits provided by the Group's performance. Consequently, the related revenue is recognized when services are rendered. The Group measures the progress of each voyage by the proportion of days sailed to the expected total voyage period. Payment for transportation services is not due from the customer until a certain period after the goods have completed loading and, therefore, a contract asset is recognized over the period in which the transportation services are performed. The contract asset is reclassified to trade receivables when billed. Vessel chartering and management revenue are recognized by reference to the stage of completion of the contract, which is the proportion of the time of services rendered to the total contract period.

l. Borrowing costs

Borrowing costs directly attributable to an acquisition or construction of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

m. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and rereasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost), and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Rereasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Rereasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represents the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that rereasurement is recognized in profit or loss.

## n. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

### 1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

### 2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### 3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

## 5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of inflation, interest rate fluctuations, and volatility in markets on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

### Material Accounting Judgements

#### Revenue recognition

The Group assesses that its performance obligations are satisfied over time based on the conditions in the contract and related regulations. Freight revenue is recognized by reference to the stage of completion of the contract, which is the proportion of the actual days sailed to the expected total voyage duration agreed in the contract. If the actual voyage duration differs from that stated in the contract, the amount of revenue recognized might be affected. Management believes that the best estimate has been used to assess the stage of completion of contracts.

## 6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	<b>2023</b>	<b>2022</b>
Cash on hand	\$ 613	\$ 628
Checking accounts and demand deposits	327,800	393,953
Cash equivalents		
Time deposits	<u>13,171,380</u>	<u>14,164,018</u>
	<u>\$ 13,499,793</u>	<u>\$ 14,558,599</u>

The market rate intervals of time deposits at the end of the reporting period were as follows:

	<u>December 31</u>	
	<b>2023</b>	<b>2022</b>
Time deposits	3.60%-5.93%	1.44%-5.50%

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Financial assets mandatorily classified as at FVTPL</u>		
Derivative financial assets (not under hedge accounting)		
Interest rate swap contracts (a)	\$ 55,438	\$ 86,767
Non-derivative financial assets		
Mutual funds	1,230,142	1,328,990
Domestic listed shares	<u>31,574</u>	<u>38,745</u>
Financial assets at FVTPL - current	<u>\$ 1,317,154</u>	<u>\$ 1,454,502</u>
<u>Financial liabilities held for trading</u>		
Derivative financial liabilities (not under hedge accounting)		
Cross-currency swap contracts	\$ 387	\$ 2,606
Oil derivative commodities	<u>905</u>	<u>585</u>
Financial liabilities at FVTPL - current	<u>\$ 1,292</u>	<u>\$ 3,191</u>

At the end of the reporting period, outstanding interest rate swap contracts were as follows:

Contract Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
<u>December 31, 2023</u>			
USD2,083	2024.01.16	1.68%	USD Daily SOFR+CAS 0.2616%: 5.6222%
USD28,740	2027.08.25	2.865%	USD Daily SOFR+CAS 0.2616%: 5.6217%
USD32,333	2028.01.10	2.875%	USD Daily SOFR+CAS 0.2616%: 5.6217%
<u>December 31, 2022</u>			
USD1,654	2023.04.22	1.27%	3-month LIBOR: 4.3584%
USD945	2023.06.05	1.90%	3-month LIBOR: 4.7650%
USD1,890	2023.08.30	1.85%	3-month LIBOR: 4.7349%
USD3,850	2023.10.30	1.89%	3-month LIBOR: 4.4147%
USD6,248	2024.01.16	1.68%	3-month LIBOR: 3.9407%
USD35,925	2027.08.25	2.865%	3-month LIBOR: 4.7573%
USD39,518	2028.01.10	2.875%	3-month LIBOR: 3.8257%

The Group entered into interest rate swap contracts to exchange floating interest rate with fixed interest rate to manage the risk of interest rate fluctuations from the outstanding loans. The Group did not apply hedge accounting.

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Equity Instruments	December 31	
	2023	2022
<u>Current</u>		
Domestic listed shares	\$ 7,757,655	\$ 7,145,940
Foreign listed shares	<u>163,823</u>	<u>252,875</u>
	<u>\$ 7,921,478</u>	<u>\$ 7,398,815</u>
<u>Non-current</u>		
Domestic unlisted shares	<u>\$ 2,397,502</u>	<u>\$ 2,265,992</u>

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

Refer to Table 3 for detailed information relating to the Group's investments.

Refer to Note 25 for information relating to investments in equity instruments at FVTOCI pledged as security.

## 9. TRADE RECEIVABLES

	December 31	
	2023	2022
At amortized cost		
Non-related parties	\$ 869,835	\$ 796,539
Less: Allowance for impairment loss	<u>(33,184)</u>	<u>(33,279)</u>
	<u>\$ 836,651</u>	<u>\$ 763,260</u>
Related parties	<u>\$ 16,402</u>	<u>\$ 147,259</u>

The Group receives freight charges that amount to 90% to 95% of the total contract price within 3 to 8 days from completion of loading and settles demurrage with customer upon completion of each voyage period. The outstanding period of demurrage depends on progress of settlement, normally longer than the outstanding period of freight charge.

The Group uses publicly available financial information or its own trading records to continuously assess the credit ratings of its counterparties, and credit exposure is controlled through credit limits of counterparties.

In addition, the Group reviews the recoverable amount of each individual trade receivable at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation, or when the trade receivables are over 365 days past due, whichever occurs earlier. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

December 31, 2023

	<b>0 to 30 Days</b>	<b>31 to 90 Days</b>	<b>91 to 180 Days</b>	<b>181 to 365 Days</b>	<b>Over 365 Days</b>	<b>Total</b>
Gross carrying amount	\$ 558,686	\$ 162,481	\$ 124,116	\$ 6,014	\$ 34,940	\$ 886,237
Loss allowance	<u>-</u>	<u>-</u>	<u>-</u>	<u>(328)</u>	<u>(32,856)</u>	<u>(33,184)</u>
Amortized cost	<u>\$ 558,686</u>	<u>\$ 162,481</u>	<u>\$ 124,116</u>	<u>\$ 5,686</u>	<u>\$ 2,084</u>	<u>\$ 853,053</u>

December 31, 2022

	<b>0 to 30 Days</b>	<b>31 to 90 Days</b>	<b>91 to 180 Days</b>	<b>181 to 365 Days</b>	<b>Over 365 Days</b>	<b>Total</b>
Gross carrying amount	\$ 668,520	\$ 197,660	\$ 22,223	\$ 7,220	\$ 48,175	\$ 943,798
Loss allowance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(33,279)</u>	<u>(33,279)</u>
Amortized cost	<u>\$ 668,520</u>	<u>\$ 197,660</u>	<u>\$ 22,223</u>	<u>\$ 7,220</u>	<u>\$ 14,896</u>	<u>\$ 910,519</u>

The movements of the loss allowance of trade receivables were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 33,279	\$ 2,333
Loss: Amounts written off	(13,194)	(1,988)
Add: Net remeasurement of loss allowance	13,103	31,775
Foreign exchange gains and losses	<u>(4)</u>	<u>1,159</u>
Balance at December 31	<u>\$ 33,184</u>	<u>\$ 33,279</u>

## 10. SUBSIDIARIES

### a. Subsidiaries included in the consolidated financial statements

Investor	Subsidiary	Nature of Business	% of Ownership		Remark
			December 31 2023	December 31 2022	
The Company	U-Ming Marine Transport (Singapore) Private Limited (U-Ming Singapore)	Transport	100	100	-
	U-Ming Marine Transport (Hong Kong) Ltd. (U-Ming Hong Kong)	Transport	100	100	-
	Yue-Li Investment Corporation (Yue-Li)	Investment	68	68	-
	Yue-Tung Investment Corporation (Yue-Tung)	Investment	74	74	-
	U-Ming Marine Offshore Company Limited (U-Ming Marine Offshore)	Transport	51	51	-
U-Ming Singapore	Falcon Investment Private Limited (Falcon)	Investment	100	100	-
	Eagle Investment Private Limited (Eagle)	Transport	100	100	-
	Yue-Li Investment Corporation (Yue-Li)	Investment	32	32	-
	Yue-Tung Investment Corporation (Yue-Tung)	Investment	26	26	-
U-Ming Hong Kong	Overseas Shipping Pte. Ltd. (OSPL)	Transport	100	100	-
	U-Ming Marine (Xiamen) International Ship Management Co., Ltd. (U-Ming Xiamen)	Ship service	100	100	-

### b. Subsidiaries excluded from the consolidated financial statements: None.

## 11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2023	2022
Associates that are not individually material	<u>\$ 4,840,703</u>	<u>\$ 4,637,204</u>
Aggregate information of associates that are not individually material:		
	For the Year Ended December 31	
	2023	2022
The Group's share of:		
Profit	\$ 266,183	\$ 293,771
Other comprehensive income	<u>9,919</u>	<u>157,593</u>
Total comprehensive income for the year	<u>\$ 276,102</u>	<u>\$ 451,364</u>

The Group's equities in certain associates were less than 20%, but the equity method was used because of the Group's significant influence on them. The Group holds 50% of the issued share capital of some associates but classified them as the Group's associates because the Group neither participated in operations nor had control over them.

The Group's share of losses of an associate is limited to its interest in that associate which includes any long-term interests that, in substance, form part of the Group's net investment in the associate.

The Group invested Drive Catalyst SPC-SP Tranche Two in 2022. Refer to Note 24 (f).

The share of profit or loss and other comprehensive income recognized from the investment accounted for using the equity method was calculated based on the associate's financial statements that have been audited for the same period. However, for partial associates, management believes that the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income will not be materially impacted by the partial financial statements that have not been audited.

## 12. PROPERTY, PLANT AND EQUIPMENT

	Land	Transportation	Miscellaneous	Total
<u>Cost</u>				
Balance at January 1, 2022	\$ 1,092	\$ 40,738,265	\$ 145,217	\$ 40,884,574
Additions	-	4,749,461	2,475	4,751,936
Disposals	-	(1,605,543)	-	(1,605,543)
Transfer of prepayment of equipment	-	400,757	-	400,757
Derecognition by replacement	-	(327,519)	-	(327,519)
Effect of foreign currency exchange differences	-	4,159,224	2,434	4,161,658
Balance at December 31, 2022	<u>\$ 1,092</u>	<u>\$ 48,114,645</u>	<u>\$ 150,126</u>	<u>\$ 48,265,863</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2022	\$ -	\$ 13,532,921	\$ 96,016	\$ 13,628,937
Depreciation	-	2,376,800	19,368	2,396,168
Disposals	-	(1,072,096)	-	(1,072,096)
Derecognition by replacement	-	(327,519)	-	(327,519)
Effect of foreign currency exchange differences	-	1,258,022	1,876	1,259,898
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 15,768,128</u>	<u>\$ 117,260</u>	<u>\$ 15,885,388</u>
Carrying amounts at December 31, 2022	<u>\$ 1,092</u>	<u>\$ 32,346,517</u>	<u>\$ 32,866</u>	<u>\$ 32,380,475</u>
<u>Cost</u>				
Balance at January 1, 2023	\$ 1,092	\$ 48,114,645	\$ 150,126	\$ 48,265,863
Additions	-	7,274,259	1,570	7,275,829
Disposals	-	(1,095,673)	(6,702)	(1,102,375)
Transfer of prepayment of equipment	-	8,147,221	-	8,147,221
Derecognition by replacement	-	(216,958)	-	(216,958)
Effect of foreign currency exchange differences	-	(210,172)	(309)	(210,481)
Balance at December 31, 2023	<u>\$ 1,092</u>	<u>\$ 62,013,322</u>	<u>\$ 144,685</u>	<u>\$ 62,159,099</u>

(Continued)

	<b>Land</b>	<b>Transportation</b>	<b>Miscellaneous</b>	<b>Total</b>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2023	\$ -	\$ 15,768,128	\$ 117,260	\$ 15,885,388
Depreciation	-	3,232,665	13,591	3,246,256
Disposals	-	(605,182)	(6,684)	(611,866)
Derecognition by replacement	-	(216,958)	-	(216,958)
Impairment losses recognized	-	79,242	-	79,242
Effect of foreign currency exchange differences	<u>-</u>	<u>(33,577)</u>	<u>(309)</u>	<u>(33,886)</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 18,224,318</u>	<u>\$ 123,858</u>	<u>\$ 18,348,176</u>
Carrying amounts at December 31, 2023	<u>\$ 1,092</u>	<u>\$ 43,789,004</u>	<u>\$ 20,827</u>	<u>\$ 43,810,923</u> (Concluded)

The Group carries out a periodic review of the impairment assessment for the vessels used for transportation; after the review, U-Ming Marine Offshore, a subsidiary of the Company, estimated that future cash flows expected to arise from certain vessels have decreased, resulting in their carrying amount exceeding the recoverable amount. The review led to the recognition of impairment losses of \$79,242 thousand on the consolidated statement of comprehensive income for the year ended December 31, 2023. For the year ended December 31, 2022, there was no indication of impairment.

The transportation equipment is depreciated on a straight-line basis, and the miscellaneous assets are depreciated on a fixed-percentage-on-declining-balance method over their estimated useful lives as follows:

Transportation equipment	3-25 years
Dry dock	1.5-2.5 years
Miscellaneous	1-10 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 25.

The prepayments for equipment are for the transportation carriers under construction, which will be transferred to property, plant and equipment once the construction is completed and the carriers are ready to provide service. The carrying amounts of prepayments for equipment include capitalized interests related to borrowings, of which the information is as follows:

	<b><u>For the Year Ended December 31</u></b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
Capitalized interest	\$ 8,419	\$ 12,691
Capitalization rate	4.42%-6.03%	0.88%-3.66%

### 13. LEASE ARRANGEMENTS

The Group leases certain business office and office equipment which qualify as short-term leases and as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Expenses relating to short-term leases	<u>\$ 37,084</u>	<u>\$ 37,249</u>
Expenses relating to low-value asset leases	<u>\$ 185</u>	<u>\$ 67</u>
Total cash outflow for leases	<u>\$ 37,269</u>	<u>\$ 37,316</u>

### 14. BORROWINGS

#### a. Short-term borrowings

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Secured borrowings (Notes 24 and 25)</u>		
Bank loans	\$ 1,167,000	\$ 1,282,000
<u>Unsecured borrowings</u>		
Credit borrowings	<u>9,505,000</u>	<u>6,085,000</u>
	<u>\$ 10,672,000</u>	<u>\$ 7,367,000</u>
Interest rate	1.68%-2.26%	1.55%-2.00%

#### b. Short-term bills payable (Note 25)

December 31, 2023

<b>Promissory Institution</b>	<b>Nominal Amount</b>	<b>Discount Amount</b>	<b>Carrying Value</b>	<b>Interest Rate</b>
<u>Commercial paper</u>				
Mega Bills Finance Co., Ltd.	\$ 700,000	\$ (275)	\$ 699,725	1.788%
China Bills Finance Corporation	600,000	(321)	599,679	1.778%
Taiwan Finance Corporation	<u>160,000</u>	<u>(55)</u>	<u>159,945</u>	1.788%
	<u>\$ 1,460,000</u>	<u>\$ (651)</u>	<u>\$ 1,459,349</u>	

December 31, 2022

<b>Promissory Institution</b>	<b>Nominal Amount</b>	<b>Discount Amount</b>	<b>Carrying Value</b>	<b>Interest Rate</b>
<u>Commercial paper</u>				
Bank SinoPac Co., Ltd.	\$ 2,500,000	\$ (244)	\$ 2,499,756	1.78%
E.Sun Commercial Bank, Ltd.	700,000	(585)	699,415	1.91%
China Bills Finance Corporation	600,000	(1,609)	598,391	1.96%
Mega Bills Finance Co., Ltd.	17,000	(10)	16,990	2.04%
International Bills Finance Corporation	<u>5,000</u>	<u>(1)</u>	<u>4,999</u>	2.04%
	<u>\$ 3,822,000</u>	<u>\$ (2,449)</u>	<u>\$ 3,819,551</u>	

c. Long-term borrowings

	<u>December 31</u>	
	<b>2023</b>	<b>2022</b>
Secured bank loans (1) (Note 25)	\$ 15,622,260	\$ 13,541,241
Unsecured bank loans (2)	<u>17,070,000</u>	<u>16,860,000</u>
	32,692,260	30,401,241
Less: Current portion	<u>3,660,187</u>	<u>3,714,757</u>
Long-term borrowings	<u>\$ 29,032,073</u>	<u>\$ 26,686,484</u>

- 1) Secured bank loans are mainly for the purpose of construction of vessels and are secured by the related vessels under construction as collaterals. The final maturity date of the loan ranges from January 2024 to January 2034 with floating interest rate ranges of 1.85%-7.11% and 1.71%-6.08% as of December 31, 2023 and 2022, respectively. The Group entered into interest rate swap contracts to exchange floating interest rate with fixed interest rate to manage the risk of interest rate fluctuations of the above outstanding loans. (Refer to Note 7).
- 2) Unsecured bank loans are for the purpose of general operations, with the final maturity date ranging from March 2024 to November 2028 with interest rate ranges of 1.27%-2.08% and 1.27%-2.03% as of December 31, 2023 and 2022, respectively.

**15. OTHER PAYABLES**

	<u>For the Year Ended December 31</u>	
	<b>2023</b>	<b>2022</b>
Salaries and bonuses	\$ 154,437	\$ 163,820
Remuneration to directors	149,545	167,338
Interests	122,601	67,089
Fuel	85,883	76,393
Dock repairs	76,418	147,038
Material consumption and repairs	64,823	55,171
Port charges	63,453	10,928
Employees' compensation	61,596	79,390
Others	<u>290,311</u>	<u>318,738</u>
	<u>\$ 1,069,067</u>	<u>\$ 1,085,905</u>

## 16. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

The Company, U-Ming Marine Offshore, U-Ming Singapore and U-Ming Hong Kong adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiaries in Singapore and Xiamen are members of a state-managed retirement benefit plan operated by the local government. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

### b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 5% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The employees of Yue-Li and Yue-Tung are the same as the employees of the Company. Therefore, Yue-Li and Yue-Tung do not have separate pension plan.

The Group operates defined benefit plans for qualified employees of U-Ming Singapore and U-Ming Hong Kong.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Present value of defined benefit obligation	\$ 182,049	\$ 169,388
Fair value of plan assets	<u>(93,383)</u>	<u>(85,453)</u>
Net defined benefit liabilities	<u>\$ 88,666</u>	<u>\$ 83,935</u>

Movements in net defined benefit liabilities were as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liabilities</b>
Balance at January 1, 2022	<u>\$ 189,393</u>	<u>\$ (74,884)</u>	<u>\$ 114,509</u>
Current service cost	4,342	-	4,342
Net interest expense (income)	<u>955</u>	<u>(387)</u>	<u>568</u>
Recognized in profit or loss	<u>5,297</u>	<u>(387)</u>	<u>4,910</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(5,764)	(5,764)
Actuarial gain - changes in demographic assumptions	(12,939)	-	(12,939)
Actuarial gain - experience adjustments	<u>(3,827)</u>	<u>-</u>	<u>(3,827)</u>
Recognized in other comprehensive income	<u>(16,766)</u>	<u>(5,764)</u>	<u>(22,530)</u>
Contributions from the employer	-	(5,360)	(5,360)
Benefits paid	(10,298)	942	(9,356)
Exchange differences on foreign plans	<u>1,762</u>	<u>-</u>	<u>1,762</u>
Balance at December 31, 2022	<u>169,388</u>	<u>(85,453)</u>	<u>83,935</u>
Current service cost	2,748	-	2,748
Net interest expense (income)	<u>2,331</u>	<u>(1,213)</u>	<u>1,118</u>
Recognized in profit or loss	<u>5,079</u>	<u>(1,213)</u>	<u>3,866</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(611)	(611)
Actuarial loss - changes in demographic assumptions	1,839	-	1,839
Actuarial loss - experience adjustments	<u>11,097</u>	<u>-</u>	<u>11,097</u>
Recognized in other comprehensive income	<u>12,936</u>	<u>(611)</u>	<u>12,325</u>
Contributions from the employer	-	(6,106)	(6,106)
Benefits paid	(5,299)	-	(5,299)
Exchange differences on foreign plans	<u>(55)</u>	<u>-</u>	<u>(55)</u>
Balance at December 31, 2023	<u>\$ 182,049</u>	<u>\$ (93,383)</u>	<u>\$ 88,666</u>

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Discount rate	1.250%	1.375%
Expected rate of salary increase - ship crew	1.500%	1.500%
Expected rate of salary increase - staff	3.000%	3.000%

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Discount rate		
0.25% increase	<u>\$ (3,647)</u>	<u>\$ (3,413)</u>
0.25% decrease	<u>\$ 3,778</u>	<u>\$ 3,534</u>
Expected rate of salary increase		
0.25% increase	<u>\$ 3,369</u>	<u>\$ 3,397</u>
0.25% decrease	<u>\$ (3,276)</u>	<u>\$ (3,299)</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Expected contributions to the plan for the next year	<u>\$ 6,069</u>	<u>\$ 5,513</u>
Average duration of the defined benefit obligation	10.40 years	9.87 years

## 17. EQUITY

### a. Common share capital

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Number of shares authorized (in thousands)	<u>880,000</u>	<u>880,000</u>
Number of shares issued and fully paid (in thousands)	<u>\$ 8,800,000</u>	<u>\$ 8,800,000</u>
Shares authorized	<u>845,056</u>	<u>845,056</u>
Shares issued	<u>\$ 8,450,557</u>	<u>\$ 8,450,557</u>

b. Capital surplus

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>May be used to offset a deficit, distributed as cash dividends or transferred to share capital (Note)</u>		
Conversion of bonds	\$ 93,474	\$ 93,474
Excess of merger	5,428	5,428
<u>May only be used to offset a deficit</u>		
Donations	16,127	16,180
Changes in percentage of ownership interest in subsidiaries	2,663	2,663
Share of change in capital surplus of associates	122	63
<u>May not be used for any purpose</u>		
Share of change in capital surplus of associates	<u>1,195</u>	<u>737</u>
	<u>\$ 119,009</u>	<u>\$ 118,545</u>

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus).

The excess of merger recognized from the Company's acquisition of China Fortune Marine Transport Corporation in 1993 was due to the excess of proceeds over the par value of the new shares issued to acquire China Fortune Marine Transport Corporation.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes and offsetting losses of previous years. Providing that there is any remaining profit, 10% of the unappropriated earnings from the net profit after tax for the current period coupled with other items that recognized in retained earning directly for the current period shall be set aside as legal reserve. After setting aside or reversing a special reserve in accordance with the laws and regulations, the Company shall use the remaining profit together with any undistributed retained earnings as the basis for the Company's board of directors to propose a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

Dividends distributed to stockholders are decided after consideration has been given to the business perspective of the Company, the life cycle of various products or service provided, capital requirement in the future and the effect of possible changes of tax laws. Dividends shall be distributed under the objective of maintaining a stable dividend policy. For issue of dividends, except to save for the purposes of improving the financial structure, reinvestments, production expansion or other capital expenditures in which capital is required, dividends distributed shall not be lower than 50% of net profit after tax deduction for offset of loses, legal reserve, and special reserve, and the cash dividend shall not be lower than 10% of shareholders' bonus of that year.

For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to employees' compensation and remuneration of directors in Note 19-d.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

With respect to the cumulative net amount of other deductions from equity in a preceding period to allocate special reserve, the Company may make the allocation based merely on the undistributed earnings of the previous period.

The appropriations of earnings for 2022 and 2021 which have been approved in the shareholders' meetings on June 13, 2023 and June 8, 2022, respectively, were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividend Per Share</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Legal reserve	\$ 442,763	\$ 490,240		
(Reversal of) Special reserve	(2,227,895)	1,205,098		
Cash dividends	2,535,167	2,535,167	\$ 3.0	\$ 3.0

The appropriations of earnings for 2023 which had been proposed by the Company's board of directors on March 6, 2024, were as follows:

	<u>Appropriation</u>	<u>Dividend</u>
	<u>of Earnings</u>	<u>Per Share</u>
	<u>2023</u>	<u>2023</u>
Legal reserve	\$ 273,722	
Cash dividends	<u>2,028,134</u>	\$ 2.4
	<u>\$ 2,301,856</u>	

The appropriations of earnings for 2023 are subject to the resolution of the shareholders' meeting to be held on June 3, 2024.

## 18. REVENUE

### a. Disaggregation of revenue

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Transportation	\$ 13,147,264	\$ 13,222,705
Vessel management	904,079	576,802
Others	<u>62,291</u>	<u>64,428</u>
	<u>\$ 14,113,634</u>	<u>\$ 13,863,935</u>

Refer to Note 4 for information relating to the relevant accounting policies.

b. Contract balances

	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>January 1, 2022</b>
Contract assets - transportation services	<u>\$ 437,283</u>	<u>\$ 208,995</u>	<u>\$ 301,821</u>
Contract liabilities - transportation services	<u>\$ 262,252</u>	<u>\$ 94,903</u>	<u>\$ 147,756</u>

The Group provides for expected credit losses prescribed, which permits the use of a lifetime expected loss provision for the contract assets. The contract assets will be transferred to trade receivables when the corresponding invoice is billed to the client, and the contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables can be applied to the contract assets. No impairment losses of contract assets were recognized in 2023 and 2022, respectively.

The changes in the balance of contract assets and contract liabilities primarily result from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment.

## 19. NET PROFIT

a. Other operating revenue

Since the businesses of the Company and its subsidiaries differ, the operating income in their individual financial statements also differs. Thus, the net operating income of Yue-Li, Yue-Tung and Falcon presented as other operating revenue in the consolidated comprehensive income statements was as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Revenue from disposal of investments	\$ 53,187	\$ 21,022
Less: Cost of disposal of investments	<u>(46,464)</u>	<u>(16,824)</u>
Gain on disposal of investments	6,723	4,198
Dividend income	<u>255,116</u>	<u>302,263</u>
	<u>\$ 261,839</u>	<u>\$ 306,461</u>

b. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
An analysis of depreciation by function		
Operating costs	\$ 3,232,665	\$ 2,376,800
Operating expenses	<u>13,591</u>	<u>19,368</u>
	<u>\$ 3,246,256</u>	<u>\$ 2,396,168</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 22,963</u>	<u>\$ 29,273</u>

c. Employee benefits expense

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Short-term benefits		
Salary expenses	\$ 1,854,576	\$ 1,637,475
Insurance expenses	49,255	38,347
Directors' remuneration	<u>33,517</u>	<u>46,438</u>
	<u>1,937,348</u>	<u>1,722,260</u>
Post-employment benefits		
Defined contribution plans	35,122	29,133
Defined benefit plans (Note 16)	<u>3,866</u>	<u>4,910</u>
	<u>38,988</u>	<u>34,043</u>
Other employee benefits	<u>119,087</u>	<u>92,859</u>
Total employee benefits expense	<u>\$ 2,095,423</u>	<u>\$ 1,849,162</u>
An analysis by function		
Operating costs	\$ 1,726,688	\$ 1,453,923
Operating expenses	<u>368,735</u>	<u>395,239</u>
	<u>\$ 2,095,423</u>	<u>\$ 1,849,162</u>

d. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rates 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2023 and 2022 which were approved by the Company's board of directors on March 6, 2024 and March 7, 2023, respectively, were as follows:

	<b>For the Year Ended December 31</b>			
	<b>2023</b>		<b>2022</b>	
	<b>Accrual Rate</b>	<b>Cash Amount</b>	<b>Accrual Rate</b>	<b>Cash Amount</b>
Employees' compensation	1%	\$ 27,571	1%	\$ 45,364
Remuneration of directors	1%	27,571	1%	45,364

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of employees' compensation and remuneration of directors approved and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 20. INCOME TAXES

### a. Major components of income tax expense recognized in profit or loss

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax		
In respect of the current year	\$ 60,989	\$ 25,215
Income tax on unappropriated earnings	161,372	33,623
Adjustments for prior years	<u>(37,992)</u>	<u>(23,369)</u>
	<u>184,369</u>	<u>35,469</u>
Deferred tax		
In respect of the current year	1,749	31,302
Adjustments for prior years	<u>(203,000)</u>	<u>-</u>
	<u>(201,251)</u>	<u>31,302</u>
Income tax (benefit) expense recognized in profit or loss	<u>\$ (16,882)</u>	<u>\$ 66,771</u>

A reconciliation of accounting profit and income tax expense was as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Profit before tax	<u>\$ 2,651,988</u>	<u>\$ 4,472,940</u>
Income tax expense calculated at the statutory rate	\$ 617,008	\$ 971,048
Non-deductible expenses in determining taxable income	1,746	5,967
Tax-exempt income	(579,867)	(993,792)
Unrecognized temporary differences	19,947	73,083
Additional income tax under the Alternative Minimum Tax Act	3,864	211
Income tax on unappropriated earnings	161,412	33,623
Adjustments for prior years	<u>(240,992)</u>	<u>(23,369)</u>
Income tax (benefit) expense recognized in profit or loss	<u>\$ (16,882)</u>	<u>\$ 66,771</u>

### b. Current tax assets and liabilities

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax liabilities		
Income tax payable	<u>\$ 203,024</u>	<u>\$ 39,232</u>

c. Deferred tax assets and liabilities

For the year ended December 31, 2023

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>			
Temporary differences			
Defined benefit plans	\$ 3,474	\$ (1,652)	\$ 1,822
Property, plant and equipment	<u>(2)</u>	<u>-</u>	<u>(2)</u>
	<u>\$ 3,472</u>	<u>\$ (1,652)</u>	<u>\$ 1,820</u>
<u>Deferred tax liabilities</u>			
Temporary differences			
Unappropriated earnings of subsidiaries	\$ 203,000	\$ (203,000)	\$ -
Unrealized exchange gain	<u>13,892</u>	<u>97</u>	<u>13,989</u>
	<u>\$ 216,892</u>	<u>\$ (202,903)</u>	<u>\$ 13,989</u>

For the year ended December 31, 2022

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>			
Temporary differences			
Defined benefit plans	\$ 5,219	\$ (1,745)	\$ 3,474
Property, plant and equipment	<u>(3)</u>	<u>1</u>	<u>(2)</u>
	<u>\$ 5,216</u>	<u>\$ (1,744)</u>	<u>\$ 3,472</u>
<u>Deferred tax liabilities</u>			
Temporary differences			
Unappropriated earnings of subsidiaries	\$ 174,000	\$ 29,000	\$ 203,000
Unrealized exchange gain	<u>13,334</u>	<u>558</u>	<u>13,892</u>
	<u>\$ 187,334</u>	<u>\$ 29,558</u>	<u>\$ 216,892</u>

d. Unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	<u>December 31</u>	
	<b>2023</b>	<b>2022</b>
Loss carryforwards		
Expiry in 2030	\$ 90,821	\$ 90,821
Expiry in 2031	275,378	273,812
Expiry in 2032	1,322	-
Expiry in 2033	<u>63,780</u>	<u>-</u>
	<u>\$ 431,301</u>	<u>\$ 364,633</u>

e. Income tax assessments

The tax returns of the Company and subsidiaries have been assessed by the tax authorities as follows:

<u>Company Name</u>	<u>Year</u>
U-Ming Marine	2021
U-Ming Offshore	2021
Yue-Li	2021
Yue-Tung	2021

## 21. EARNINGS PER SHARE

The earnings and weighted-average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

a. Net profit for the year

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 2,738,915</u>	<u>\$ 4,404,312</u>

b. The weighted average number of ordinary shares outstanding (in thousands of shares) is as follows:

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Weighted average number of ordinary shares used in the computation of basic earnings per share	845,056	845,056
Effect of potentially dilutive ordinary shares:		
Employee's compensation	<u>662</u>	<u>1,078</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>845,718</u>	<u>846,134</u>

The Group may settle the compensation paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

## 22. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings, and other equity).

Key management personnel of the Group review the capital structure on a regular basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, and/or the amount of new debt issued or existing debt redeemed.

The Group is not subject to any externally imposed capital requirements.

## 23. FINANCIAL INSTRUMENTS

### a. Fair value of financial instruments not measured at fair value

#### December 31, 2023

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost					
Foreign corporate bonds	<u>\$ 1,923,549</u>	<u>\$ -</u>	<u>\$ 1,898,204</u>	<u>\$ -</u>	<u>\$ 1,898,204</u>

#### December 31, 2022

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost					
Foreign corporate bonds	<u>\$ 1,800,767</u>	<u>\$ -</u>	<u>\$ 1,747,598</u>	<u>\$ -</u>	<u>\$ 1,747,598</u>

#### Valuation techniques and inputs applied for Level 2 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Foreign corporate bonds	The fair values of foreign corporate bonds have been determined by quoted market prices provided by third-party pricing services.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 36,582	\$ 1,193,560	\$ -	\$ 1,230,142
Derivative instruments	-	55,438	-	55,438
Domestic listed shares	<u>31,574</u>	<u>-</u>	<u>-</u>	<u>31,574</u>
	<u>\$ 68,156</u>	<u>\$ 1,248,998</u>	<u>\$ -</u>	<u>\$ 1,317,154</u>
Financial assets at FVTOCI				
Equity investments				
Domestic listed shares	\$ 7,757,655	\$ -	\$ -	\$ 7,757,655
Domestic unlisted shares	-	-	2,397,502	2,397,502
Foreign listed shares	<u>163,823</u>	<u>-</u>	<u>-</u>	<u>163,823</u>
	<u>\$ 7,921,478</u>	<u>\$ -</u>	<u>\$ 2,397,502</u>	<u>\$ 10,318,980</u>
Financial liabilities at FVTPL				
Derivative instruments	<u>\$ -</u>	<u>\$ 1,292</u>	<u>\$ -</u>	<u>\$ 1,292</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 47,960	\$ 1,281,030	\$ -	\$ 1,328,990
Derivative instruments	-	86,767	-	86,767
Domestic listed shares	<u>38,745</u>	<u>-</u>	<u>-</u>	<u>38,745</u>
	<u>\$ 86,705</u>	<u>\$ 1,367,797</u>	<u>\$ -</u>	<u>\$ 1,454,502</u>
Financial assets at FVTOCI				
Equity investments				
Domestic listed shares	\$ 7,145,940	\$ -	\$ -	\$ 7,145,940
Domestic unlisted shares	-	-	2,265,992	2,265,992
Foreign listed shares	<u>252,875</u>	<u>-</u>	<u>-</u>	<u>252,875</u>
	<u>\$ 7,398,815</u>	<u>\$ -</u>	<u>\$ 2,265,992</u>	<u>\$ 9,664,807</u>
Financial liabilities at FVTPL				
Derivative instruments	<u>\$ -</u>	<u>\$ 3,191</u>	<u>\$ -</u>	<u>\$ 3,191</u>

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Derivatives - cross-currency swap contracts	Discounted cash flow.  Future cash flows are estimated based on observable forward exchange rates and interest rate at the end of the reporting period, discounted at a rate that reflects the credit risk of various counterparties.
Derivatives - interest rate swap contracts	Discounted cash flow.  Future cash flows are estimated based on observable forward interest rates at the end of the reporting period, discounted at a rate that reflects the credit risk of various counterparties.
Derivative financial assets-Oil derivatives commodities	The fair value is calculated by taking the difference between the current forward oil price in Singapore and the agreed forward oil price during the duration of the derivative commodities. The estimates and assumptions used in the valuation method are consistent with those of market participants when pricing financial instruments.
Mutual funds	The fair values of the single investments which do not have active market values and the whole investment portfolio were measured based on observable information from the active market.

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of domestic unlisted equity securities were determined using the asset-based approach. The asset-based approach assesses the fair-market value of each asset and liability of the target of evaluation and considers risk factors like the liquidity discount rate to estimate the target's fair value.

c. Categories of financial instruments

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Financial assets		
FVTPL		
Mandatorily at FVTPL	\$ 1,317,154	\$ 1,454,502
Financial assets at amortized cost (1)	17,096,313	18,098,975
Financial assets at FVTOCI - equity instruments	10,318,980	9,664,807
Financial liabilities		
FVTPL		
Held for trading	1,292	3,191
Amortized cost (2)	46,138,776	42,916,469

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, trade receivables (including related parties), other receivables, refundable deposits and long-term receivables.

- 2) The balances include financial liabilities measured at amortized cost, which comprise short-term and long-term borrowings (including current portion of long-term borrowings), short-term bills payable, trade payables (including related parties) and other payables.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt instrument investments, derivative financial instruments, trade receivables, trade payables and borrowings. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the board of directors, which provided written principles on foreign currency exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including:

- a) Cross-currency swap contracts to mitigate the exchange rate risk and interest rates risk arising from the subsidiaries' foreign currency denominated bank loans;
- b) Interest rate swaps to mitigate the interest rate risk arising from bank loans.

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group is exposed to foreign currency risk arising from engagement in foreign-currency transactions, investments and borrowings. The Group used cross-currency swap contracts to hedge against adverse risks pertaining to exchange rates, maturing the terms of foreign currency denominated borrowings to maximize hedge effectiveness.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) exposed to foreign currency risk at the end of the reporting period are set out in Note 27.

Sensitivity analysis

The Group was mainly exposed to USD, EUR and AUD.

The following table details the Group's sensitivity to a 10% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity analysis included outstanding foreign currency denominated monetary items and foreign currency denominated loans due to foreign operations and their adjusted translation at the end of the reporting period for a 10% change in foreign currency rates. A positive/negative number below indicates an increase/a decrease in pre-tax profit associated with the New Taiwan dollar strengthening 10% against the relevant currency. For a 10% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	<b>USD</b>		<b>EUR</b>		<b>AUD</b>	
	<b>For the Year Ended</b>		<b>For the Year Ended</b>		<b>For the Year Ended</b>	
	<b>December 31</b>		<b>December 31</b>		<b>December 31</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Profit or loss	\$(25,171)	\$ (9,951)	\$(11,898)	\$ 619	\$ 4,360	\$ 15,292
	(i)	(i)	(ii)	(ii)	(iii)	(iii)

- i. This was mainly attributable to the USD time deposits and trade receivables held by the Group.
- ii. This was mainly attributable to the EUR time deposits and trade payables held by the Group.
- iii. This was mainly attributable to the exposure to the Group's AUD denominated bank loans.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings and using interest rate swap contracts and cross-currency swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rate risk at the end of the reporting period were as follows:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Fair value interest rate risk		
Financial assets	\$ 15,149,264	\$ 16,004,194
Financial liabilities	15,127,299	13,714,505
Cash flow interest rate risk		
Financial assets	295,296	306,804
Financial liabilities	29,696,310	27,873,287

The Group is exposed to cash flow interest rate risk in relation to floating-rate bank borrowings. The Group aims to keep borrowings at fixed rates. In order to achieve this result, the Group entered into cross-currency swap contracts and interest rate swaps to hedge its exposures to changes in cash flow of the borrowings. The critical terms of these cross-currency swap contracts and interest rate swaps are similar to those of hedged borrowings. The Group's cash flow interest rate risk was mainly concentrated in the fluctuation of LIBOR/Term SOFAR/Daily SOFAR arising from the Group's New Taiwan dollars and USD denominated borrowings.

The Group is also exposed to fair value interest rate risk in relation to fixed-rate bank borrowings and pay-fixed/receive-floating interest rate swaps. It is the Group's policy to keep its borrowings at fixed rate of interests so as to minimize the cash flow interest rate risk.

#### Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liabilities outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2023 and 2022 would decrease/increase by \$147,005 thousand and \$137,832 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

#### c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities and open-end beneficiary certificates. The Group manages this risk by maintaining a portfolio of investments with different risk levels. The Group's equity price risk was mainly concentrated on equity instruments in Taiwan. Investments in equity securities are strategic investments made by the financial department of the Group.

#### Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 10% higher/lower, pre-tax profit for the years ended December 31, 2023 and 2022 would have increase/decrease by \$126,172 thousand and \$136,774 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the years ended December 31, 2023 and 2022 would increase/decrease by \$1,031,898 thousand and \$966,481 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

#### 2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group because of the failure of the counterparty to discharge its obligation and the financial guarantees provided by the Group could arise from the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets and the maximum amount the entity would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

The Group adopted a policy of credit risk management regarding operations. Risk assessment of counterparties takes into consideration the financial situation, credit rating by both external and internal parties, historical transaction records, current economic condition, and other factors that might affect the payment ability of the counterparty. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers.

The Group's concentration of credit risk was related to the top five customers of the Group whose balances of trade receivables are among the top five. The Group's exposure and the credit ratings of its counterparties are continuously monitored. When the counterparties are associates, the Company will consider them as of similar nature with the counterparties. For the years of 2023 and 2022, the credit risk concentrations were immaterial for any counterparty at any point in time.

### 3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Group had available unutilized short-term bank loan facilities of \$13,467,035 thousand and \$15,320,170 thousand, respectively.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, and continuously monitoring forecast and actual cash flows as well as matching the maturity profiles of financial assets and liabilities.

#### a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table include both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

#### December 31, 2023

	<b>On Demand or Within 1 Year</b>	<b>1-5 Years</b>	<b>More Than 5 Years</b>
Non-interest bearing	\$ 1,315,167	\$ -	\$ -
Floating interest rate	4,189,661	23,181,600	6,630,634
Fixed interest rate	<u>13,207,903</u>	<u>2,201,480</u>	<u>-</u>
	<u>\$ 18,712,731</u>	<u>\$ 25,383,080</u>	<u>\$ 6,630,634</u>

#### December 31, 2022

	<b>On Demand or Within 1 Year</b>	<b>1-5 Years</b>	<b>More Than 5 Years</b>
Non-interest bearing	\$ 1,328,677	\$ -	\$ -
Floating interest rate	3,364,012	22,851,797	4,908,329
Fixed interest rate	<u>12,630,757</u>	<u>1,145,668</u>	<u>-</u>
	<u>\$ 17,323,446</u>	<u>\$ 23,997,465</u>	<u>\$ 4,908,329</u>

Taking into account the Group's financial position, management does not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment.

The amount of floating interest rate instruments of the non-derivative financial assets and liabilities will vary due to the difference between the floating interest rate and the expected interest rate on the balance sheet dates.

b) Liquidity and interest rate risk tables for derivative financial liabilities

The following table details the Group's liquidity analysis for its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

December 31, 2023

	<b>On Demand or Within 1 Year</b>	<b>1-5 Years</b>	<b>More Than 5 Years</b>
<u>Net settled</u>			
Interest rate swaps	\$ 6,902	\$ 75,878	\$ -
<u>Gross settled</u>			
Cross-currency swaps			
Inflows	\$ 52,610	\$ -	\$ -
Outflows	<u>(53,064)</u>	<u>-</u>	<u>-</u>
	<u>\$ (454)</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2022

	<b>On Demand or Within 1 Year</b>	<b>1-5 Years</b>	<b>More Than 5 Years</b>
<u>Net settled</u>			
Interest rate swaps	\$ 10,164	\$ 150,885	\$ -
<u>Gross settled</u>			
Cross-currency swaps			
Inflows	\$ 107,264	\$ 52,066	\$ -
Outflows	<u>(111,322)</u>	<u>(52,898)</u>	<u>-</u>
	<u>\$ (4,058)</u>	<u>\$ (832)</u>	<u>\$ -</u>

## 24. TRANSACTIONS WITH RELATED PARTIES

Related-party balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

### a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Asia Cement Corporation (Asia Cement)	Investors that have significant influence over the Group
Winyield Investment Ltd. (Winyield)	Associate
Cape Asia Ltd. (Cape Asia)	Associate
Cape Asia Newbuildings (III) Ltd. (Cape Asia III)	Associate
New Cape Asia Shipping Ltd. (New Cape Asia Shipping)	Associate
Drive Catalyst SPC - SP Tranche Two	Associate
ITG-Uming Shipping Co., Ltd. (ITG-Uming Shipping)	Associate
Far Eastern International Bank (FEIB)	Related party in substance
Baodarun 1 Shipping Limited	Related party in substance
Baodarun 2 Shipping Limited	Related party in substance
Baodarun 3 Shipping Limited	Related party in substance
Yuan Ding Co., Ltd. (Yuan Ding)	Related party in substance
Asia Engineering Enterprise Corporation (Asia Engineering)	Related party in substance
Far Eastern New Century Corporation (FENC)	Related party in substance
Da Ju Fiber Co., Ltd. (Da Ju Fiber)	Related party in substance
Opas Fund Segregated Portfolio Company	Related party in substance

### b. Operating revenue

<u>Account Items</u>	<u>Related Party Category/Name</u>	<u>For the Year Ended December 31</u>	
		<u>2023</u>	<u>2022</u>
Freight revenue	Investors that have significant influence over the Group	\$ 767,777	\$ 1,185,182
	Related party in substance	<u>74,462</u>	<u>445,333</u>
		<u>\$ 837,239</u>	<u>\$ 1,630,515</u>

Freight rates are based on each vessel's route, port call and loading/unloading rate, plus a markup to be negotiated on the basis of conditions and the specifications of bulk cement carriers. With the exception of the above charters, the terms of the transactions with related parties are generally the same as those for unrelated parties.

### c. Purchases

<u>Account Items</u>	<u>Related Party Category/Name</u>	<u>For the Year Ended December 31</u>	
		<u>2023</u>	<u>2022</u>
Freight costs	Related parties in substance	<u>\$ 10,888</u>	<u>\$ 18,905</u>

The Group engages substantive related parties to provide ship material and repair services to the Group, and the relevant expenses are recognized as freight costs.

d. Receivables from related parties (excluding loans to related parties)

Account Items	Related Party Category/Name	December 31	
		2023	2022
Trade receivables from related parties	Investors that have significant influence over the Group	\$ 16,402	\$ 147,176
	Related parties in substance	-	83
		\$ 16,402	\$ 147,259

The outstanding trade receivables from related parties are unsecured. No impairment loss was recognized for trade receivables from related parties for the years ended December 31, 2023 and 2022.

e. Payables to related parties (excluding loans from related parties)

Account Items	Related Party Category/Name	December 31	
		2023	2022
Trade payables - related parties	Investors that have significant influence over the Group	\$ 80	\$ -
	Related parties in substance	-	7
		\$ 80	\$ 7

f. Acquisition of Financial Assets

For the year ended December 31, 2023: None

For the year ended December 31, 2022

Related Party Category	Account Item	Number of Shares (In Thousands)	Underlying Assets	Price Acquisition
Associate	Investments accounted for using the equity method	4	Drive Catalyst SPC-SP Tranche Two	<u>\$ 111,976</u>
Related party in substance	Financial assets at FVTOCI	42,503	FEIB Ordinary shares	<u>\$ 408,883</u>

The Group's transaction with Drive Catalyst SPC involves the acquisition or disposal of a portfolio through Drive Catalyst SPC's platform. The investment committee, composed of the Group and other investors, is responsible for making and managing decisions related to the portfolio.

The Group participated in the follow-on offering of FEIB and designated its investment as at FVTOCI.

g. Disposal of financial assets

For the year ended December 31, 2023

Related Party Category	Account Item	Number of Shares (In Thousands)	Underlying Assets	Disposal Price	Gain on Disposal
Related party in substance	Financial assets at FVTPL - current	8	Opas Fund Segregated Portfolio Tranche A mutual funds	<u>\$ 274,950</u>	<u>\$ 15,068</u>

For the year ended December 31, 2022: None

h. Loans to related parties

For information about loans to related parties, refer to Table 1.

i. Endorsements and guarantees

<b>Related Party Category/Name</b>	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Associates		
Amount endorsed	<u>\$ 26,867</u>	<u>\$ 42,994</u>
Amount utilized	<u>\$ 26,867</u>	<u>\$ 42,994</u>
Liabilities recognized	<u>\$ -</u>	<u>\$ -</u>
Related parties in substance		
Amount endorsed	<u>\$ 398,059</u>	<u>\$ 500,217</u>
Amount utilized	<u>\$ 281,779</u>	<u>\$ 393,239</u>
Liabilities recognized	<u>\$ -</u>	<u>\$ -</u>

For information about endorsements and guarantees, refer to Table 2.

j. Others

1) Temporary receipts (classified as other current liabilities)

<b>Related Party Category/Name</b>	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Investors that have significant influence over the Group		
Asia Cement	<u>\$ 15,000</u>	<u>\$ 15,000</u>

They are revolving funds for ships deposited by Asia Cement to the Group.

2) Rent expense

<b>Related Party Category/Name</b>	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Related party in substance		
Yuan Ding	<u>\$ 22,401</u>	<u>\$ 22,229</u>

As of December 31, 2023 and 2022, the refundable deposits for the lease were NT\$7,289 thousand and \$5,151 thousand, respectively.

3) Other revenue

<b>Related Party Category/Name</b>	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Related party in substance		
FENC	<u>\$ 6,150</u>	<u>\$ 6,150</u>
FEIB	<u>3,415</u>	<u>2,497</u>
	<u>\$ 9,565</u>	<u>\$ 8,647</u>

Remuneration of directors.

k. Compensation of key management personnel

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Short-term employee benefits	\$ 66,386	\$ 90,225
Post-employment benefits	<u>2,249</u>	<u>2,490</u>
	<u>\$ 68,635</u>	<u>\$ 92,715</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

l. Transaction of related party in substance - FEIB

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Bank deposits	<u>\$ 93,191</u>	<u>\$ 135,194</u>
Bank borrowings	<u>\$ 700,000</u>	<u>\$ 700,000</u>

## 25. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets had been pledged or mortgaged as collateral for certain short-term bills payable, bank loans, and cash deposits of Taiwan Power Company:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Property, plant and equipment (transportation)	\$ 31,760,268	\$ 25,319,250
Financial assets at FVTOCI - current	3,641,984	2,765,816
Pledged deposits (classified as refundable deposits)	<u>54,335</u>	<u>39,409</u>
	<u>\$ 35,456,587</u>	<u>\$ 28,124,475</u>

## 26. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, the significant commitments and contingencies of the Group were as follows:

### Significant commitments

- The Company entered into a long-term agreement with Taiwan Power Company (TPC) to provide voyage charter services for two Panamax vessels on the Pacific route through April 2024 and December 2026.
- The Company entered into an agreement with Taiwan Power Company (TPC) to provide operational services for four ships of TPC, namely Taipower Prosperity V, VI, VII and VIII. The contract period ends in 2027.

- c. The Company entered into a shipbuilding contract with Bodewes International Shipbuilding B.V. from the Netherlands to construct one cement carrier. The total contract amount was EUR25,381 thousand. As of December 31, 2023, the Company had paid EUR11,421 thousand. The obligations under the contract will be fulfilled after the completion of the shipbuilding process.
- d. U-Ming Singapore entered into a shipbuilding contract with Sumec Marine, New Dayang Shipbuilding to construct four bulk carriers. The total contract amount was US\$134,000 thousand. As of December 31, 2023, U-Ming Singapore had paid US\$26,800 thousand. The obligations under the contract will be fulfilled after the completion of the shipbuilding process.

## 27. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than the functional currencies and the related exchange rates between foreign currencies and the respective functional currencies were as follows:

December 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands of NTD)
<u>Financial assets</u>			
Monetary items			
USD	\$ 6,225	30.705 (USD:NTD)	\$ 191,142
USD	2,286	7.0827 (USD:RMB)	70,190
EUR	42	1.1067 (EUR:USD)	1,424
EUR	3,877	33.980 (EUR:NTD)	131,734
AUD	472	0.6833 (AUD:USD)	<u>9,907</u>
			<u>\$ 404,397</u>
Non-monetary items			
Financial assets at FVTOCI			
HKD	41,696	0.1280 (HKD:USD)	<u>\$ 163,824</u>
<u>Financial liabilities</u>			
Monetary items			
USD	313	30.705 (USD:NTD)	\$ 9,625
USD	500	7.0827 (USD:RMB)	15,353
EUR	417	1.1067 (EUR:USD)	14,178
AUD	2,550	0.6833 (AUD:USD)	<u>53,505</u>
			<u>\$ 92,661</u>
Non-monetary items			
Derivative financial liabilities			
AUD	2,475	0.6833 (AUD:USD)	<u>\$ 387</u>

December 31, 2022

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In Thousands of NTD)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 4,237	30.710 (USD:NTD)	\$ 130,110
USD	1,588	6.9646 (USD:RMB)	47,855
AUD	314	0.6783 (AUD:USD)	6,536
EUR	105	1.0655 (EUR:USD)	3,499
EUR	17	32.720 (EUR:NTD)	<u>568</u>
			<u>\$ 188,518</u>
Non-monetary items			
Financial assets at FVTOCI			
HKD	64,214	0.1282 (HKD:USD)	<u>\$ 252,875</u>
<u>Financial liabilities</u>			
Monetary items			
USD	2,555	30.710 (USD:NTD)	\$ 78,459
EUR	189	1.0655 (EUR:USD)	6,195
AUD	7,655	0.6783 (AUD:USD)	<u>159,461</u>
			<u>\$ 244,115</u>
Non-monetary items			
Derivative financial liabilities			
AUD	7,424	0.6783 (AUD:USD)	<u>\$ 2,606</u>

For the years ended December 31, 2023 and 2022, realized and unrealized foreign exchange gains were NT\$13,450 thousand and NT\$19,237 thousand, respectively. It was impractical to disclose net foreign exchange losses by each significant foreign currency due to the variety of the foreign currency transactions.

## **28. SEPARATELY DISCLOSED ITEMS**

a. Information about significant transactions:

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries and associates). (Table 3)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (None)

- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
  - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 4)
  - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)
  - 9) Trading in derivative instruments. (Note 7)
  - 10) Intercompany relationships and significant intercompany transactions. (Table 6)
- b. Information on investees. (Table 7)
- c. Information on investments in mainland China:
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriated investment income, and limit on the amount of investment in the mainland China area. (Table 8)
  - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses. (None)
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
    - c) The amount of property transactions and the amount of the resultant gains or losses
    - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
    - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
    - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)

## 29. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were the marine transportation department and the investment department.

a. Segment revenues and results

The following was an analysis of the Group's revenue and results by reportable segment.

	<b>Segment Revenues</b>		<b>Segment Profits</b>	
	<b>For the Year Ended</b>		<b>For the Year Ended</b>	
	<b>December 31</b>		<b>December 31</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Marine transportation	\$ 14,113,634	\$ 13,863,935	\$ 2,447,479	\$ 4,034,007
Investment	<u>261,839</u>	<u>306,461</u>	<u>260,456</u>	<u>305,221</u>
	<u>\$ 14,375,473</u>	<u>\$ 14,170,396</u>	2,707,935	4,339,228
Non-operating income and expenses			<u>(55,947)</u>	<u>133,712</u>
Profit before income tax			<u>\$ 2,651,988</u>	<u>\$ 4,472,940</u>

Reporting income is generated from transactions with external parties. There are no inter-segment transactions for the years ended December 31, 2023 and 2022, respectively.

Segment revenue represents the revenue earned by each segment. The amount is to provide the management the basis to allocate resources to segments and to evaluate performances.

b. Segment total assets and liabilities

The Group does not report segment total assets and liabilities to the chief operating decision maker. Therefore, no information regarding this is disclosed here.

c. Geographical information

Based on the nature of the marine transportation business, the freighters operate across global seas. Therefore, the disclosure of revenue and non-current assets information by geographical location is not applicable.

d. Information about major customers

Single customers that individually contributed 10% or more to the Group's revenue were as follows:

	<b>For the Year Ended December 31</b>			
	<b>2023</b>		<b>2022</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Customer A	\$ 2,007,800	14	\$ 1,426,530	10
Customer B	1,355,505	10	Note	-
Customer C	Note	-	1,393,791	10

Note: Less than 10% of operating income.

TABLE 1

## U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note b)	Ending Balance (Note b)	Actual Amount Borrowed (Note b)	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note a)	Aggregate Financing Limits (Note a)
													Item	Value		
1	U-Ming Singapore	Eagle	Other receivable - related parties	Y	\$ 921,150	\$ 736,920	\$ 712,356	5.76937%	Short-term financing	\$ -	Purchasing equipment of transportation and operational revolving fund	\$ -	-	\$ -	30% of net worth of subsidiary \$11,925,203	40% of net worth of subsidiary \$15,900,271
		Winyield	Long-term receivables - related parties	Y	675,510	614,100	575,240 (Note c)	-	Short-term financing	-	Purchasing equipment of transportation and operational revolving fund	-	-	-	30% of net worth of subsidiary \$11,925,203	40% of net worth of subsidiary \$15,900,271
		New Cape Asia shipping	Long-term receivables - related parties	Y	61,410	61,410	41,106	-	Short-term financing	-	Purchasing equipment of transportation and operational revolving fund	-	-	-	30% of net worth of subsidiary \$11,925,203	40% of net worth of subsidiary \$15,900,271
		Cape Asia (III)	Long-term receivables - related parties	Y	61,410	30,705	27,326	-	Short-term financing	-	Purchasing equipment of transportation and operational revolving fund	-	-	-	30% of net worth of subsidiary \$11,925,203	40% of net worth of subsidiary \$15,900,271
		Cape Asia	Long-term receivables - related parties	Y	3,071	3,071	3,071	-	Short-term financing	-	Operational revolving fund	-	-	-	30% of net worth of subsidiary \$11,925,203	40% of net worth of subsidiary \$15,900,271
2	U-Ming Hong Kong	ITG-U-Ming Shipping	Other receivables - related parties	Y	45,136	-	-	-	Short-term financing	-	Operational revolving fund	-	-	-	30% of net worth of subsidiary \$3,255,036	40% of net worth of subsidiary \$4,340,048

Note a: The nature for financing is as follows:

- The total amount available from U-Ming Marine Transport Corporation and its domestic subsidiaries for financing shall not exceed 50% of the borrower's net worth per their most recent financial statements, the total financing amount for borrowers with short-term financing needs shall not exceed 15% of the borrower's net worth, and the individual financing amount to each of such borrowers shall not exceed 5% of the borrower's net worth.
- The total amount available for financing from U-Ming (Singapore), U-Ming (Hong Kong), and foreign subsidiaries shall not exceed 50% of the net worth of the borrower, the total financing amount for borrowers with short-term financing needs shall not exceed 40% of the net worth of the borrower, and the individual amount available for financing to each of such borrowers shall not exceed 30% of the net worth of the borrower.

Note b: The above amounts were translated into New Taiwan dollars at the prevailing exchange rate as of December 31, 2023.

Note c: The financing amounts listed in Table 1 pertains only to the actual amounts utilized, and does not include the share of the accumulated loss of associates accounted for using the equity method of NT\$251,713 thousand offset against long-term receivables - related parties.

## U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note a)	Maximum Amount Endorsed/ Guaranteed During the Period	Ending Balance	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Amount to Net Equity in Latest Financial Statement	Aggregate Endorsement/ Guarantee Limit (Notes a)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note a)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note a)	Endorsement/ Guarantee Given On Behalf of Companies in Mainland China (Note a)
		Name	Relationship										
0	The Company	U-Ming Singapore	A subsidiary	50% of net worth of the Company \$16,848,999	\$ 3,289,533	\$ 2,809,399	\$ 2,809,399	\$ -	8.35%	100% of net worth of the Company \$33,697,999	Y	-	-
		U-Ming Hong Kong	A subsidiary	50% of net worth of the Company \$16,848,999	333,456	-	-	-	-	100% of net worth of the Company \$33,697,999	Y	-	-
1	U-Ming Singapore	Winyield	An investee accounted for using the equity method by subsidiary	50% of net worth of the subsidiary \$19,875,338	42,987	26,867	26,867	-	0.07%	100% of net worth of the subsidiary \$39,750,676	-	-	-
2	U-Ming Hong Kong	Baodarun 1 Shipping Ltd	Related party in substance	50% of net worth of the Company \$5,425,060	120,267	82,557	82,557	-	0.76%	100% of net worth of the Company \$10,850,119	-	-	-
		Baodarun 2 Shipping Ltd	Related party in substance	50% of net worth of the Company \$5,425,060	120,267	90,080	90,080	-	0.83%	100% of net worth of the Company \$10,850,119	-	-	-
		Baodarun 3 Shipping Ltd	Related party in substance	50% of net worth of the Company \$5,425,060	143,339	109,142	109,142	-	1.01%	100% of net worth of the Company \$10,850,119	-	-	-
3	Yue-Li	Da Ju Fiber	The subsidiary is its supervisor	50% of net worth of the subsidiary \$1,996,136	116,280	116,280	-	-	2.91%	100% of net worth of the subsidiary \$3,992,271	-	-	-

Note a: The total amount available for endorsements/guarantees to external parties provided by U-Ming shall not exceed the current net worth of the entity, and the individual amount available to each entity shall not exceed 50% of the net worth of the entity. The same restrictions apply to the entity's subsidiaries.

Note b: The above amounts were translated into New Taiwan dollars at the prevailing exchange rate as of December 31, 2023.

## U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD  
DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note		Limit
				Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note c)	Shares Pledged as Collateral (In Thousands) (Note b)	Value of Pledged or Mortgaged Assets	
The Company	<u>Common stocks</u>									
	Far Eastern International Bank	The chairman of the Company is its vice-chairman	Financial assets at fair value through other comprehensive income - current	93,236	\$ 1,179,431	2	\$ 1,179,431	-	\$ -	-
	Far Eastern New Century Corporation	The chairman is the same	Same as above	31,180	972,831	1	972,831	10,000	312,000	(Note a)
	Asia Cement Corporation	The major stockholder	Same as above	1,793	74,319	-	74,319	1,500	62,175	(Note a)
	Far EastTone Telecommunications Co., Ltd.	The chairman is the same	Same as above	331	26,414	-	26,414	-	-	-
	Oriental Union Chemical Corp.	The chairman is the same	Same as above	99	1,992	-	1,992	-	-	-
	Far Eastern Department Stores Ltd.	The chairman is the same	Same as above	4	108	-	108	-	-	-
Yue Yuan Investment Corporation	An investee accounted for using the equity method by major stockholder	Financial assets at fair value through other comprehensive income - non-current	91,487	831,123	18	831,123	-	-	-	
Yue-Li	<u>Common stocks</u>									
	Far Eastern International Bank	The chairman of the parent company is its vice-chairman	Financial assets at fair value through other comprehensive income - current	174,104	2,202,417	4	2,202,417	114,166	1,444,198	(Note a)
	Asia Cement Corporation	The major stockholder of the parent company	Same as above	13,240	548,802	-	548,802	13,200	547,140	(Note a)
	Oriental Union Chemical Corp.	The chairman of the parent company is the same	Same as above	4,862	97,965	1	97,965	2,000	40,300	(Note a)
	Far Eastern New Century Corporation	The chairman of the parent company is the same	Same as above	1,516	47,293	-	47,293	1,500	46,800	(Note a)
	Far Eastern Department Stores Ltd.	The chairman of the parent company is the same	Same as above	1,769	43,783	-	43,783	-	-	-
	Far EastTone Telecommunications Co., Ltd.	The chairman of the parent company is the same	Same as above	-	147	-	147	-	-	-
	Everest Textile Co., Ltd.	The chairman of the parent company is its director	Same as above	7	50	-	50	-	-	-
	Da Ju Fiber Co., Ltd.	The subsidiary is its supervisor	Financial assets at fair value through other comprehensive income - non-current	34,670	1,150,811	19	1,150,811	-	-	-
Allied Supreme Corp.	None	Financial assets at fair value through profit or loss - current	97	31,574	-	31,574	-	-	-	
Yue-Tung	<u>Common stocks</u>									
	Far Eastern International Bank	The chairman of the parent company is its vice-chairman	Financial assets at fair value through other comprehensive income - current	154,452	1,953,822	4	1,953,822	46,282	585,472	(Note a)
	Asia Cement Corporation	The major stockholder of the parent company	Same as above	7,628	316,200	-	316,200	7,585	314,398	(Note a)
	Far Eastern New Century Corporation	The chairman of the parent company is the same	Same as above	8,057	251,383	-	251,383	8,000	249,600	(Note a)
	Far EastTone Telecommunications Co., Ltd.	The chairman of the parent company is the same	Same as above	510	40,698	-	40,698	500	39,900	(Note a)
	Ding Shen Investment Co., Ltd.	The subsidiary is its director	Financial assets at fair value through other comprehensive income - non-current	40,329	328,928	18	328,928	-	-	-
Yue Yuan Investment Corporation	An investee accounted for using equity method by major stockholder of the parent company	Same as above	9,537	86,640	2	86,640	-	-	-	
U-Ming Singapore	<u>Beneficiary certificates</u>									
	Opas Fund Segregated Portfolio Tranche A	Related party in substance	Financial assets at fair value through profit or loss - current	15	574,842	-	574,842	-	-	-
	Hutchison Port Holdings Trust	None	Same as above	8,050	36,582	-	36,582	-	-	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note		Limit
				Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note c)	Shares Pledged as Collateral (In Thousands) (Note b)	Value of Pledged or Mortgaged Assets	
U-Ming Hong Kong	<u>Bonds</u>									
	Standard Chartered Bond	None	Financial assets at amortized cost - current	-	\$ 49,234	-	\$ 49,076	-	\$ -	-
	TSMC Global Ltd. Bond	None	Financial assets at amortized cost - non-current	-	317,097	-	309,212	-	-	-
	National Australia Bank Bond	None	Same as above	-	89,596	-	89,194	-	-	-
	HSBC Bank Bond	None	Same as above	-	88,264	-	87,561	-	-	-
	<u>Beneficiary certificates</u>									
	Opas Fund Segregated Portfolio Tranche C	Related party in substance	Financial assets at fair value through profit or loss - current	8	589,907	-	589,907	-	-	-
	Opas Fund Segregated Portfolio Tranche A	Related party in substance	Same as above	1	28,811	-	28,811	-	-	-
	<u>Bonds</u>									
	Societe Generale Bond	None	Financial assets at amortized cost - current	-	62,291	-	61,366	-	-	-
	Standard Chartered Bond	None	Financial assets at amortized cost - non-current	-	128,763	-	128,384	-	-	-
	Mitsubishi UFJ Financial Group Inc. Bond	None	Same as above	-	122,964	-	122,261	-	-	-
	HSBC Bank Bond	None	Same as above	-	117,002	-	116,748	-	-	-
TSMC Arizona Corp. Bond	None	Same as above	-	90,901	-	90,096	-	-	-	
Westpac Banking Corp. Bond	None	Same as above	-	63,372	-	63,266	-	-	-	
Falcon	<u>Common stocks</u>									
	Asia Cement (China) Holdings Corporation	The major stockholder of parent company is the same	Financial assets at fair value through other comprehensive income - current	16,701	160,103	-	160,103	-	-	-
	China Sanshui Cement Group Ltd.	The major stockholder of parent company is the same	Same as above	1,691	3,720	-	3,720	-	-	-
	<u>Bonds</u>									
	Standard Chartered Bond	None	Financial assets at amortized cost - current	-	49,239	-	49,076	-	-	-
	Lloyds Bank Plc Bond	None	Financial assets at amortized cost - non-current	-	94,463	-	90,209	-	-	-
	Westpac Banking Corp. Bond	None	Same as above	-	63,371	-	63,266	-	-	-
	BNP Paribas Bond	None	Same as above	-	63,011	-	59,891	-	-	-
	Societe Generale Bond	None	Same as above	-	62,280	-	59,935	-	-	-
	Airport Authority of Hong Kong Bond	None	Same as above	-	61,803	-	61,625	-	-	-
Overseas Shipping Pte. Ltd.	<u>Bonds</u>									
	TSMC Arizona Corp. Bond	None	Financial assets at amortized cost - non-current	-	151,596	-	150,160	-	-	-
	Royal Bank of Canada Bond	None	Same as above	-	63,724	-	64,355	-	-	-
	Westpac Bond	None	Same as above	-	63,374	-	63,266	-	-	-
	Toronto-Dominion Bank Bond	None	Same as above	-	62,466	-	62,242	-	-	-
TSMC Global Ltd. Bond	None	Same as above	-	58,738	-	57,015	-	-	-	

Note a: They cannot be traded in pledged period.

Note b: They are pledged as collateral for issuing commercial paper and credit line of bank loans.

Note c: Fair value are determined as follows: (a) listed shares or mutual funds: Closing price or NAV; (b) unlisted shares: Appraised value; (c) foreign corporate bonds: Quoted market prices provided by third-party pricing services.

Note d: The above amounts were translated into New Taiwan dollars at the prevailing exchange rate as of December 31, 2023.

(Concluded)

**U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

**(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Note/Accounts (Payable) or Receivable		Note
			Purchase/(Sale)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Company	Asia Cement	The major shareholder	Sales	\$ (421,691)	(22.50)	Upon completion of loading, within a month	Ad hoc basis	Ad hoc basis	\$ 16,402	9.61	-
	U-Ming Singapore	Subsidiary	Sales	(159,133)	(8.49)	-	-	-	-	-	-
	U-Ming Singapore	Subsidiary	Purchase	200,170	13.14	-	-	-	(155)	(0.34)	-
U-Ming Singapore	Asia Cement	The major shareholder of the parent company	Sales	(341,021)	(3.00)	Upon completion of loading, within 8 days	Ad hoc basis	Ad hoc basis	-	-	-
	The Company	The parent company	Sales	(200,170)	(1.76)	-	-	-	155	0.03	-
	The Company	The parent company	Purchase	159,133	1.77	-	-	-	-	-	-
U-Ming Hong Kong	Eagle	The parent company is the same	Purchase	327,128	29.38	-	-	-	(80,601)	(87.00)	-
Eagle	U-Ming Hong Kong	The parent company is the same	Sales	(327,128)	(100.00)	-	-	-	80,601	100.00	-

Note: The foreign-currency amounts of payables and receivables were translated into New Taiwan dollars at the prevailing exchange rate as of December 31, 2023; the foreign-currency amount of profit and loss items were translated into New Taiwan dollars at the average exchange rate for the year ended December 31, 2023.

**U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**

**DECEMBER 31, 2023**

**(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
U-Ming Singapore	Winyield	An investee accounted for using the equity method by a subsidiary	Long-term receivable - related parties \$323,527	-	\$ -	-	\$ -	\$ -
	Eagle	Subsidiary	Other receivable-related parties \$717,607	-	-	-	-	-

Note: The above amounts were translated into New Taiwan dollars at the prevailing exchange rate as of December 31, 2023.

**U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

Number	Company Name	Counterparty	Relationship (Note a)	Transactions Details			
				Account	Amount (New Taiwan Dollars)	Trading Terms	Percentage to Consolidated Total Operating Revenues or Total Assets (Note b)
0	The Company	U-Ming Singapore	1	Freight revenue	\$ 159,133	-	1
			1	Other revenue	11,871	-	-
		U-Ming Hong Kong	1	Other receivables	12,415	-	-
			1	Freight revenue	15,081	-	-
1	U-Ming Singapore	The Company	2	Freight revenue	200,170	-	1
			3	Interest income	39,762	-	-
		U-Ming Xiamen	3	Other receivables	717,607	-	1
			3	Refundable deposits	15,353	-	-
2	U-Ming Hong Kong	The Company	2	Freight revenue	58,794	-	-
			3	Freight revenue	99,826	-	1
		Falcon	3	Accounts receivables	20,217	-	-
3	Eagle	U-Ming Hong Kong	3	Accounts receivables	80,601	-	-
			3	Freight revenue	327,128	-	2
		Falcon	3	Freight revenue	77,617	-	1
4	U-Ming Xiamen	U-Ming Singapore	3	Freight revenue	121,651	-	1
		U-Ming Hong Kong	3	Freight revenue	13,885	-	-

Note a: 1. Parent to subsidiary.  
2. Subsidiary to parent.  
3. Between subsidiaries.

Note b: In calculating the ratio, the transaction amount is divided by consolidated total assets for balance sheet accounts and is divided by consolidated total revenues for income statement accounts.

Note c: All of the above transactions between the Company and its subsidiaries have been eliminated on consolidation.

TABLE 7

## U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares (In Thousands)	Percentage of Ownership	Carrying Amount			
U-Ming Marine Transport Corporation	U-Ming Singapore	Singapore	Transport	\$ 2,649,382	\$ 2,649,382	150,146	100	\$ 39,750,676	\$ 2,155,095	\$ 2,155,095	A subsidiary
	U-Ming Hong Kong	Hong Kong	Transport	121,923	121,923	27,000	100	10,850,119	650,375	650,375	A subsidiary
	Yue-Li	Taipei	Investment	1,500,000	1,500,000	150,000	68	2,721,957	144,901	98,796	A subsidiary
	Yue-Tung	Taipei	Investment	1,360,400	1,360,400	136,040	74	2,395,183	133,758	98,359	A subsidiary
	U-Ming Offshore	Taipei	Transport	204,000	204,000	20,400	51	130,257	(142,949)	(72,904)	A subsidiary
	Global Energy Maritime Co., Ltd.	Taipei	Transport	2,054,100	2,054,100	205,410	40	2,192,713	306,826	122,731	An investee accounted for using equity method
Yue-Tung	Yue Ding Enterprise Corporation	Taipei	Bulk and retail sale of decorations and commodity	186,080	186,080	34,434	25	531,783	134,398	Not applicable	An investee accounted for using equity method
	Ding Ding Consultation Corporation	Taipei	Consultant	50,000	50,000	5,134	40	87,997	6,878	Not applicable	An investee accounted for using equity method
U-Ming Singapore	Cape Asia (III)	Marshall Islands	Transport	2	2	-	17	106,921	(11,412)	Not applicable	An investee accounted for using equity method
	Cape Asia	Hong Kong	Transport	3	3	-	17	231	640	Not applicable	An investee accounted for using equity method
	Winyield	Hong Kong	Transport	-	-	-	50	-	24,927	Not applicable	An investee accounted for using equity method
	New Cape Asia	Marshall Islands	Transport	-	-	-	25	64,958	61,860	Not applicable	An investee accounted for using equity method
	Eagle	Singapore	Transport	-	-	-	100	75,266	29,068	Not applicable	An indirect subsidiary
	Falcon	British Virgin Islands	Investment	661,080	661,080	-	100	691,347	(44,986)	Not applicable	An indirect subsidiary
	Yue-Li	Taipei	Investment	700,000	700,000	70,000	32	1,270,314	144,901	Not applicable	A subsidiary
	Yue-Tung	Taipei	Investment	489,600	489,600	48,960	26	862,012	133,758	Not applicable	A subsidiary
U-Ming Hong Kong	OSPL	Marshall Islands	Transport	474,692	474,692	-	100	874,291	28,744	Not applicable	An indirect subsidiary
	ITG-Uming Shipping	Hong Kong	Transport	578,113	578,113	41,435	49	1,147,450	483,937	Not applicable	An investee accounted for using equity method
	Drive Catalyst SPC (SP Tranche One)	Cayman Islands	Investment	122,860	122,860	4	25	136,575	7,123	Not applicable	An investee accounted for using equity method
	Drive Catalyst SPC (SP Tranche Two)	Cayman Islands	Investment	229,000	229,000	8	25	258,777	15,102	Not applicable	An investee accounted for using equity method
	Drive Catalyst SPC (SP Tranche Three)	Cayman Islands	Investment	231,360	231,360	8	25	263,509	22,006	Not applicable	An investee accounted for using equity method
Falcon	Opas Fund Segregated Portfolio Company	Cayman Islands	Investment	1,624	1,624	-	33	1,520	226	Not applicable	An investee accounted for using equity method
	Drive Catalyst SPC	Cayman Islands	Investment	491	491	-	33	507	53	Not applicable	An investee accounted for using equity method

Note: The foreign currency amounts of original investment were translated into New Taiwan dollars based on historical exchange rate; the foreign currency amounts of carrying value were translated into New Taiwan dollars at the prevailing exchange rate as of December 31, 2023; the foreign currency amount of profit and loss items were translated into New Taiwan dollars at an average exchange rate for the year ended December 31, 2023.

**U-MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES**

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2023**

(In Thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investments from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outward Remittance for Investments from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note b)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023
					Outward	Inward						
U-Ming Xiamen	Transport	\$ 29,579 (US\$ 1,000)	(Note a)	\$ 29,579 (US\$ 1,000)	\$ -	\$ -	\$ 29,579 (US\$ 1,000)	\$ 12,819	100	\$ 12,819	\$ 67,528	\$ -
ITG-Uming Xiamen	Transport	45,684 (US\$ 1,568)	(Note a)	45,684 (US\$ 1,568)	-	-	45,684 (US\$ 1,568)	495	49	242	47,762	-

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2023	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$75,263 (US\$2,568)	\$75,263 (US\$2,568)	\$20,293,888

Note a: The investment in the target company in mainland China was made by investing in an existing company, U-Ming Hong Kong, which was incorporated in a third area (other than Taiwan and mainland China).

Note b: The investment gain (loss) recognized was based on the financial statements audited by an accountant.

**TABLE 9****U-MING MARINE TRANSPORT CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS  
DECEMBER 31, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Asia Cement Corporation	331,701,152	39.25

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

**Appendix of 2023 Annual Report**  
**The Notes of the Parent Company Only Financial Statement**

# U-MING MARINE TRANSPORT CORPORATION

## NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

U-Ming Marine Transport Corporation (the “Company”) was incorporated in the Republic of China (ROC) in August 1968. The Company own and manage ships that transport dry bulk cargoes, specializing in cement, coal, iron ore and grain. The Company’s shares are listed on the Taiwan Stock Exchange since December 8, 1990.

The parent company only financial statements of the Company are presented in the Company’s financial currency, the New Taiwan dollar (NTD).

### 2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Company’s board of directors on March 6, 2024.

### 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Company’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	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 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards will be effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the parent company only financial statements were authorized for issue, the Company has assessed that the application of aforementioned standards and interpretations will not have a material impact on the Company's financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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 IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of aforementioned standards and interpretations will have on the Company's financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

- b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

When preparing the parent company only financial statements, the Company account for subsidiaries and associates by using the equity method. In order to agree with the amount of net income, other comprehensive income and equity attributable to shareholders of the parent in the parent company only financial statements, the differences of the accounting treatment between the parent company only basis and the parent company only basis are adjusted under the heading of investments accounted for using equity method, share of profits of subsidiaries and associates and share of other comprehensive income of subsidiaries and associates in the parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

In preparing the parent company only financial statements, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction and are not retranslated subsequently.

For the purpose of presenting parent company only financial statements, the functional currencies of the Company are translated into the presentation currency, the New Taiwan dollars, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

e. Investments in subsidiaries

A subsidiary is an entity that is controlled by the Company.

The Company uses the equity method to account for its investments in subsidiaries. Under the equity method, investments in subsidiaries are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of those subsidiaries. The Company also recognizes the changes in the Company's share of the equity of subsidiaries.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the entire financial statements of the invested company. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years.

Profits or losses resulting from downstream transactions are eliminated in full in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized in the parent company only financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

f. Investments in associates

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Company uses the equity method to account for its investments in associates. Under the equity method, investments in associates are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of those associates. The Company also recognizes the changes in the Company's share of the equity of associates.

When the Company subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Company's ownership interest is reduced due to the additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses, if any. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When a Company entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company' financial statements only to the extent of interests in the associate that are not related to the Company.

g. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Depreciation of transportation equipment is recognized on a straight-line basis. Depreciation of miscellaneous equipment is recognized on a fixed-percentage-of-declining-balance basis and each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Impairment of property, plant and equipment

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

i. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted

from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss (FVTPL) are recognized immediately in profit or loss.

#### 1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

##### a) Measurement category

Financial assets are classified into the following categories: Financial assets at amortized cost and equity instruments at FVTOCI.

##### i. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost, other receivables and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of the financial asset; and
- ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits, which are short-term and highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

ii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets and contract assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost and contract assets.

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables and contract assets. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Company determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Company):

- i) Internal or external information show that the debtor is unlikely to pay its creditors.
- ii) When a financial asset is more than 365 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

j. Revenue recognition

Revenue from the rendering of services

The Company identifies contracts with customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Revenue from rendering of services comes from the freight received from goods shipping and vessel chartering, and revenue from vessel management.

As the Company provides goods shipping, vessel chartering and vessel management services, the customer simultaneously receives and consumes the benefits provided by the Company's performance. Consequently, the related revenue is recognized when services are rendered. The Company measures the progress of each voyage by the proportion of days sailed to the expected total voyage period. Payment for transportation services is not due from the customer until a certain period after the goods have completed loading and, therefore, a contract asset is recognized over the period in which the transportation services are performed. The contract asset is reclassified to trade receivables when billed. Vessel chartering and management revenue are recognized by reference to the stage of completion of the contract, which is the proportion of the time of services rendered to the total contract period.

k. Borrowing costs

Borrowing costs directly attributable to an acquisition or construction of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

l. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost), and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represents the actual deficit (surplus) in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

m. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the Income Tax Act in the ROC.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### 3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

## **5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, management is required to make judgments, estimations and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Company considers the possible impact of inflation, interest rate fluctuations, and volatility in markets on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

### **Material Accounting Judgements**

#### Revenue recognition

The Company assesses that its performance obligations are satisfied over time based on the conditions in the contract and related regulations. Freight revenue is recognized by reference to the stage of completion of the contract, which is the proportion of the actual days sailed to the expected total voyage duration agreed in the contract. If the actual voyage duration differs from that stated in the contract, the amount of revenue recognized might be affected. Management believes that the best estimate has been used to assess the stage of completion of contracts.

## 6. CASH AND CASH EQUIVALENTS

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Cash on hand	\$ 467	\$ 505
Checking accounts and demand deposits	34,200	53,773
Cash equivalents		
Time deposits	<u>152,153</u>	<u>64,136</u>
	<u>\$ 186,820</u>	<u>\$ 118,414</u>

The market rate intervals of time deposits at the end of the reporting period were as follows:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Time deposits	3.60%-5.42%	1.44%-4.20%

## 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<b>Equity Instruments</b>		
<u>Current</u>		
Domestic listed shares	<u>\$ 2,255,095</u>	<u>\$ 2,117,507</u>
<u>Non-current</u>		
Domestic unlisted shares	<u>\$ 831,123</u>	<u>\$ 893,215</u>

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

Refer to Table 3 for detailed information relating to the Company's investments.

Refer to Note 23 for information relating to investments in equity instruments at FVTOCI pledged as security.

## 8. TRADE RECEIVABLES

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
At amortized cost		
Gross carrying amount	\$ 154,319	\$ 36,747
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 154,319</u>	<u>\$ 36,747</u>
Gross carrying amount - related parties	<u>\$ 16,402</u>	<u>\$ 178,371</u>

The Company receives freight charges that amount to 90% to 95% of the total contract price within 3 to 8 days from completion of loading and settles demurrage with customer upon completion of each voyage period. The outstanding period of demurrage depends on progress of settlement, normally longer than the outstanding period of freight charge.

The Company uses publicly available financial information or its own trading records to continuously assess the credit ratings of its counterparties, and credit exposure is controlled through credit limits of counterparties. In addition, the Company reviews the recoverable amount of each individual trade receivable at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ELCs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation, or when the trade receivables are over 365 days past due, whichever occurs earlier. For trade receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Company's provision matrix.

December 31, 2023

	<b>0 to 30 Days</b>	<b>31 to 90 Days</b>	<b>91 to 180 Days</b>	<b>Total</b>
Gross carrying amount	\$170,721	\$ -	\$ -	\$170,721
Loss allowance (Lifetime ECLs)	-	-	-	-
Amortized cost	<u>\$170,721</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$170,721</u>

December 31, 2022

	<b>0 to 30 Days</b>	<b>31 to 90 Days</b>	<b>91 to 180 Days</b>	<b>Total</b>
Gross carrying amount	\$215,081	\$ 37	\$ -	\$215,118
Loss allowance (Lifetime ECLs)	-	-	-	-
Amortized cost	<u>\$215,081</u>	<u>\$ 37</u>	<u>\$ -</u>	<u>\$215,118</u>

The Company did not recognize an allowance for impairment loss as of December 31, 2023 and 2022 and there are no the movements of the loss allowance during the year.

## 9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Subsidiaries	\$ 55,848,192	\$ 53,985,219
Associates	2,192,713	2,118,686
	<u>\$ 58,040,905</u>	<u>\$ 56,103,905</u>

### a. Investments in subsidiaries

	<b>December 31</b>			
	<b>2023</b>		<b>2022</b>	
	<b>Carrying Amount</b>	<b>% of Ownership</b>	<b>Carrying Amount</b>	<b>% of Ownership</b>
U-Ming Marine Transport (Singapore) Private Limited (U-Ming Singapore)	\$ 39,750,676	100	\$ 39,023,380	100
U-Ming Marine Transport (Hong Kong) Ltd. (U-Ming Hong Kong)	10,850,119	100	10,211,682	100
Yue-Li Investment Corporation (Yue-Li)	2,721,957	68	2,195,646	68
Yue-Tung Investment Corporation (Yue-Tung)	2,395,183	74	2,351,350	74
U-Ming Marine Offshore Company Limited (U-Ming Marine Offshore)	130,257	51	203,161	51
	<u>\$ 55,848,192</u>		<u>\$ 53,985,219</u>	

The calculation of the investments accounted for using the equity method and the share of profit or loss and other comprehensive income of the investments were based on the subsidiaries' audited financial statements.

### b. Investments in associates

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Global Energy Maritime Co., Ltd.	<u>\$ 2,192,713</u>	<u>\$ 2,118,686</u>

Aggregate information of associates:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
The Company's share of:		
Profit	\$ 122,730	\$ 53,534
Other comprehensive income	(637)	171,862
Total comprehensive income for the year	<u>\$ 122,093</u>	<u>\$ 225,396</u>

The share of profit or loss and other comprehensive income recognized from the investment accounted for using the equity method was calculated based on the associate's financial statements that have been audited for the same period.

## 10. PROPERTY, PLANT AND EQUIPMENT

	<u>Land</u>	<u>Transportation</u>	<u>Miscellaneous</u>	<u>Total</u>
<u>Cost</u>				
Balance at January 1, 2022	\$ 1,092	\$ 3,197,391	\$ 108,390	\$ 3,306,873
Additions	-	807,337	1,529	808,866
Reclassified	-	304,877	-	304,877
Derecognition by replacement	-	(138,796)	-	(138,796)
Balance at December 31, 2022	<u>\$ 1,092</u>	<u>\$ 4,170,809</u>	<u>\$ 109,919</u>	<u>\$ 4,281,820</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2022	\$ -	\$ 2,297,593	\$ 70,027	\$ 2,367,620
Depreciation	-	170,120	14,910	185,030
Derecognition by replacement	-	(138,796)	-	(138,796)
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 2,328,917</u>	<u>\$ 84,937</u>	<u>\$ 2,413,854</u>
Carrying amounts at December 31, 2022	<u>\$ 1,092</u>	<u>\$ 1,841,892</u>	<u>\$ 24,982</u>	<u>\$ 1,867,966</u>
<u>Cost</u>				
Balance at January 1, 2023	\$ 1,092	\$ 4,170,809	\$ 109,919	\$ 4,281,820
Additions	-	33,242	1,037	34,279
Disposals	-	-	(6,702)	(6,702)
Balance at December 31, 2023	<u>\$ 1,092</u>	<u>\$ 4,204,051</u>	<u>\$ 104,254</u>	<u>\$ 4,309,397</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2023	\$ -	\$ 2,328,917	\$ 84,937	\$ 2,413,854
Depreciation	-	194,547	9,655	204,202
Disposals	-	-	(6,684)	(6,684)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 2,523,464</u>	<u>\$ 87,908</u>	<u>\$ 2,611,372</u>
Carrying amounts at December 31, 2023	<u>\$ 1,092</u>	<u>\$ 1,680,587</u>	<u>\$ 16,346</u>	<u>\$ 1,698,025</u>

The Company carries out a periodic review of the impairment assessment for the vessels used for transportation; after the review, for the year ended December 31, 2023 and 2022, there was no indication of impairment.

The transportation equipment is depreciated on a straight-line basis, and the miscellaneous assets are depreciated on a fixed-percentage-on-declining-balance method over their estimated useful lives as follows:

Transportation equipment	10-18 years
Dry dock	1.5-2.5 years
Miscellaneous	3-5 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 23.

## 11. LEASE ARRANGEMENTS

The Company leases certain business spaces office and office equipment which qualify as short-term leases and as low-value asset leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	\$ 26,269	\$ 25,789
Expenses relating to low-value asset leases	\$ 162	\$ 46
Total cash outflow for leases	\$ 26,431	\$ 25,835

## 12. BORROWINGS

### a. Short-term loans

	December 31	
	2023	2022
<u>Secured borrowings</u> (Notes 22 and 23)		
Bank loans	\$ 700,000	\$ 700,000
<u>Unsecured borrowings</u>		
Credit borrowings	9,450,000	6,085,000
	<u>\$ 10,150,000</u>	<u>\$ 6,785,000</u>
Interest rate	1.68%-1.79%	1.55%-2.00%

### b. Short-term bills payable

December 31, 2023

Promissory Institution	Nominal Amount	Discount Amount	Carrying Value	Interest Rate
<u>Commercial paper</u>				
Mega Bills Finance Co., Ltd.	\$ 700,000	\$ (275)	\$ 699,725	1.79%
China Bills Finance Corporation	600,000	(321)	599,679	1.78%
Taiwan Finance Corporation	<u>160,000</u>	<u>(55)</u>	<u>159,945</u>	1.79%
	<u>\$ 1,460,000</u>	<u>\$ (651)</u>	<u>\$ 1,459,349</u>	

December 31, 2022

Promissory Institution	Nominal Amount	Discount Amount	Carrying Value	Interest Rate
<u>Commercial paper</u>				
Bank Sinopac Co., Ltd.	\$ 2,500,000	\$ (244)	\$ 2,499,756	1.78%
E.Sun Commercial Bank, Ltd.	700,000	(585)	699,415	1.91%
China Bills Finance Corporation	<u>600,000</u>	<u>(1,609)</u>	<u>598,391</u>	1.96%
	<u>\$ 3,800,000</u>	<u>\$ (2,438)</u>	<u>\$ 3,797,562</u>	

c. Long-term borrowings

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Secured bank loans (1) (Note 23)	\$ 630,000	\$ 700,000
Unsecured bank loans (2)	<u>17,070,000</u>	<u>16,860,000</u>
	17,700,000	17,560,000
Less: Current portion	<u>1,470,000</u>	<u>1,320,000</u>
Long-term borrowings	<u>\$ 16,230,000</u>	<u>\$ 16,240,000</u>

- 1) Secured bank loans are mainly for the purpose of construction of vessels, and are secured by the related vessels under construction as collaterals. The final maturity date of the loan ranges from August 2024 to August 2032 with interest rate ranges of 1.85% and 1.71% as of December 31, 2023 and 2022.
- 2) Unsecured bank loans are for the purpose of general operations, with the final maturity date ranging from March 2024 to November 2028 with interest rate ranges of 1.27%-2.08% and 1.27%-1.93% as of December 31, 2023 and 2022, respectively.

**13. OTHER PAYABLES**

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Remuneration to directors	\$ 149,545	\$ 167,338
Employees' compensation	60,999	78,793
Salaries and bonuses	57,843	70,525
Interest	18,750	27,360
Port charges	13,969	7,881
Material consumption and repairs	10,974	11,328
Dock repairs	1,361	26,107
Others	<u>63,989</u>	<u>66,766</u>
	<u>\$ 377,430</u>	<u>\$ 456,098</u>

## 14. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

### b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 5% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the parent company only balance sheets in respect of the Company's defined benefit plans were as follows:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Present value of defined benefit obligation	\$ 169,832	\$ 160,784
Fair value of plan assets	<u>(93,383)</u>	<u>(85,453)</u>
Net defined benefit liabilities	<u>\$ 76,449</u>	<u>\$ 75,331</u>

Movements in net defined benefit liabilities were as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liabilities</b>
Balance at January 1, 2022	\$ 169,746	(\$ 74,884)	\$ 94,862
Current service cost	2,351	-	2,351
Net interest expense (income)	<u>849</u>	<u>(387)</u>	<u>462</u>
Recognized in profit or loss	<u>3,200</u>	<u>(387)</u>	<u>2,813</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	( 5,764)	( 5,764)
Actuarial loss - changes in financial assumptions	( 11,658)	-	( 11,658)
Actuarial gain - experience adjustments	<u>6,614</u>	<u>-</u>	<u>6,614</u>
Recognized in other comprehensive income	<u>(5,044)</u>	<u>(5,764)</u>	<u>(10,808)</u>
Contributions from the employer	-	( 5,360)	( 5,360)
Benefits paid	<u>(7,118)</u>	<u>942</u>	<u>(6,176)</u>
Balance at December 31, 2022	<u>160,784</u>	<u>(85,453)</u>	<u>75,331</u>

(Continued)

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liabilities</b>
Current service cost	\$ 1,983	\$ -	\$ 1,983
Net interest expense (income)	<u>2,211</u>	<u>( 1,213)</u>	<u>998</u>
Recognized in profit or loss	<u>4,194</u>	<u>( 1,213)</u>	<u>2,981</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	( 611)	( 611)
Actuarial loss - changes in financial assumptions	1,583	-	1,583
Actuarial loss - experience adjustments	<u>8,405</u>	<u>-</u>	<u>8,405</u>
Recognized in other comprehensive income	<u>9,988</u>	<u>( 611)</u>	<u>9,377</u>
Contributions from the employer	-	( 6,106)	( 6,106)
Benefits paid	<u>( 5,134)</u>	<u>-</u>	<u>( 5,134)</u>
Balance at December 31, 2023	<u>\$ 169,832</u>	<u>(\$ 93,383)</u>	<u>\$ 76,449</u>

(Concluded)

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Discount rate(s)	1.250%	1.375%
Expected rate(s) of salary increase - ship crew	1.500%	1.500%
Expected rate(s) of salary increase - staff	3.000%	3.000%

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions will remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Discount rate(s)		
0.25% increase	(\$ <u>3,142</u> )	(\$ <u>3,090</u> )
0.25% decrease	\$ <u>3,243</u>	\$ <u>3,193</u>
Expected rate(s) of salary increase		
0.25% increase	\$ <u>3,028</u>	\$ <u>3,105</u>
0.25% decrease	(\$ <u>2,952</u> )	(\$ <u>3,021</u> )

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Expected contributions to the plan for the next year	\$ <u>6,069</u>	\$ <u>5,513</u>
Average duration of the defined benefit obligation	8.8 years	8.4 years

## 15. EQUITY

### a. Common share capital

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Number of shares authorized (in thousands)	<u>880,000</u>	<u>880,000</u>
Number of shares issued and fully paid (in thousands)	<u>845,056</u>	<u>845,056</u>

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Shares authorized	<u>\$ 8,800,000</u>	<u>\$ 8,800,000</u>
Shares issued	<u>\$ 8,450,557</u>	<u>\$ 8,450,557</u>

### c. Capital surplus

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>May be used to offset a deficit, distributed as cash dividends or transferred to share capital (Note)</u>		
Conversion of bonds	\$ 93,474	\$ 93,474
Excess of merger	5,428	5,428

(Continued)

May only be used to offset a deficit

Donations	\$ 16,127	\$ 16,180
Changes in percentage of ownership interest in subsidiaries	2,663	2,663
Share of change in capital surplus of associates	122	63

May not be used for any purpose

Share of change in capital surplus of associates	<u>1,195</u>	<u>737</u>
	<u>\$ 119,009</u>	<u>\$ 118,545</u> (Concluded)

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

The excess of merger recognized from the Company's acquisition of China Fortune Marine Transport Corporation in 1993 was due to the excess of proceeds over the par value of the new shares issued to acquire China Fortune Marine Transport Corporation.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes and offsetting losses of previous years. Providing that there is any remaining profit, 10% of the unappropriated earnings from the net profit after tax for the current period coupled with other items that recognized in retained earning directly for the current period shall be set aside as legal reserve. After setting aside or reversing a special reserve in accordance with the laws and regulations, the Company shall use the remaining profit together with any undistributed retained earnings as the basis for the Company's board of directors to propose a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

Dividends distributed to stockholders are decided after consideration has been given to the business perspective of the Company, the life cycle of various products or service provided, capital requirement in the future and the effect of possible changes of tax laws. Dividends shall be distributed under the objective of maintaining a stable dividend policy. For issue of dividends, except to save for the purposes of improving the financial structure, reinvestments, production expansion or other capital expenditures in which capital is required, dividends distributed shall not be lower than 50% of net profit after tax deduction for offset of loses, legal reserve, and special reserve, and the cash dividend shall not be lower than 10% of shareholders' bonus of that year.

For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to employees' compensation and remuneration of directors in Note 17-c.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

With respect to the cumulative net amount of other deductions from equity in a preceding period to allocate special reserve, the Company may make the allocation based merely on the undistributed earnings of the previous period.

The appropriations of earnings for 2022 and 2021 which have been approved in the shareholders' meetings on June 13, 2023 and June 8, 2022, respectively, were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividend Per Share</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Legal reserve	\$ 442,763	\$ 490,240		
(Reversal of) special reserve	(2,227,895)	1,205,098		
Cash dividends	2,535,167	2,535,167	\$ 3.0	\$ 3.0

The appropriations of earnings for 2023 which had been proposed by the Company's board of directors on March 6, 2024, were as follows:

	<u>Appropriation of Earnings</u>	<u>Dividend Per Share</u>
	<u>2023</u>	<u>2023</u>
Legal reserve	\$ 273,722	
Cash dividends	<u>2,028,134</u>	\$ 2.4
	<u>\$ 2,301,856</u>	

The appropriations of earnings for 2023 are subject to the resolution of the shareholders' meeting to be held on June 3, 2024.

## 16. REVENUE

### a. Disaggregation of revenue

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Transportation	\$ 1,081,319	\$ 1,320,039
Vessel management	492,080	227,774
Vessel leased	264,720	-
Bareboat	34,094	32,764
Others	<u>1,558</u>	<u>2,379</u>
	<u>\$ 1,873,771</u>	<u>\$ 1,582,956</u>

Refer to Note 4 for information relating to the relevant accounting policies.

### d. Contract balances

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Contract assets - transportation services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,851</u>
Contract liabilities - transportation services	<u>\$ 68,524</u>	<u>\$ 1,471</u>	<u>\$ -</u>

The Company measures the loss allowance for contract assets at an amount equal to lifetime ECLs. The contract assets will be transferred to trade receivables when the corresponding invoice is billed to the client, and the contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Company concluded that the expected loss rates for trade receivables can be applied to the contract assets. No impairment losses was recognized for contract assets in 2023 and 2022, respectively.

The changes in the balance of contract assets and contract liabilities primarily result from the timing difference between the Company's satisfaction of performance obligations and the respective customer's payment.

## 17. NET PROFIT AND OTHER COMPREHENSIVE INCOME

### a. Depreciation and amortization by function

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Depreciation of property, plant and equipment		
Operating costs	\$ 194,547	\$ 170,120
Operating expenses	<u>9,655</u>	<u>14,910</u>
	<u>\$ 204,202</u>	<u>\$ 185,030</u>
Amortization of intangible assets		
Operating expenses	<u>\$ 21,761</u>	<u>\$ 28,123</u>

### b. Employee benefits expense

	<b>For the Year Ended December 31</b>					
	<b>2023</b>			<b>2022</b>		
	<b>Operating Costs</b>	<b>Operating Expenses</b>	<b>Total</b>	<b>Operating Costs</b>	<b>Operating Expenses</b>	<b>Total</b>
Short-term benefits						
Salary expenses	\$ 362,037	\$ 152,284	\$ 514,321	\$ 277,082	\$ 150,348	\$ 427,430
Insurance expenses	26,136	11,736	37,872	20,401	10,865	31,266
Remuneration of directors	<u>-</u>	<u>28,657</u>	<u>28,657</u>	<u>-</u>	<u>46,438</u>	<u>46,438</u>
	<u>388,173</u>	<u>192,677</u>	<u>580,850</u>	<u>297,483</u>	<u>207,651</u>	<u>505,134</u>
Post-employment benefits (Note 14)						
Defined contribution plans	13,631	6,036	19,667	11,002	5,462	16,464
Defined benefit plans	<u>453</u>	<u>2,528</u>	<u>2,981</u>	<u>172</u>	<u>2,641</u>	<u>2,813</u>
	<u>14,084</u>	<u>8,564</u>	<u>22,648</u>	<u>11,174</u>	<u>8,103</u>	<u>19,277</u>
Other employee benefits	<u>23,632</u>	<u>32,448</u>	<u>56,080</u>	<u>18,738</u>	<u>49,805</u>	<u>68,543</u>
Total employee benefits expense	<u>\$ 425,889</u>	<u>\$ 233,689</u>	<u>\$ 659,578</u>	<u>\$ 327,395</u>	<u>\$ 265,559</u>	<u>\$ 592,954</u>

The average number of employees of the Company were 307 and 270, which both include 9 directors not serving concurrently as employees, for the years ended December 31, 2023 and 2022.

The average employee benefit expenses were \$2,117 thousand and \$2,094 thousand for the years ended December 31, 2023 and 2022, respectively. The average salary expenses were \$1,726 thousand and \$1,638 thousand for the years ended December 31, 2023 and 2022, respectively. The average salary expenses increased by 5.37% in 2023 compared to the previous year.

Reward policies of the Company were as follows:

1. The Company accrued remuneration of directors and managers according to the Articles of Incorporation. After the Remuneration Committee reviews and determines the remuneration and submit the results to board of directors for discussions, the remuneration is subject to the resolution of the shareholders' meeting. Make the remuneration procedure based on the standards of bulk shipping operators listed at home and abroad and the external compensation benchmarking companies. The remuneration of directors are paid according to the results of "Self-Evaluation or Peer Evaluation of the Board of Directors," the business performance, future development and operation risks. The remuneration of managers are paid according to the regulation of bonus which include the business performance of the Company and personal performance.
2. The reward standards, structures, and institutions for directors, and managers is based on the annual business performance, which also considers the future risk management and refers to the proportion

stipulated in the Articles of Incorporation. And also be adjusted to the state of operation and the laws. In addition, reward policies, institutions, standards, and structures for directors, and managers are regularly evaluated by the "Remuneration Committee" and recommended for discussion at the board meeting.

3. The Company also set goals for annual staff performance appraisal based on the regulations in Working Rules and the related codes, which is taken as the foundation for awards and punishments. Wherein, the Codes of Ethical Conduct is also a key evaluation index. "The regulation of performance bonus for on-shore personnel" is made to the Company. The bonus is based on the business performance of the vessel and the Company would calculate the bonus on the year end.

c. Employees' compensation and remuneration of directors

According to the Articles of Incorporation of the Company, the Company accrued employees' compensation and remuneration of directors at rates of 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2023 and 2022 which were approved by the Company's board of directors on March 6, 2024 and March 7, 2023, respectively, are as follows:

	<b>For the Year Ended December 31</b>			
	<b>2023</b>		<b>2022</b>	
	<b>Accrual Rate</b>	<b>Cash Amount</b>	<b>Accrual Rate</b>	<b>Cash Amount</b>
Employees' compensation	1%	\$ 27,571	1%	\$ 45,364
Remuneration of directors	1%	27,571	1%	45,364

If there is a change in the amounts after the annual parent company only financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of employees' compensation and remuneration of directors approved and the amounts recognized in the parent company only financial statements for the years ended December 31, 2022 and 2021.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2022 and 2021 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 18. INCOME TAXES

- a. Major components of income tax (benefit) expense recognized in profit or loss

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax		
In respect of the current year	\$ 36,481	\$ -
Adjustments for prior years	( 33,595)	( 23,545)
Income tax on unappropriated earnings	<u>161,372</u>	<u>33,595</u>
	164,258	10,050
Deferred tax		
In respect of the current year	1,749	31,302
Adjustments for prior years	( 203,000)	-
	<u>( 201,251)</u>	<u>31,302</u>
Income tax (benefit) expense recognized in profit or loss	<u>(\$ 36,993)</u>	<u>\$ 41,352</u>

A reconciliation of accounting profit and income tax benefit was as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Profit before tax	\$ 2,701,921	\$ 4,445,664
Income tax expense calculated at the statutory rate	\$ 540,384	\$ 889,133
Non-deductible expenses in determining taxable income	1,253	817
Tax-exempt income	( 522,073)	( 930,860)
Unrecognized temporary differences	18,666	72,212
Income tax on unappropriated earnings	161,372	33,595
Adjustments for prior years	( 236,595)	( 23,545)
Income tax (benefit) expense recognized in profit or loss	\$ 36,993	\$ 41,352

b. Current tax assets and liabilities

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax liabilities		
Income tax payable	\$ 197,287	\$ 33,574

c. Deferred tax assets and liabilities

For the year ended December 31, 2023

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>			
Temporary differences			
Defined benefit plans	\$ 3,474	(\$ 1,652)	\$ 1,822
Property, plant and equipment	( 2)	-	( 2)
	<u>\$ 3,472</u>	<u>(\$ 1,652)</u>	<u>\$ 1,822</u>
<u>Deferred tax liabilities</u>			
Temporary differences			
Unappropriated earnings of subsidiaries	\$ 203,000	(\$ 203,000)	\$ -
Unrealized exchange gain	13,892	97	13,892
	<u>\$ 216,892</u>	<u>(\$ 202,903)</u>	<u>\$ 13,989</u>

For the year ended December 31, 2022

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>			
Temporary differences			
Defined benefit plans	\$ 5,219	(\$ 1,745)	\$ 3,474
Property, plant and equipment	( 3)	1	( 2)
	<u>\$ 5,216</u>	<u>(\$ 1,744)</u>	<u>\$ 3,472</u>

	<u>Opening Balance</u>	<u>Recognized in Profit or Loss</u>	<u>Closing Balance</u>
<u>Deferred tax liabilities</u>			
Temporary differences			
Unappropriated earnings of subsidiaries	\$ 174,000	\$ 29,000	\$ 203,000
Unrealized exchange gain	<u>13,334</u>	<u>558</u>	<u>13,892</u>
	<u>\$ 187,334</u>	<u>\$ 29,558</u>	<u>\$ 216,892</u>

- d. Unused loss carryforwards for which no deferred tax assets have been recognized in the parent company only balance sheets

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Loss carryforwards		
Expiry in 2030	\$ 90,821	\$ 90,821
Expiry in 2031	<u>273,812</u>	<u>273,812</u>
	<u>\$ 364,633</u>	<u>\$ 364,633</u>

- d. Income tax assessments

The tax returns through 2021 of the Company have been assessed by the tax authorities.

## 19. EARNINGS PER SHARE

The earnings and weighted-average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

- a. Net profit for the year

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 2,738,915</u>	<u>\$ 4,404,312</u>

- b. The weighted average number of ordinary shares outstanding (in thousands of shares) is as follows:

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Weighted average number of ordinary shares used in the computation of basic earnings per share	845,056	845,056
Effect of potentially dilutive ordinary shares		
Employee's compensation	<u>662</u>	<u>1,078</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>845,718</u>	<u>846,134</u>

If the Company offered to settle the compensation paid to employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

## 20. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings offset by cash) and equity of the Company (comprising issued capital, reserves, retained earnings, and other equity). Key management personnel of the Company review the capital structure on a regular basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Company may adjust the amount of dividends paid to shareholders, and/or the amount of new debt issued or existing debt redeemed.

The Company is not subject to any externally imposed capital requirements.

## 21. FINANCIAL INSTRUMENTS

### a. Fair value of financial instruments not measured at fair value

Management believes the carrying amounts of financial assets and financial liabilities recognized in the parent company only financial statements approximate their fair values.

### b. Fair value of financial instruments measured at fair value on a recurring basis

#### 1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Equity investments				
Domestic listed shares	\$ 2,255,095	\$ -	\$ -	\$ 2,255,095
Domestic unlisted shares	-	-	831,123	831,123
	<u>\$ 2,255,095</u>	<u>\$ -</u>	<u>\$ 831,123</u>	<u>\$ 3,086,218</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Equity investments				
Domestic listed shares	\$ 2,117,507	\$ -	\$ -	\$ 2,117,507
Domestic unlisted shares	-	-	893,215	893,215
	<u>\$ 2,117,507</u>	<u>\$ -</u>	<u>\$ 893,215</u>	<u>\$ 3,010,722</u>

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of domestic unlisted equity securities were determined using the asset-based approach. The asset-based approach assesses the fair-market value of each asset and liability of the target of evaluation and considers risk factors like the liquidity discount rate to estimate the target's fair value.

c. Categories of financial instruments

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Financial assets		
Financial assets at FVTOCI - equity instruments	\$ 3,086,218	\$ 3,010,722
Financial assets at amortized cost (1)	438,327	405,315
Financial liabilities		
Amortized cost (2)	29,732,307	28,633,123

1) The balances included financial assets at amortized cost, which comprise cash and cash equivalents, trade receivables (including related parties), other receivables and refundable deposits.

2) The balances included financial liabilities measured at amortized cost, which comprise short-term and long-term loans (including current portion of long-term borrowings), short-term bills payable, trade payable (including related parties) and other payable.

d. Financial risk management objectives and policies

The Company's major financial instruments include equity investments, derivative financial instruments, trade receivables, trade payables and borrowings. The Company's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Company's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Company entered into cross-currency swap contracts to mitigate the exchange rate risk and interest rates risk arising from the Company's foreign currency denominated loans due to foreign operations.

There had been no change to the Company's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities exposed to foreign currency risk at the end of the reporting period are set out in Note 25.

Sensitivity analysis

The Company was mainly exposed to USD and EUR.

The following table details the Company's sensitivity to a 10% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity analysis included outstanding foreign currency denominated monetary items and foreign currency denominated loans due to foreign operations, and adjusted their translation at the end of the reporting period for a 10% change in foreign currency rates. A positive/negative number below indicates an increase/a decrease in pre-tax profit associated with the New Taiwan dollar strengthening 10% against the relevant currency. For a 10% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	USD		EUR	
	For the Year Ended December 31		For the Year Ended December 31	
	2023	2022	2023	2022
Profit or loss	\$(18,152) (i)	\$ (5,165) (i)	\$(13,150) (ii)	\$ 10 (ii)

- i. This was mainly attributable to the USD time deposits and trade receivables held by the Company.
- ii. This was mainly attributable to the EUR time deposits and trade payables held by the Company.

b) Interest rate risk

The Company was exposed to interest rate risk because entities in the Company borrowed funds at both fixed and floating interest rates.

The carrying amount of the Company's financial assets and financial liabilities with exposure to interest rate risk at the end of the reporting period were as follows:

	December 31	
	2023	2022
Fair value interest rate risk		
Financial assets	\$ 202,153	\$ 99,136
Financial liabilities	14,609,349	12,832,562
Cash flow interest rate risk		
Financial assets	11,566	2,841
Financial liabilities	14,700,000	15,310,000

The Company is exposed to cash flow interest rate risk in relation to floating-rate bank borrowings.

The Company is also exposed to fair value interest rate risk in relation to fixed-rate bank borrowings. It is the Company's policy to keep its borrowings at fixed rate of interests so as to minimize the cash flow interest rate risk.

#### Sensitivity analysis

The sensitivity analyses below were determined based on the Company's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2023 and 2022 would decrease/increase by NT\$73,442 thousand and NT\$76,536 thousand, respectively, which was mainly attributable to the Company's exposure to interest rates on its variable-rate bank borrowings.

#### c) Other price risk

The Company was exposed to equity price risk through its investments in equity securities. The Company manages this risk by maintaining a portfolio of investments with different risk levels. The Company's equity price risk was mainly concentrated on equity instruments in Taiwan. Investments in equity securities are strategic investments made by the financial department of the Company.

#### Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 10% higher/lower, pre-tax other comprehensive income for the years ended December 31, 2023 and 2022 would increase/decrease by NT\$308,622 thousand and NT\$301,072 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

#### 2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk which will cause a financial loss to the Company because of the failure of the counterparty to discharge its obligation and the financial guarantees provided by the Company could arise from the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets and the maximum amount the entity would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

The Company adopted a policy of credit risk management regarding operations. Risk assessment of counterparties takes into consideration the financial situation, credit rating by both external and internal parties, historical transaction records, current economic condition, and other factors that might affect the payment ability of the counterparty. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers.

The Company's concentration of credit risk was related to the top five customers of the Company whose balances of trade receivables are among the top five. The Company's exposure and the credit ratings of its counterparties are continuously monitored. When the counterparties are associates, the Company will consider them as of similar nature with the counterparties. In the years 2023 and 2022, the credit risk concentration was immaterial for any counterparty at any point in time.

### 3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Company had available unutilized short-term bank loan facilities of NT\$10,949,035 thousand and NT\$13,594,170 thousand, respectively.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, and continuously monitoring forecast and actual cash flows as well as matching the maturity profiles of financial assets and liabilities.

#### a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The tables have been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

##### December 31, 2023

	<b>On Demand or Within 1 Year</b>	<b>1-5 Years</b>	<b>More Than 5 Years</b>
Non-interest bearing	\$ 422,958	\$ -	\$ -
Floating interest rate	749,889	14,004,224	598,932
Fixed interest rate	<u>12,651,025</u>	<u>2,157,067</u>	<u>-</u>
	<u>\$ 13,823,872</u>	<u>\$ 16,161,291</u>	<u>\$ 598,932</u>

##### December 31, 2022

	<b>On Demand or Within 1 Year</b>	<b>1-5 Years</b>	<b>More Than 5 Years</b>
Non-interest bearing	\$ 490,561	\$ -	\$ -
Floating interest rate	331,830	14,940,139	682,015
Fixed interest rate	<u>9,493,048</u>	<u>3,435,038</u>	<u>-</u>
	<u>\$ 10,315,439</u>	<u>\$ 18,375,177</u>	<u>\$ 682,015</u>

Taking into account the Company's financial position, management does not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment.

The amount of floating interest rate instruments of the non-derivative financial assets and liabilities will vary due to the difference between the floating interest rate and the expected interest rate on the balance sheet dates.

## 22. TRANSACTIONS WITH RELATED PARTIES

### a. Related party name and category

Related Party Name	Related Party Category
Asia Cement Corporation (Asia Cement)	Investors that have significant influence over the Company
U-Ming Marine Transport (Singapore) Private Limited (U-Ming Singapore)	Subsidiary
U-Ming Marine Transport (Hong Kong) Limited (U-Ming Hong Kong)	Subsidiary
Overseas Shipping Pte. Ltd. (OSPL)	Subsidiary
U-Ming Marine Offshore Company Limited (U-Ming Marine Offshore)	Subsidiary
Yuan Ding Co., Ltd. (Yuan Ding)	Related party in substance
Asia Engineering Enterprise Corporation (Asia Engineering)	Related party in substance
Far Eastern New Century Corporation (FENC)	Related party in substance
Far Eastern International Bank (FEIB)	Related party in substance

### b. Operating revenue

Account Items	Related Party Category/Name	For the Year Ended December 31	
		2023	2022
Freight revenue	Investors that have significant influence over the Company		
	Asia Cement	\$ 421,691	\$ 650,891
	Subsidiaries		
	U-Ming Singapore	159,133	276,863
	U-Ming Hong Kong	15,081	9,228
	U-Ming Marine Offshore	1,957	-
		<u>\$ 597,862</u>	<u>\$ 936,982</u>

Freight rates are based on each vessel's route, port call and loading/unloading rate, plus a markup to be negotiated on the basis of conditions and the specifications of bulk cement carriers. With the exception of the above charters, the terms of the transactions with related parties are generally the same as those for unrelated parties.

### c. Purchases

Account Items	Related Party Category/Name	For the Year Ended December 31	
		2023	2022
Freight costs	Subsidiaries		
	U-Ming Singapore	\$ 200,170	\$ -
	U-Ming Hong Kong	58,794	-
	Related parties in substance	10,888	18,905
		<u>\$ 269,852</u>	<u>\$ 18,905</u>

The Company engages substantive related parties to provide business scheduling, ship material and repair services to the Company, and the relevant expenses are recognized as freight costs.

d. Receivables from related parties

Account Items	Related Party Category/Name	December 31	
		2023	2022
Trade receivables from related parties	Investors that have significant influence over the Company Asia Cement Subsidiaries	\$ 16,402	\$ 147,176
		-	31,195
		<u>\$ 16,402</u>	<u>\$ 178,371</u>
Other receivables	Subsidiaries U-Ming Singapore Others	\$ 12,415	\$ 18,593
		526	3,033
		<u>\$ 12,941</u>	<u>\$ 21,626</u>

The outstanding trade receivables from related parties are unsecured. No impairment loss was recognized for trade receivables from related parties for the years ended December 31, 2023 and 2022.

e. Payables to related parties

Account Items	Related Party Category/Name	For the Year Ended December 31	
		2023	2022
Trade payables - related parties	Subsidiaries U-Ming Singapore	\$ 155	\$ -

f. Prepayments (classified as other current liabilities)

Account Items	Related Party Category/Name	December 31	
		2023	2022
Prepaid expenses	Subsidiaries U-Ming Singapore U-Ming Hong Kong	\$ 4,535	\$ 4,400
		3,474	3,160
		<u>\$ 8,009</u>	<u>\$ 7,560</u>

g. Endorsements and guarantees

Related Party Category/Name	December 31	
	2023	2022
Subsidiaries		
Amount endorsed	<u>\$ 2,809,399</u>	<u>\$ 3,623,580</u>
Amount utilized	<u>\$ 2,809,399</u>	<u>\$ 3,623,580</u>
Liabilities recognized	<u>\$ -</u>	<u>\$ -</u>

For information about endorsements and guarantees, refer to Table 2.

h. Capital increase to related parties

For the year ended December 31, 2023: None

For the year ended December 31, 2022

Related Party Category/Name	Account Items	Number of Shares (In Thousands)	Price Acquisition
Related party in substance FEIB	Financial assets at FVTOCI - current	9,395	<u>\$ 90,382</u>

i. Others

Account Items	Related Party Category	For the Year Ended December 31	
		2023	2022
Temporary payments (classified as other current assets)	Subsidiaries U-Ming Hong Kong	\$ -	\$ 799
Temporary receipts (classified as other current liabilities)	Investors that have significant influence over the Company Asia Cement (Note 1)	\$ 15,000	\$ 15,000
Rent expense	Related party in substance Yuan Ding (Note 2)	\$ 22,401	\$ 22,229
Other revenue	Subsidiaries U-Ming Singapore U-Ming Hong Kong Related party in substance FENC (Note 3) FEIB (Note 3)	\$ 11,871 526 6,150 3,415 21,962	\$ 18,295 2,835 6,150 2,497 29,777

Note 1: Asia Cement deposited to the Company revolving funds for ships.

Note 2: Refundable deposits for the lease were NT\$7,289 thousand and NT\$5,151 thousand as of December 31, 2023 and 2022, respectively.

Note 3: Remuneration of directors.

j. Compensation of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	\$ 61,528	\$ 85,514
Post-employment benefits	2,249	2,490
	\$ 63,777	\$ 88,004

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

k. Transaction of related party in substance - FEIB

	For the Year Ended December 31	
	2023	2022
Bank deposits	\$ 23,581	\$ 101,164
Bank borrowings	\$ 700,000	\$ 700,000

### 23. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets had been pledged or mortgaged as collateral for certain short-term bank loans and cash deposits of Taiwan Power Company:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Property, plant and equipment (transportation)	\$ 1,475,125	\$ 1,576,101
Financial assets at FVTOCI - current	374,175	380,500
Pledged deposits (classified as refundable deposits)	<u>50,000</u>	<u>35,000</u>
	<u>\$ 1,899,300</u>	<u>\$ 1,991,601</u>

### 24. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, the significant commitments and contingencies of the Company were as follows:

a. Significant commitments

- 1) The Company entered into a long-term agreement with Taiwan Power Company (TPC) to provide voyage charter services for two Panamax vessels on the Pacific route through April 2024 and December 2026.
- 2) The Company entered into an agreement with Taiwan Power Company (TPC) to provide operational services for four ships of TPC, namely Taipower Prosperity V, VI, VII and VIII. The contract period ends in 2027.
- 3) The Company entered into a shipbuilding contract with Bodewes International Shipbuilding B.V. from the Netherlands to construct one cement carrier. The total contract amount was EUR25,381 thousand. As of December 31, 2023, the Company had paid EUR11,421 thousand. The obligations under the contract will be fulfilled after the completion of the shipbuilding process.

### 25. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and the respective functional currencies were as follows:

December 31, 2023

	<b>Foreign Currencies (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In Thousands of NTD)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 6,225	30.705 (USD:NTD)	\$ 191,142
EUR	3,877	33.980 (EUR:NTD)	<u>131,734</u>
			<u>\$ 322,876</u>
Non-monetary items			
Investments accounted for using equity method			
USD	1,647,966	30.705 (USD:NTD)	<u>\$50,600,795</u>
<u>Financial liabilities</u>			
Monetary items			
USD	313	30.705 (USD:NTD)	<u>\$ 9,625</u>

December 31, 2022

	<b>Foreign Currencies (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In Thousands of NTD)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 4,237	30.710 (USD:NTD)	<u>\$ 130,110</u>
Non-monetary items			
Investments accounted for using equity method			
USD	1,603,226	30.710 (USD:NTD)	<u>\$49,235,062</u>
<u>Financial liabilities</u>			
Monetary items			
USD	2,555	30.710 (USD:NTD)	<u>\$ 78,459</u>

Realized and unrealized foreign exchange gains (losses) by significant foreign currency were as follows:

<b>For the Year Ended December 31</b>				
<b>2023</b>			<b>2022</b>	
<b>Foreign Currencies</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gains (Losses)</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gains (Losses)</b>
USD	30.705 (USD:NTD)	<u>\$ (1,66)</u>	30.710 (USD:NTD)	<u>\$ 3,10</u>
EUR	33.980 (EUR:NTD)	<u>\$ 15,48</u>	32.720 (EUR:NTD)	<u>\$ 15,48</u>

## 27. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries and associates). (Table 3)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital. (Table 4)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 6)
- 9) Trading in derivative instruments. None.
- 10) Information on investees. (Table 7)

b. Information on investments in mainland China:

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriated investment income, and limit on the amount of investment in the mainland China area. (Table 8)
- 2) Significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None

c. Information of major shareholders : List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)

TABLE 1

## U-MING MARINE TRANSPORT CORPORATION

FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note b)	Ending Balance (Note b)	Actual Borrowing Amount (Note b)	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note b)	Aggregate Financing Limits (Note b)
													Item	Value		
1	U-Ming Singapore	Eagle	Other receivable - related parties	Y	921,150	736,920	712,356	5.76937%	Short-term financing	\$ -	Purchasing equipment of transportation and operational revolving fund	\$ -	-	\$ -	30% of net worth of subsidiary \$11,925,203	40% of net worth of subsidiary \$15,900,271
		Winyield	Long-term receivables - related parties	Y	675,510	614,100	575,240 (Note c)	-	Short-term financing	-	Purchasing equipment of transportation and operational revolving fund	-	-	-	30% of net worth of subsidiary \$11,925,203	40% of net worth of subsidiary \$15,900,271
		New Cape Asia Shipping	Long-term receivables - related parties	Y	61,410	61,410	41,106	-	Short-term financing	-	Purchasing equipment of transportation and operational revolving fund	-	-	-	30% of net worth of subsidiary \$11,925,203	40% of net worth of subsidiary \$15,900,271
		Cape Asia (III)	Long-term receivables - related parties	Y	61,410	30,705	27,326	-	Short-term financing	-	Purchasing equipment of transportation and operational revolving fund	-	-	-	30% of net worth of subsidiary \$11,925,203	40% of net worth of subsidiary \$15,900,271
		Cape Asia	Long-term receivables - related parties	Y	3,071	3,071	3,071	-	Short-term financing	-	Operational revolving fund	-	-	-	30% of net worth of subsidiary \$11,925,203	40% of net worth of subsidiary \$15,900,271
2	U-Ming Hong Kong	ITG-U-Ming Shipping	Other receivables - related parties	Y	45,136	-	-	-	Short-term financing	-	Operational revolving fund	-	-	-	30% of net worth of subsidiary \$3,255,036	40% of net worth of subsidiary \$4,340,048

Note a: The above amounts were translated into New Taiwan dollars at the prevailing exchange rate as of December 31, 2023.

- Note b:
- The total amount available from U-Ming Marine Transport Corporation and its domestic subsidiaries for financing shall not exceed 50% of the borrower's net worth per their most recent financial statements, the total financing amount for borrowers with short-term financing needs shall not exceed 15% of the borrower's net worth, and the individual financing amount to each of such borrowers shall not exceed 5% of the borrower's net worth.
  - The total amount available for financing from U-Ming (Singapore), U-Ming (Hong Kong), and foreign subsidiaries shall not exceed 50% of the net worth of the borrower, the total financing amount for borrowers with short-term financing needs shall not exceed 40% of the net worth of the borrower, and the individual amount available for financing to each of such borrowers shall not exceed 30% of the net worth of the borrower.

Note c: The financing amounts listed in Table 1 pertains only to the actual amounts utilized, and does not include the share of the loss of associates accounted for using the equity method of NT\$251,713 thousand offset against long-term receivables - related parties.

## U-MING MARINE TRANSPORT CORPORATION

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note a)	Maximum Amount Endorsed/ Guaranteed During the Period (Note a)	Ending Balance (Note a)	Actual Amount Borrowed (Note a)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Amount to Net Equity in Latest Financial Statement	Aggregate Endorsement/ Guarantee Limit (Notes a and b)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given On Behalf of Companies in Mainland China
		Name	Relationship										
0	U-Ming Marine Transport Corporation	U-Ming Singapore	A subsidiary	50% of net worth of the Company \$16,848,999	\$ 3,289,533	\$ 2,809,399	\$ 2,809,399	\$ -	8.35%	100% of net worth of the Company \$33,697,999	Y	-	-
		U-Ming Hong Kong	A subsidiary	50% of net worth of the Company \$16,848,999	333,456	-	-	-	0.00%	100% of net worth of the Company \$33,697,999	Y	-	-
1	U-Ming Singapore	Winyield	An investee accounted for using the equity method by subsidiary	50% of net worth of the subsidiary \$19,875,338	42,987	26,867	26,867	-	0.07%	100% of net worth of the subsidiary \$39,750,676	-	-	-
2	U-Ming Hong Kong	Baodarun 1 Shipping Ltd	Related party in substance	50% of net worth of the Company \$5,425,060	120,267	82,557	82,557	-	0.76%	100% of net worth of the Company \$10,850,119	-	-	-
		Baodarun 2 Shipping Ltd	Related party in substance	50% of net worth of the Company \$5,425,060	120,267	90,080	90,080	-	0.83%	100% of net worth of the Company \$10,850,119	-	-	-
		Baodarun 3 Shipping Ltd	Related party in substance	50% of net worth of the Company \$5,425,060	143,339	109,142	109,142	-	1.01%	100% of net worth of the Company \$10,850,119	-	-	-
3	Yue-Li	Da Ju Fiber	The subsidiary is its supervisor	50% of net worth of the subsidiary \$1,996,136	116,280	116,280	-	-	2.91%	100% of net worth of the subsidiary \$3,992,271	-	-	-

Note a: The above amounts were translated into New Taiwan dollars at the prevailing exchange rate as of December 31, 2023.

Note b: The total amount available for endorsements/guarantees to external parties provided by U-Ming shall not exceed the current net worth of the entity, and the individual amount available to each entity shall not exceed 50% of the net worth of the entity. The same restrictions apply to the entity's subsidiaries.

## U-MING MARINE TRANSPORT CORPORATION

MARKETABLE SECURITIES HELD  
DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note		Limit
				Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note c)	Shares Pledged as Collateral (In Thousands) (Note b)	Value of Pledged or Mortgaged Assets	
The Company	<u>Common stocks</u>									
	Far Eastern International Bank	The chairman of the Company is its vice-chairman	Financial assets at fair value through other comprehensive income - current	93,236	\$ 1,179,431	2	\$ 1,179,431	-	\$ -	-
	Far Eastern New Century Corporation	The chairman is the same	Same as above	31,180	972,831	1	972,831	10,000	312,000	(Note a)
	Asia Cement Corporation	The major stockholder	Same as above	1,793	74,319	-	74,319	1,500	62,175	(Note a)
	Far EastTone Telecommunications Co., Ltd.	The chairman is the same	Same as above	331	26,414	-	26,414	-	-	-
	Oriental Union Chemical Corp.	The chairman is the same	Same as above	99	1,992	-	1,992	-	-	-
	Far Eastern Department Stores Ltd.	The chairman is the same	Same as above	4	108	-	108	-	-	-
Yue Yuan Investment Corporation	An investee accounted for using the equity method by major stockholder	Financial assets at fair value through other comprehensive income - non-current	91,487	831,123	18	831,123	-	-	-	
Yue-Li	<u>Common stocks</u>									
	Far Eastern International Bank	The chairman of the parent company is its vice-chairman	Financial assets at fair value through other comprehensive income - current	174,104	2,202,417	4	2,202,417	114,166	1,444,198	(Note a)
	Asia Cement Corporation	The major stockholder of the parent company	Same as above	13,240	548,802	-	548,802	13,200	547,140	(Note a)
	Oriental Union Chemical Corp.	The chairman of the parent company is the same	Same as above	4,862	97,965	1	97,965	2,000	40,300	(Note a)
	Far Eastern New Century Corporation	The chairman of the parent company is the same	Same as above	1,516	47,293	-	47,293	1,500	46,800	(Note a)
	Far Eastern Department Stores Ltd.	The chairman of the parent company is the same	Same as above	1,769	43,783	-	43,783	-	-	-
	Far EastTone Telecommunications Co., Ltd.	The chairman of the parent company is the same	Same as above	-	147	-	147	-	-	-
	Everest Textile Co., Ltd.	The chairman of the parent company is its director	Same as above	7	50	-	50	-	-	-
	Da Ju Fiber Co., Ltd.	The subsidiary is its supervisor	Financial assets at fair value through other comprehensive income - non-current	34,670	1,150,811	19	1,150,811	-	-	-
Allied Supreme Corp.	None	Financial assets at fair value through profit or loss - current	97	31,574	-	31,574	-	-	-	
Yue-Tung	<u>Common stocks</u>									
	Far Eastern International Bank	The chairman of the parent company is its vice-chairman	Financial assets at fair value through other comprehensive income - current	154,452	1,953,822	4	1,953,822	46,282	585,472	(Note a)
	Asia Cement Corporation	The major stockholder of the parent company	Same as above	7,628	316,200	-	316,200	7,585	314,398	(Note a)
	Far Eastern New Century Corporation	The chairman of the parent company is the same	Same as above	8,057	251,383	-	251,383	8,000	249,600	(Note a)
	Far EastTone Telecommunications Co., Ltd.	The chairman of the parent company is the same	Same as above	510	40,698	-	40,698	500	39,900	(Note a)
	Ding Shen Investment Co., Ltd.	The subsidiary is its director	Financial assets at fair value through other comprehensive income - non-current	40,329	328,928	18	328,928	-	-	-
Yue Yuan Investment Corporation	An investee accounted for using equity method by major stockholder of the parent company	Same as above	9,537	86,640	2	86,640	-	-	-	
U-Ming Singapore	<u>Beneficiary certificates</u>									
	Opas Fund Segregated Portfolio Tranche A	Related party in substance	Financial assets at fair value through profit or loss - current	15	574,842	-	574,842	-	-	-
	Hutchison Port Holdings Trust	None	Same as above	8,050	36,582	-	36,582	-	-	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note		Limit
				Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note c)	Shares Pledged as Collateral (In Thousands) (Note b)	Value of Pledged or Mortgaged Assets	
U-Ming Hong Kong	<u>Bonds</u>									
	Standard Chartered Bond	None	Financial assets at amortized cost - current	-	\$ 49,234	-	\$ 49,076	-	\$ -	-
	TSMC Global Ltd. Bond	None	Financial assets at amortized cost - non-current	-	317,097	-	309,212	-	-	-
	National Australia Bank Bond	None	Same as above	-	89,596	-	89,194	-	-	-
	HSBC Bank Bond	None	Same as above	-	88,264	-	87,561	-	-	-
	<u>Beneficiary certificates</u>									
	Opas Fund Segregated Portfolio Tranche C	Related party in substance	Financial assets at fair value through profit or loss - current	8	589,907	-	589,907	-	-	-
	Opas Fund Segregated Portfolio Tranche A	Related party in substance	Same as above	1	28,811	-	28,811	-	-	-
	<u>Bonds</u>									
	Societe Generale Bond	None	Financial assets at amortized cost - current	-	62,291	-	61,366	-	-	-
	Standard Chartered Bond	None	Financial assets at amortized cost - non-current	-	128,763	-	128,384	-	-	-
	Mitsubishi UFJ Financial Group Inc. Bond	None	Same as above	-	122,964	-	122,261	-	-	-
	HSBC Bank Bond	None	Same as above	-	117,002	-	116,748	-	-	-
TSMC Arizona Corp. Bond	None	Same as above	-	90,901	-	90,096	-	-	-	
Westpac Banking Corp. Bond	None	Same as above	-	63,372	-	63,266	-	-	-	
Falcon	<u>Common stocks</u>									
	Asia Cement (China) Holdings Corporation	The major stockholder of parent company is the same	Financial assets at fair value through other comprehensive income - current	16,701	160,103	-	160,103	-	-	-
	China Sanshui Cement Group Ltd.	The major stockholder of parent company is the same	Same as above	1,691	3,720	-	3,720	-	-	-
	<u>Bonds</u>									
	Standard Chartered Bond	None	Financial assets at amortized cost - current	-	49,239	-	49,076	-	-	-
	Lloyds Bank Plc Bond	None	Financial assets at amortized cost - non-current	-	94,463	-	90,209	-	-	-
	Westpac Banking Corp. Bond	None	Same as above	-	63,371	-	63,266	-	-	-
	BNP Paribas Bond	None	Same as above	-	63,011	-	59,891	-	-	-
	Societe Generale Bond	None	Same as above	-	62,280	-	59,935	-	-	-
	Airport Authority of Hong Kong Bond	None	Same as above	-	61,803	-	61,625	-	-	-
Overseas Shipping Pte. Ltd.	<u>Bonds</u>									
	TSMC Arizona Corp. Bond	None	Financial assets at amortized cost - non-current	-	151,596	-	150,160	-	-	-
	Royal Bank of Canada Bond	None	Same as above	-	63,724	-	64,355	-	-	-
	Westpac Bond	None	Same as above	-	63,374	-	63,266	-	-	-
	Toronto-Dominion Bank Bond	None	Same as above	-	62,466	-	62,242	-	-	-
TSMC Global Ltd. Bond	None	Same as above	-	58,738	-	57,015	-	-	-	

Note a: They cannot be traded in pledged period.

Note b: They are pledged as collateral for issuing commercial paper and credit line of bank loans.

Note c: Fair value are determined as follows: (a) listed stock closing price on December 31, 2023; (b) the fair value measurement of unlisted stocks.

Note d: The above amounts were translated into New Taiwan dollars at the prevailing exchange rate as of December 31, 2023.

**TABLE 4****U-MING MARINE TRANSPORT CORPORATION**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Note/Accounts (Payable) or Receivable		Note
			Purchase/(Sale)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Company	Asia Cement	The major shareholder	Sales	\$ (421,691)	(22.50)	Upon completion of loading, within a month	Ad hoc basis	Ad hoc basis	\$ 16,402	9.61	-
	U-Ming Singapore	Subsidiary	Sales	(159,133)	(8.49)	-	-	-	-	-	-
	U-Ming Singapore	Subsidiary	Purchase	200,170	13.14	-	-	-	(155)	(0.34)	-
U-Ming Singapore	Asia Cement	The major shareholder of the parent company	Sales	(341,021)	(3.00)	Upon completion of loading, within 8 days	Ad hoc basis	Ad hoc basis	-	-	-
	The Company	The parent company	Sales	(200,170)	(1.76)	-	-	-	155	0.03	-
	The Company	The parent company	Purchase	159,133	1.77	-	-	-	-	-	-
U-Ming Hong Kong	Eagle	The parent company is the same	Purchase	327,128	29.38	-	-	-	(80,601)	(87.00)	-
Eagle	U-Ming Hong Kong	The parent company is the same	Sales	(327,128)	(100.00)	-	-	-	80,601	100.00	-

Note: The foreign-currency amounts of payables and receivables were translated into New Taiwan dollars at the prevailing exchange rate as of December 31, 2023; the foreign-currency amount of profit and loss items were translated into New Taiwan dollars at the average exchange rate for the year ended December 31, 2023.

**U-MING MARINE TRANSPORT CORPORATION**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**

**DECEMBER 31, 2023**

**(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
U-Ming Singapore	Winyield	An investee accounted for using the equity method by a subsidiary	Long-term receivable - related parties \$323,527	-	\$ -	-	\$ -	\$ -
	Eagle	Subsidiary	Other receivable-related parties \$717,607	-	-	-	-	-

Note: The above amounts were translated into New Taiwan dollars at the prevailing exchange rate as of December 31, 2023.

## U-MING MARINE TRANSPORT CORPORATION

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS  
 FOR THE YEAR ENDED DECEMBER 31, 2023  
 (In Thousands of New Taiwan Dollars)

Number	Company Name	Counterparty	Relationship (Note a)	Transactions Details			
				Account	Amount (New Taiwan Dollars)	Trading Terms	Percentage to Consolidated Total Operating Revenues or Total Assets (Note b)
0	The Company	U-Ming Singapore	1	Freight revenue	\$ 159,133	-	1
			1	Other revenue	11,871	-	-
		U-Ming Hong Kong	1	Other receivables	12,415	-	-
			1	Freight revenue	15,081	-	-
1	U-Ming Singapore	The Company	2	Freight revenue	200,170	-	1
			3	Interest income	39,762	-	-
		U-Ming Xiamen	3	Other receivables	717,607	-	1
			3	Refundable deposits	15,353	-	-
2	U-Ming Hong Kong	The Company	2	Freight revenue	58,794	-	-
		U-Ming Singapore	3	Freight revenue	99,826	-	1
		Falcon	3	Accounts receivables	20,217	-	-
3	Eagle	U-Ming Hong Kong	3	Accounts receivables	80,601	-	-
			3	Freight revenue	327,128	-	2
		Falcon	3	Freight revenue	77,617	-	1
4	U-Ming Xiamen	U-Ming Singapore	3	Freight revenue	121,651	-	1
		U-Ming Hong Kong	3	Freight revenue	13,885	-	-

Note a: 1. Parent to subsidiary.  
 2. Subsidiary to parent.  
 3. Between subsidiaries.

Note b: In calculating the ratio, the transaction amount is divided by consolidated total assets for balance sheet accounts and is divided by consolidated total revenues for income statement accounts.

Note c: All of above transactions between the Company and its subsidiaries have been eliminated on consolidation.

## U-MING MARINE TRANSPORT CORPORATION

INFORMATION ON INVESTEEES  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares (In Thousands)	Percentage of Ownership	Carrying Amount			
U-Ming Marine Transport Corporation	U-Ming Singapore	Singapore	Transport	\$ 2,649,382	\$ 2,649,382	150,146	100	\$ 39,750,676	\$ 2,155,095	\$ 2,155,095	A subsidiary
	U-Ming Hong Kong	Hong Kong	Transport	121,923	121,923	27,000	100	10,850,119	650,375	650,375	A subsidiary
	Yue-Li	Taipei	Investment	1,500,000	1,500,000	150,000	68	2,721,957	144,901	98,796	A subsidiary
	Yue-Tung	Taipei	Investment	1,360,400	1,360,400	136,040	74	2,395,183	133,758	98,359	A subsidiary
	U-Ming Offshore	Taipei	Transport	204,000	204,000	20,400	51	130,257	(142,949)	(72,904)	A subsidiary
	Global Energy Maritime Co., Ltd.	Taipei	Transport	2,054,100	2,054,100	205,410	40	2,192,713	306,826	122,731	An investee accounted for using equity method
Yue-Tung	Yue Ding Enterprise Corporation	Taipei	Bulk and retail sale of decorations and commodity	186,080	186,080	34,434	25	531,783	134,398	Not applicable	An investee accounted for using equity method
	Ding Ding Consultation Corporation	Taipei	Consultant	50,000	50,000	5,134	40	87,997	6,878	Not applicable	An investee accounted for using equity method
U-Ming Singapore	Cape Asia (III)	Marshall Islands	Transport	2	2	-	17	106,921	(11,412)	Not applicable	An investee accounted for using equity method
	Cape Asia	Hong Kong	Transport	3	3	-	17	231	640	Not applicable	An investee accounted for using equity method
	Winyield	Hong Kong	Transport	-	-	-	50	-	24,927	Not applicable	An investee accounted for using equity method
	New Cape Asia	Marshall Islands	Transport	-	-	-	25	64,958	61,860	Not applicable	An investee accounted for using equity method
	Eagle	Singapore	Transport	-	-	-	100	75,266	29,068	Not applicable	An indirect subsidiary
	Falcon	British Virgin Islands	Investment	661,080	661,080	-	100	691,347	(44,986)	Not applicable	An indirect subsidiary
	Yue-Li	Taipei	Investment	700,000	700,000	70,000	32	1,270,314	144,901	Not applicable	A subsidiary
	Yue-Tung	Taipei	Investment	489,600	489,600	48,960	26	862,012	133,758	Not applicable	A subsidiary
U-Ming Hong Kong	OSPL	Marshall Islands	Transport	474,692	474,692	-	100	874,291	28,744	Not applicable	An indirect subsidiary
	ITG-Uming Shipping	Hong Kong	Transport	578,113	578,113	41,435	49	1,147,450	483,937	Not applicable	An investee accounted for using equity method
	Drive Catalyst SPC (SP Tranche One)	Cayman Islands	Investment	122,860	122,860	4	25	136,575	7,123	Not applicable	An investee accounted for using equity method
	Drive Catalyst SPC (SP Tranche Two)	Cayman Islands	Investment	229,000	229,000	8	25	258,777	15,102	Not applicable	An investee accounted for using equity method
	Drive Catalyst SPC (SP Tranche Three)	Cayman Islands	Investment	231,360	231,360	8	25	263,509	22,006	Not applicable	An investee accounted for using equity method
Falcon	Opas Fund Segregated Portfolio Company	Cayman Islands	Investment	1,624	1,624	-	33	1,520	226	Not applicable	An investee accounted for using equity method
	Drive Catalyst SPC	Cayman Islands	Investment	491	491	-	33	507	53	Not applicable	An investee accounted for using equity method

Note: The foreign currency amounts of original investment were translated into New Taiwan dollars based on historical exchange rate; the foreign currency amounts of carrying value were translated into New Taiwan dollars at the prevailing exchange rate as of December 31, 2023; the foreign currency amount of profit and loss items were translated into New Taiwan dollars at an average exchange rate for the year ended December 31, 2023.

## U-MING MARINE TRANSPORT CORPORATION

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investments from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outward Remittance for Investments from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note b)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023
					Outward	Inward						
U-Ming Xiamen	Transport	\$ 29,579 (US\$ 1,000)	(Note a)	\$ 29,579 (US\$ 1,000)	\$ -	\$ -	\$ 29,579 (US\$ 1,000)	\$ 12,819	100	\$ 12,819	\$ 67,528	\$ -
ITG-Uming Xiamen	Transport	45,684 (US\$ 1,568)	(Note a)	45,684 (US\$ 1,568)	-	-	45,684 (US\$ 1,568)	495	49	242	47,762	-

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2023	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$75,263 (US\$2,568)	\$75,263 (US\$2,568)	\$20,293,888

Note a: The investment in the target company in mainland China was made by investing in an existing company, U-Ming Hong Kong, which was incorporated in a third area (other than Taiwan and mainland China).

Note b: The investment gain (loss) recognized was based on the financial statements audited by an accountant.

**TABLE 9****U-MING MARINE TRANSPORT CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS****DECEMBER 31, 2023**

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<b>Name of Major Shareholder</b>	<b>Shares</b>	
	<b>Number of Shares</b>	<b>Percentage of Ownership (%)</b>
Asia Cement Corporation	331,701,152	39.25

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

裕民航運股份有限公司



董事長

徐旭東





遠東集團  
FAR EASTERN GROUP



裕民航運股份有限公司

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