



U-MING MARINE TRANSPORT CORP.

Handbook for the 2024 Annual Meeting of Shareholders

Meeting date: June 3, 2024

Meeting location: Taipei Hero House

No. 20, Sec. 1, Changsha St., Zhongzheng Dist., Taipei, Taiwan

Convening method: Hybrid shareholders' meeting

Online participants will attend through the e-Meeting Platform

(<https://www.stockvote.com.tw>) run by the Taiwan Depository Clearing Corporation (TDCC).

**The English version is the translation of the Chinese version and if there is any conflict between the meaning of terms in the Chinese version and English translation, the meaning of the Chinese version shall prevail.*



U-MING MARINE TRANSPORT CORP.

2024 Annual Meeting of Shareholders

Table of Contents

I. Meeting Procedure	P1
II. Matters to Be Reported	
1. 2023 Business Report	P2
2. 2023 Financial Statements	P7
3. The Audit Committee' Review Report on 2023 Business and Financial Statements.....	P28
4. Distribution of 2023 Remuneration to the Employees and Directors.....	P29
III. Matters to Be Ratified	
1. The 2023 Business Report and Financial Statements	P30
2. The Proposal for Earnings Distribution of 2023	P31
IV. Extempore Motions	P32
V. Attachments (Company Rules and Regulations)	
1. Articles of Incorporation	P34
2. Rules of Procedure for Shareholders' Meetings	P41
VI. Appendices	
1. Current Shareholding of Directors	P46
2. The Impact of Stock dividend Issuance on Business Performance and EPS	P47



U-MING MARINE TRANSPORT CORP.

Procedure for the 2024 Annual Meeting of Shareholders

1. The Meeting Begins.
2. The Chairman Takes His Seat.
3. Everyone Stands up Solemnly to
4. Sing the National Anthem.
5. Then Bow Three Times to the National Flag and the Statue of the
Founding Father.
6. The Chairman Delivers a Speech.
7. Matters to Be Reported
8. Matters to Be Ratified
9. Extempore Motions
10. Adjournment

Matters to Be Reported:

1. 2023 Business Report

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 France's BV 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.”

Chairman:



President:



Vice President,
Accounting Division:



2. 2023 Financial Statements

Consolidated Balance Sheets in Y2023

Consolidated Statements of Comprehensive Income in Y2023

Consolidated Statements of Changes in Equity in Y2023

Consolidated Statements of Cash Flows in Y2023

Individual Balance Sheets in Y2023

Individual Statements of Comprehensive Income in Y2023

Individual Statements of Changes in Equity in Y2023

Individual Statements of Cash Flows in Y2023

Please see the attachments for Independent Auditors' Report of Deloitte & Touche.

For complete financial reports, please download from M.O.P.S.

(<http://mops.twse.com.tw>)

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	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 13,499,793	17	\$ 14,558,599	19
Financial assets at fair value through profit or loss	1,317,154	2	1,454,502	2
Financial assets at fair value through other comprehensive income	7,921,478	10	7,398,815	10
Financial assets at amortized cost	160,764	-	393,316	1
Contract assets	437,283	1	208,995	-
Trade receivables from unrelated parties	836,651	1	763,260	1
Trade receivables from related parties	16,402	-	147,259	-
Other receivables	325,975	-	380,089	-
Fuel inventory	606,769	1	524,841	1
Other current assets	305,145	-	255,001	-
Total current assets	25,427,414	32	26,084,677	34
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income	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	4,840,703	6	4,637,204	6
Property, plant and equipment	43,810,923	54	32,380,475	42
Intangible assets	39,287	-	60,191	-
Deferred tax assets	1,820	-	3,472	-
Prepayments for equipment	1,859,564	2	9,137,927	12
Refundable deposits	98,913	-	60,668	-
Long-term receivables from related parties	395,030	1	388,333	1
Total non-current assets	55,206,527	68	50,341,713	66
TOTAL	\$ 80,633,941	100	\$ 76,426,390	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	\$ 10,672,000	13	\$ 7,367,000	10
Short-term bills payable	1,459,349	2	3,819,551	5
Financial liabilities at fair value through profit or loss	1,292	-	3,191	-
Trade payables	246,100	-	242,772	-
Other payables	1,069,067	1	1,085,905	2
Current tax liabilities	203,024	-	39,232	-
Current portion of long-term borrowings	3,660,187	5	3,714,757	5
Other current liabilities	365,046	1	266,168	-
Total current liabilities	17,676,065	22	16,538,576	22
NON-CURRENT LIABILITIES				
Bank loans	29,032,073	36	26,686,484	35
Deferred tax liabilities	13,989	-	216,892	-
Net defined benefit liabilities	88,666	-	83,935	-
Total non-current liabilities	29,134,728	36	26,987,311	35
Total liabilities	46,810,793	58	43,525,887	57
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
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
NON-CONTROLLING INTERESTS	125,149	-	195,194	-
Total equity	33,823,148	42	32,900,503	43
TOTAL	\$ 80,633,941	100	\$ 76,426,390	100

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	%
OPERATING REVENUE				
Freight revenue	\$ 14,113,634	98	\$ 13,863,935	98
Other operating revenue	<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>
OPERATING COSTS				
Freight cost	<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	<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>
NON-OPERATING INCOME AND EXPENSES				
Other income	15,568	-	23,819	-
Finance costs	(1,472,927)	(10)	(570,032)	(4)
Share of the profit or loss of associates	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	<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	%
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ (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	<u>(3,042)</u>	<u>-</u>	<u>141,147</u>	<u>1</u>
Other comprehensive income for the year, net of income tax	<u>788,491</u>	<u>5</u>	<u>4,974,081</u>	<u>35</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 3,457,361</u>	<u>24</u>	<u>\$ 9,380,250</u>	<u>66</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO				
Owners of the Company	\$ 2,738,915	19	\$ 4,404,312	31
Non-controlling interests	<u>(70,045)</u>	<u>-</u>	<u>1,857</u>	<u>-</u>
	<u>\$ 2,668,870</u>	<u>19</u>	<u>\$ 4,406,169</u>	<u>31</u>
TOTAL COMPREHENSIVE INCOME (LOSS)				
Owners of the Company	\$ 3,527,406	25	\$ 9,378,393	66
Non-controlling interests	<u>(70,045)</u>	<u>(1)</u>	<u>1,857</u>	<u>-</u>
	<u>\$ 3,457,361</u>	<u>24</u>	<u>\$ 9,380,250</u>	<u>66</u>
EARNINGS PER SHARE				
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												Non-controlling Interests	Total Equity
						Other 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	Total Equity to Owners of the Company			
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
CASH FLOWS FROM OPERATING ACTIVITIES		
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>
CASH FLOWS FROM INVESTING ACTIVITIES		
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>
CASH FLOWS FROM FINANCING ACTIVITIES		
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)

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)

	2023		2022	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 186,820	-	\$ 118,414	-
Financial assets at fair value through other comprehensive income - current	2,255,095	4	2,117,507	4
Trade receivables from unrelated parties	154,319	-	36,747	-
Trade receivables from related parties	16,402	-	178,371	-
Other receivables	14,291	-	23,452	-
Fuel inventory	59,292	-	24,664	-
Other current assets	<u>42,693</u>	-	<u>40,117</u>	-
Total current assets	<u>2,728,912</u>	<u>4</u>	<u>2,539,272</u>	<u>4</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income	831,123	1	893,215	2
Investments accounted for using equity method	58,040,905	91	56,103,905	91
Property, plant and equipment	1,698,025	3	1,867,966	3
Intangible assets	39,287	-	59,007	-
Deferred tax assets	1,820	-	3,472	-
Prepayments for equipment	395,677	1	165,763	-
Refundable deposits	<u>66,495</u>	-	<u>48,331</u>	-
Total non-current assets	<u>61,073,332</u>	<u>96</u>	<u>59,141,659</u>	<u>96</u>
TOTAL	<u>\$ 63,802,244</u>	<u>100</u>	<u>\$ 61,680,931</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	\$ 10,150,000	16	\$ 6,785,000	11
Short-term bills payable	1,459,349	2	3,797,562	6
Trade payables	45,528	-	34,463	-
Other payables	377,430	1	456,098	1
Current tax liabilities	197,287	1	33,574	-
Current portion of long-term borrowings	1,470,000	2	1,320,000	2
Other current liabilities	<u>84,213</u>	-	<u>16,702</u>	-
Total current liabilities	<u>13,783,807</u>	<u>22</u>	<u>12,443,399</u>	<u>20</u>
NON-CURRENT LIABILITIES				
Bank loans	16,230,000	25	16,240,000	26
Deferred tax liabilities	13,989	-	216,892	1
Net defined benefit liabilities	<u>76,449</u>	-	<u>75,331</u>	-
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>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
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>118,545</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>
TOTAL	<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	\$ 1,873,771	100	\$ 1,582,956	100
OPERATING COSTS	<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	<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	21,963	1	30,782	2
Financial costs	(511,262)	(27)	(340,831)	(21)
Share of the profit or loss of subsidiaries and associates	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	<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	%
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ (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>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 3,527,406</u>	<u>188</u>	<u>\$ 9,378,393</u>	<u>592</u>
EARNINGS PER SHARE				
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)**

						Other Equity					
	Common Share Capital	Capital Surplus	Retained Earnings			Exchange Differences on Translating 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	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings						
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	<u>\$ 8,450,557</u>	<u>\$ 119,009</u>	<u>\$ 7,897,055</u>	<u>\$ -</u>	<u>\$ 13,718,373</u>	<u>\$ (691,172)</u>	<u>\$ 4,204,007</u>	<u>\$ 1</u>	<u>\$ 169</u>	<u>\$ 3,513,005</u>	<u>\$ 33,697,999</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 CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
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
Net cash (used in) generated from operating activities	(116,650)	71,758
CASH FLOWS FROM INVESTING ACTIVITIES		
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	1,838,328	2,739,890
Net cash generated from investing activities	1,553,930	1,551,529

(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)

3. 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

4. Distribution of 2023 Remuneration to the Employees and Directors

Explanation:

- (1) In accordance with Article 26 of the “Articles of Incorporation”.
- (2) According to the Statements of Comprehensive Income in Y2023, Profit before income tax is NT\$ 2,757,062,740. Propose allocate one percent, which is NT\$ 27,570,627, as the remuneration of employees. And one percent, which is NT\$ 27,570,627, as the remuneration of directors. The aforesaid items will be paid in cash.
- (3) This proposal has been approved by the 8th meeting of the nineteenth-term Board of Directors on March 6, 2024.
- (4) The proposal is hereby presented for referendum.

Matters to Be Ratified:

1. The 2023 Business Report and Financial Statements

Explanation:

- (1) The audit committee's review report is hereby issued after reviewing the 2023 financial statements (including the business report and the independent auditor's report issued by CPA Wen-Ching Lin and CPA Xin-Wei Tai of Deloitte & Touche; please refer to Page 2~27) without any nonconformity identified.
- (2) Please approve

Resolution:

2. The Proposal for Earnings Distribution of 2023

Explanation:

- (1) Please refer to the 2023 Earnings Distribution proposed in accordance with Article 27 of the Company's Articles of Incorporation as follows:

	NT\$
Unappropriated retained earnings of previous year	10,981,146,907
Less: Investment adjusted retained earnings by using equity method	(12,628)
Less: Re-evaluation of defined benefit plans recognized as retained earnings	(9,232,155)
Add: Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	7,556,110
Adjusted unappropriated retained earnings	10,979,458,234
Add: 2023 net income	2,738,914,605
Less: 10% legal reserve appropriated	(273,722,593)
Earnings available for distribution	13,444,650,246
Less: 2023 earning distribution (cash dividend NT\$2.4 per share)	(2,028,133,709)
Unappropriated retained earnings	11,416,516,537

- (2) The distribution of earnings is calculated to the dollar (round up to the dollar).

The total amount of the odd shares will be booked as the other income of the Company. It is proposed that the Board authorized the Chairman to fix the record date of ex-cash dividend after the approved by the year 2024 annual shareholders' meeting. Upon the approval of the annual shareholders' meeting, it is proposed that the Board be authorized to adjust the amount per share based on the actual shares outstanding number on the record date of ex-cash dividend for the legal reserve distribution by cash if there is an amendment of the number of shares outstanding before the date.

- (3) Please approve.

Resolution:

Extempore Motions :

Attachments :

U-Ming Marine Transport Corporation

Articles of Incorporation

Amended and approved by the Shareholders' Meeting on June 9, 2020

Section I - General Provisions

- Article 1** The Corporation shall be incorporated as a company limited by shares under the Company Law of the Republic of China, and its name in English shall be U-Ming Marine Transport Corporation.
- Article 2** The scope of business of the Corporation shall be as follows:
- (1) Marine transportation.
 - (2) Sale and purchase of vessels.
 - (3) G401011 Shipping agency.
 - (4) ZZ99999 Apart from business requiring permission, the Corporation can operate business that is not prohibited or restricted by laws and regulations.
- Article 3** The Corporation may provide external guarantee in accordance to the regulations set out in the "Procedure for Corporate Guarantees."
- Article 4** When the Corporation intends to become a limited liability shareholder due to reinvestment in other company, it is not subjected to the restriction stipulated in Article 13 of the Company Law of the Republic of China that the total amount of its reinvestment in other companies shall not exceed forty (40) per cent of the amount of its paid-up capital. However, the Corporation's practice in relation to the reinvestment shall be made according to a resolution adopted at the meeting of the Board of Directors.
- Article 5** The Corporation shall have its head office in Taipei, and may set up branch offices at various locations inside and outside of the Republic of China, depending upon the Corporation's business necessity.

Section II - Capital Stock

- Article 6** The total capital stock of the Corporation shall be in the amount of NT\$10,500,000,000 divided into 1,050,000,000 shares, with par value of NT\$10 per share. For the un-issued shares, the Board of Directors is authorized to issue these shares in installments.

Article 7 Shares issued by the Corporation shall be exempted from printing of share certificates. However, the Corporation shall register with the Securities Consolidated Custody Business Organization.

The corporation can issue share certificate for special shares.

When the Corporation merges with other company, on matters related to the merging, it is not necessary to obtain resolution from an extraordinary shareholders' meeting.

Article 8 Shares affair matters of the Corporation shall be handled based on the provisions in "Public Issue Shares Company Shares Affairs Handling Standard" and other relevant laws and regulations.

Article 9 No transfer of shares shall be made within sixty days prior to each annual shareholders' regular meeting or within thirty days before an extraordinary meeting or within five days fixed by the Corporation for distributing dividend, bonus or other benefits.

Section III – Shareholders' Meetings

Article 10 Shareholders' meetings of the Corporation are of two kinds:

(1) Regular meetings which shall be convened by the Board of Directors within six months after the close of the fiscal year.

(2) Extraordinary meetings which shall be convened in accordance with relevant laws and regulations.

Article 11 Convention of shareholders' regular meeting shall be notified to various shareholders in writing 30 days in advance. Convention of shareholders shall be notified to various shareholders in writing 15 days in advance. That written notice shall state clearly the date and place and the reasons for convening the meeting and shall also be publicly announced based on Law.

Article 12 Unless otherwise provided in the Company Law of the Republic of China, a shareholders' meeting may proceed with its conference if attended by shareholders representing more than one half of the total outstanding shares of the Corporation. Resolutions shall be made by a majority vote of the shareholders present at the meeting.

Article 13 The meeting shall be adjourned if encountering an air-raid alarm during the meeting. The meeting shall resume one hour after the alarm is lifted.

Shareholder shall present power of attorney to assign representative to attend the shareholders' meeting. Apart from shares affairs representative organization approved by trust business or securities management institution, if more than two powers of attorney are in favor of one person (proxy) the voting right of such proxy shall not exceed three percent of the total outstanding shares of the Corporation, and the exceeding portion shall not be counted.

In regard to method of appointing for attendance by shareholder, unless otherwise provided in the Company Law, it shall be processed based on the “Rules of Utilization of Power of Attorney to Attend Shareholders’ Meeting Of Public Issue Company”.

Article 14 During shareholders’ meeting, unless otherwise provided in the Company Law or this Articles of Incorporation, the meeting shall be processed based on the “Rules of Procedure for Shareholders’ Meetings” of the Corporation.

Article 15 The resolutions of the shareholders’ meeting shall be recorded in the minutes, which shall specify the date, place of meeting, number of shareholders who attended such meeting, number of holding shares or representing shares, number or voting rights, name of the chairman, resolutions and method thereof, and such minutes shall be signed or sealed by the Chairman of the meeting. Such minutes, together with the shareholders’ attendance book (card) and proxies, shall be kept in the Corporation based on Law.

Section IV - Directors and Managers

Article 16 The Company has 9~13 directors who are competent shareholders elected in the shareholders’ meeting. The total order shares of the Company held by all directors are to be processed in accordance with the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.”

The number of directors referred to above shall include at least three independent directors.

Directors are elected among the shareholders by nomination system in accordance with Article 192-1 of the Company Act. Votes casted for the election of independent directors and non-independent directors are counted and elected separately.

Article 16-1 Pursuant to Article 14-4 of the Securities and Exchange Act, the Company will establish an Audit Committee. The Audit Committee shall make up of the entire number of independent directors, and it is responsible of executing powers relegated to Supervisors by the Company Act, Securities and Exchange Act and other laws and regulations.

The organizing members, exercise of powers and other matters to be abided by the Audit Committee shall follow related laws, regulations or rules or regulation of the Company. The organization regulations of the Audit Committee shall be adopted by the Board of Director.

Article 17 The term of office for Directors shall be three years and they shall be re-appointed if being re-elected.

Article 18 The Board of Directors shall be organized by Directors to exercise the job authorities of directors. The Directors shall elect from among themselves a Chairman who will represent the company and one Vice Chairman. When the Chairman is absent or cannot exercise his job

authorities for any reason whatsoever, the Vice Chairman shall be designated by the Chairman as his agent. When the Vice Chairman is absent or cannot exercise his job authorities, one director will be assigned by the Chairman to be the agent. In case of no such assignment, the Directors shall elect one from among themselves.

Article 19 Meetings of the Board of Directors shall be held regularly. Meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors. Unless otherwise provided for in the Company Law, meetings of the Board of Directors shall be attended by a majority of Directors. Resolutions of the Board of Directors shall be adopted by a majority of the Directors at a meeting attended by majority of the Directors. For urgent matters, the Chairman can convene extraordinary meetings at any time.

If a Director cannot attend a meeting of the Board of Directors, he should submit a power of attorney appointing another Director to act on his behalf in accordance with the Law.

The Notice of Meeting provided in preceding paragraph could be served by way of writing, email or fax.

Article 20 (Delete)

Article 21 The remuneration of Chairman and Vice Chairman shall be decided by the Board of Directors with consideration of industry and listing companies' remuneration level.

Article 22 The Corporation shall have one President and various certain numbers of Vice Presidents, Assistant Vice Presidents and managers and their appointment and dismissal shall be adopted by a majority of the Directors at a meeting attended by a majority of the Directors.

Article 23 The Chairman, deputy chairman and general manager shall perform daily duties of the corporation according to the resolutions made at the meeting of the Board of Directors.

Article 23-1 The company shall obtain directors and officers liability insurance with respect to liabilities resulting from exercising their duties during their terms of office.

Section V - Financial Reports

Article 24 The fiscal year for the Corporation shall be from January 1 of each year to December 31 of the same year. After the close of each fiscal year, the Corporation shall prepare financial reports.

Article 25 The Board of Directors shall prepare various financial reports pursuant to relevant laws and regulations. Such reports shall be submitted by the Board of Directors to the regular shareholders' meeting for acceptance.

The appointment, dismissal and remuneration of the auditors of the preceding financial reports shall be made with the consent of a majority of the Directors.

Article 26 If the Corporation has a profit at the end of a fiscal year, the Corporation shall allocate one percent as the remuneration of employees, and less than one percent as the remuneration of Directors. But if the Corporation still has had losses of the previous years, should remain to make up the losses first.

The Corporation may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation distributed in the form of shares or in cash; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. Remuneration for Directors, the manner in which it is to be distributed shall be decided by the Board of Directors.

Article 27 If the Corporation has a profit at the end of a fiscal year, the Corporation shall make up losses of previous year after paying business income taxes based on Law and, if there is any remaining profit, the Corporation shall add the items beyond the earnings of current period to earnings of current period as undistributed earnings for current period, and set aside 10% as legal reserve. In addition, after appropriation of special reserve based on provision in law, together with the accumulated undistributed earnings of the previous year, the total shall be the profit that is available for allocation. However, depending on the condition of the business, part of the profit shall be retained, to be allocated in proportion to all shares. In case of an increase in the capital of the Corporation, the shareholders bonus for the new shares for the same year shall be decided by the shareholders' meeting.

Dividends distributed to shareholders consideration shall be given to the business perspective of the corporation, the life cycle of various products or service provided, capital requirement in the future and the effect of possible changes of tax laws respectively, distributing under the objective of maintaining a stable dividend policy. For issue of dividend, except save for the purposes of improving the financial structure, reinvestments, production expansion or other capital expenditures in which capital is required, when distributing shareholders' dividend, which is not less than 50% of the final surplus of after-tax profit in same year to withhold accumulated losses, legal reserve and special reserve, the cash dividend shall not be lower than 10% of shareholders bonus of that year.

Section VI - Supplementary Provisions

Article 28 Should there be any incomplete matter in the articles of incorporation of the Corporation, it shall be handled based on the provisions in the Company Law and other relevant laws and regulations.

Article 29 The Articles of Incorporation of the Corporation was stipulated on June 22, 1968 and after resolution was obtained in the shareholders' regular meeting. It was submitted to the competent authority for approval and became effective on the same day. Subsequent amendment to these Articles of Incorporation shall become effective after being passed at the shareholders' meeting.

The 1st revision was on August 16, 1968.

The 2nd revision was on March 21, 1969.

The 3rd revision was on May 30, 1969.

The 4th revision was on October 20, 1970.

The 5th revision was on April 26, 1971.

The 6th revision was on August 4, 1971.

The 7th revision was on February 20, 1974.

The 8th revision was on April 29, 1974.

The 9th revision was on May 30, 1975.

The 10th revision was on April 30, 1976.

The 11th revision was on April 29, 1977.

The 12th revision was on May 15, 1978.

The 13th revision was on December 22, 1978.

The 14th revision was on May 29, 1980.

The 15th revision was on April 25, 1981.

The 16th revision was on May 27, 1981.

The 17th revision was on May 27, 1983.

The 18th revision was on May 18, 1984.

The 19th revision was on September 17, 1984.

The 20th revision was on January 16, 1985.

The 21st revision was on March 27, 1987.

The 22nd revision was on June 15, 1987.

The 23rd revision was on December 21, 1987.

The 24th revision was on February 26, 1988.

The 25th revision was on August 19, 1988.

The 26th revision was on May 12, 1989.

The 27th revision was on April 18, 1990.

The 28th revision was on May 15, 1991.

The 29th revision was on May 15, 1992.

The 30th revision was on May 29, 1993.

The 31st revision was on August 14, 1993.

The 32nd revision was on May 18, 1994.

The 33rd revision was on May 25, 1995.

The 34th revision was on May 15, 1996.
The 35th revision was on May 15, 1998.
The 36th revision was on May 17, 1999.
The 37th revision was on May 5, 2000.
The 38th revision was on April 27, 2001.
The 39th revision was on May 30, 2002.
The 40th revision was on June 8, 2005.
The 41st revision was on May 23, 2006.
The 42nd revision was on June 3, 2010.
The 43rd revision was on June 8, 2011.
The 44th revision was on June 14, 2012.
The 45th revision was on June 10, 2015.
The 46th revision was on June 8, 2016.
The 47th revision was on June 6, 2018.
The 48th revision was in June 13, 2019.
The 49th revision was in June 9th 2020.

U-Ming Marine Transport Corporation Rules of Procedure for Shareholders' Meetings

Amended and approved by the Shareholders' Meeting on June 8, 2022

Article 1 The shareholders' meeting of the Company shall be held according to the rules herein.

Article 2 The location for shareholders' meeting shall be the Company's place of business or a place convenient for attendance by shareholders (or by proxies) that is suitable to holding of this meeting. The meeting shall be held between 9:00AM and 3:00PM.

Changes to the means of convening a shareholders' meeting shall be subject to a resolution of the Board of Directors, and shall be made no later than the delivery of the shareholders' meeting notice.

The Company shall specify in its shareholders' meeting notice the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be marked and a sufficient number of suitable personnel assigned to handle the registrations. Where a shareholders' meeting is held by means of a visual communication network, shareholders shall register on the visual networking platform at least 30 minutes prior to the time the meeting commences. Shareholders who have completed the registration shall be deemed to have attended the shareholders' meeting in person.

When holding a shareholders' meeting, the Company shall adopt the electronic transmission as one of the methods for exercising the voting power and shall describe in the shareholders' meeting notice the method of exercising their voting power. A shareholder who exercises his/her/its voting power at a shareholders' meeting by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person. If a shareholder does not revoke his/her/its intention to exercise the voting power and attends the shareholders' meeting in person or by means of a visual communication network, he/she/it shall not exercise his/her/its voting power on the original proposals, propose amendments to the original proposals, or exercise the voting power for amendments to the original proposals, except for extemporary motions.

Shareholders (or their proxies) shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification. Shareholders (or their proxies) when attending the meeting shall hand in the sign-in cards to be used to calculate the number of attending shares.

Attendance at shareholders' meetings shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the sign-in cards handed in and the number of shares registered on the visual networking platform plus the number of shares whose voting powers are exercised electronically. The Company may appoint lawyers, accountants or related personnel to attend the shareholders' meeting.

The personnel in charge of handling the affairs of the meeting shall wear identification badge or armband.

For a shareholders' meeting convened by the Board of Directors, the Chairperson of the Board of Directors shall preside at the meeting. If the Chairperson of the Board of Directors is on leave or unable to exert the rights, the Vice-Chairperson of the Board of Directors shall preside instead; if the position of Vice-Chairperson is vacant or the Vice-Chairperson is on leave or unable to exert the rights, the Chairperson of the Board of Directors shall designate a director to preside at the meeting. If no director is so designated, the Chairperson of the meeting shall be elected by the Board of Directors among themselves. If the Chairperson is represented by a director, a director who has served for more than six months and who understands the Company's financial and business conditions shall serve as the Chairperson. The same shall apply if the Chairperson is the representative of an entity director. For a shareholders' meeting convened by any other person having the convening right, he/she shall act as the Chairperson of that meeting; if there are two or more persons having the convening right, the Chairperson of the meeting shall be elected among themselves.

The complete processes of the meeting shall be recorded by voice or video recorders and all the records shall be kept by the Company for a minimum period of at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation. When a shareholders' meeting is held by means of a visual communication network, the Company shall make an uninterrupted audio and video recording of the shareholders' meeting. The materials and audio and video recordings shall be properly retained by the Company throughout its life.

Article 3

The Chairperson shall announce starting of the meeting when the attending shareholders (or proxies) represent more than half of the total shares issued in public. The Chairperson may announce postponement of the meeting if the legal quorum is not present after the designated meeting time. Such postponement is limited to two times and the aggregated postponed time shall not exceed one hour. If quorum is still not present after two postponements but the attending shareholders (or proxies) represent more than one third of the total shares issued in public, tentative resolution/s may be passed with respect to ordinary resolution/s by a majority of those present. After proceeding with the aforesaid tentative resolutions, the Chairperson may put the tentative resolutions for re-voting over the meeting if and when the shares represented by the attending shareholders (or proxies) reached the legal quorum.

- Article 4** If the shareholders' meeting is convened by the Board of Directors, the agenda shall be designated by the Board of Directors. The meeting shall proceed in accordance with the designated agenda and shall not be amended without resolutions.
- If the meeting is convened by person, other than the Board of Directors, having the convening right, the provision set out in the preceding paragraph shall apply mutatis mutandis.
- Except with shareholders' resolution, the Chairperson shall not declare adjournment of the meeting before the first two matters set out in the agendas (including extemporary motions) are concluded. During the meeting, if the Chairperson declares adjournment of the meeting in violation of the preceding rule, a new Chairperson may be elected by a resolution passed by majority of the attending shareholders to continue the meeting.
- When the meeting is adjourned by resolution, the shareholders shall not elect another Chairperson to continue the meeting at the same location or another venue.
- Article 5** The shareholders (or proxies) shall complete statement slip setting out the number of his/her attendance card, name and statement brief before speaking, and the Chairperson will designate the order in which each person is to speak during the session.
- No statement will be considered to have been made if the shareholder (or proxies) merely completes the statement slip without speaking at the meeting. If there are any discrepancies between the content of the statement slip and the speech made, the statement to be adopted shall be the statement confirmed.
- Article 6** Any proposal for the agendas shall be submitted in written form. Except for the proposals set out in the agenda, any proposal by the shareholders (or proxies) to amend, substitute or to initiate extemporary motions with respect to the original proposal shall be seconded by other shareholders (or proxies). The same rule shall apply to any proposal to amend the agenda and motion to adjourn the meeting. The shares represented by the proponents and the seconders shall reach 100,000.
- Article 7** The explanation of proposal shall be limited to 5 minutes. The statement of inquiry and reply shall be limited to 3 minutes per person. The time may be extended for 3 minutes with the Chairperson's permission.
- The Chairperson may restrain shareholders (or proxies) from speaking if that shareholders (or proxies) speak overtime, speak beyond the allowed frequency or content of the speech is beyond the scope of the proposal. When a shareholder (or proxy) is speaking, other shareholder (or proxy) shall not interrupt without consent of the Chairperson and the speaking shareholder (or proxy). Any disobedient of the preceding rule shall be prohibited by the Chairperson. Article 15 of this meeting rule shall apply if the disobedient do not follow the Chairperson's instructions.
- Article 8** For the same proposal, each person shall not speak more than 2 times.
- When a juristic person is a shareholder, only one representative shall be appointed to

attend the meeting.

If more than two representatives were appointed to attend the meeting, only one representative is allowed to speak.

Article 8-1 If a shareholders' meeting is held by means of a visual communication network, shareholders attending the meeting by means of a visual communication network may ask questions in text form on the visual networking platform after the Chairperson declares the commencement of the meeting and before the Chairperson declares the adjournment of the meeting. The number of questions asked for each proposal shall not exceed two, with each question limited to 200 words. The provisions of Articles 5, 7, and 8 shall not apply.

Article 9 After speaking by the attending shareholder (or proxy), the Chairperson may reply in person or assign relevant officer to reply.
Over the proposal discussion, the Chairperson may conclude the discussion in a timely manner and where necessary announce discussion is closed.

Article 10 For proposal in which discussion has been concluded or closed, the Chairperson shall submit it or voting.
No discussion or voting shall proceed for matters unrelated to the proposal.
The personnel responsible for overseeing and counting of the votes for resolutions shall be appointed by the Chairperson. The person responsible for vote overseeing shall be of the shareholder status.

Article 11 When the Company convenes a shareholders' meeting by means of a visual communication network, shareholders attending the meeting by means of a visual communication network shall vote on the proposals and the election on the visual networking platform after the Chairperson announces the commencement of the meeting and before the Chairperson announces the close of voting. Failure to do so will be deemed abstention.
In regards to the resolution of proposals, unless otherwise provided for in the relevant law and regulation or Company's articles of incorporation, resolution shall be passed by a majority of the voting rights represented by the shareholders (or proxies) attending the meeting.
Proposals and elections shall be resolved by balloting at one time; votes shall be counted at one time after the Chairperson announces the close of voting.
If there are amendments or substitute proposals for the same proposal, the sequence of which to be put to vote shall be decided by the Chairperson. If one of the two proposals has been approved, the other shall be deemed rejected without requirement to put it to vote.
The results of voting shall be reported on the spot and kept for records.
If a shareholders' meeting is held by means of a visual communication network, the Company shall immediately disclose the voting results of the proposals and the election results on the visual networking platform in accordance with the regulations and maintain their availability for at least 15 minutes after the Chairperson announces the

adjournment of the meeting.

- Article 12** During the meeting, the Chairperson may at his/her discretion declare time for break.
- Article 13** If a shareholders' meeting is held by means of a visual communication network, the Chairperson shall, when announcing the commencement of the meeting, separately announce the date of the meeting that shall be postponed or reconvened within five days due to any obstacles to the visual networking platform or attendance by means of a visual communication network that are caused by natural disasters, incidents, or other force majeure events lasting for 30 minutes or more, except for the circumstances where such postponement or reconvention is not required according to law.
The Chairperson may announce for a halt of the meeting in the event of force majeure during the session, and may announce for the time of continuing the meeting depending on the circumstances.
- Article 14** The Chairperson may maintain the meeting order by instructing the security guards. The security guards shall wear the armband for identification when helping maintaining the venue order.
- Article 15** The shareholders (or proxies) shall obey the instructions of the Chairperson and security guards in terms of maintaining the order. The Chairperson or security guards may exclude the persons disturbing the shareholders' meeting from the meeting.
- Article 16** For matters not governed by the rules specified herein, shall be governed according to Company Law, Stock Exchange Law and the other related laws and regulations.
- Article 17** The rules herein take effect after approval at the shareholders' meeting, the same apply for any amendments.

Appendices :

1. Current Shareholding of Directors

Book closure date: April 5, 2024

Position	Name of persons or companies	Representatives appointed	Number of shares	Ratio (%)
Chairman	Hsu, Shu-Tong	---	992,133	0.12%
Director	Hsu, Shu-Ping	---	83,595	0.01%
	Asia Cement Corp.	Lee, Kun-Yen	331,701,152	39.25%
		Wu, Ling-Ling	331,701,152	39.25%
		Douglas Jefferson Hsu	331,701,152	39.25%
	Yue Ding Industry Co., Ltd.	Ong Choo Kiat	93,000	0.01%
	Yuan Ding Investment Corp.	Lee, Kuan-Chun	8,869,000	1.05%
	Far Eastern Construction Co., Ltd.	Tung, Li-Chen	1,589,790	0.19%
Independent Director	Pan, Wen-Yen	---	---	---
	Chu, Shao-Hua	---	---	---
	Liu, Chorng-Jian	---	---	---
Shareholding of all directors			343,328,670	40.63%
The minimum required combined shareholding of all directors by law			33,802,228	4.00%

Note:

1. The total issued and outstanding shares on the book closure date: 845,055,712 shares.
2. According to Article 26, Paragraph 2 of Securities and Exchange Act and Article 2, Paragraph 5 of the Regulations Governing Ratios and Auditing of Director and Supervisor Share Ownership at Public Companies, the minimum required combined shareholding of all directors are qualified.

2. The Impact of Stock dividend Issuance on Business Performance and EPS

The Company did not prepare or disclose any financial forecast for the year 2024, so this does not apply.

Unit: NT\$

Item		Year	2024
Paid-in Capital (beginning of the year)			8,450,557,120
Stock & Cash	Cash Distribution from Legal Reserve (NT\$/per share)		2.4
Dividend	Stock Dividend from Retained Earnings (per share)		0.00
Distribution	Stock Dividend from Capital Surplus		0.00
Variance in Business Performance	Operating Income		Not Applicable
	% Change in Operating Income		
	Net Income		
	% Change in Net Income		
	Earnings Per Share		
	% Change in EPS		
	Average Return on Investment (%) (Reciprocal of Average P/E Ratio)		
Pro Forma EPS & P/E Ratio	If Retained Earnings Distributed in Cash Dividend	Pro Forma Earnings Per Share	Not Applicable
		Pro Forma Average Yearly Return on Investment	
	If Capital Surplus not Distributed in Stock Dividend	Pro Forma Earnings Per Share	
		Pro Forma Average Yearly Return on Investment	
	If Retained Earnings & Capital Surplus Distributed in Cash Dividend rather than Stock Dividend	Pro Forma Earnings Per Share	
		Pro Forma Average Yearly Return on Investment	