



## **Alexander Marine Co., Ltd.**

### **2024 Annual General Shareholders' Meeting**

#### **Meeting Agenda** (Translation)

Time: 10:30 a.m. on June 11, 2024

Venue: Alexander Marine's Headquarters

(No. 1, Jinfu Rd., Qianzhen Dist., Kaohsiung City)

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Alexander Marine Co., Ltd.  
2024 Annual General Shareholders' Meeting Procedure

- I. Call the Meeting to Order
- II. Chairman Remarks
- III. Report Items
- IV. Acknowledgements
- V. Proposed Resolutions
- VI. Directors Election
- VII. Extraordinary Motions
- VIII. Adjournment

Alexander Marine Co., Ltd.  
2024 Annual General Shareholders' Meeting Agenda

1. Type of meeting: Physical Shareholders' Meeting
2. Time: 10:30 am, June 11, 2024 (Tuesday)
3. Venue: AM's Headquarters  
(No. 1, Jinfu Rd., Qianzhen Dist., Kaohsiung City, Taiwan)
4. Call Meeting to Order
5. Chairman Remarks
6. Reporting Items
  - (1) 2023 business report
  - (2) Audit Committee's review report
  - (3) Report on distribution of 2023 employees' compensation and directors' remuneration
7. Acknowledgements:
  - (1) Adoption of 2023 business report and financial statements
  - (2) Adoption of the proposal for distribution of 2023 earnings
8. Proposed Resolutions:
  - (1) Amendments to the Company's "Rules and Procedures for Shareholders' Meetings"
9. Directors Election: Election of seven directors (including three independent directors)
10. Extraordinary Motions
11. Adjournment

## Report Items

### Report item 1

Subject: 2023 business report

Explanation: The 2023 Business Report is attached hereto as Attachment 1, page 7 to 10.

### Report item 2

Subject: Audit Committee's review report

Explanation: 2023 Audit Committee's review report is attached hereto as Attachment 2, page 11 of this manual.

### Report item 3

Subject: Report on 2023 employees' compensation and directors' remuneration.

Explanation:

1. As specified in Articles of Incorporation, the Company shall, according to the actual profit earnings for the current year (pre-tax income prior to allocation of employees' and directors' compensation), reserve in advance a portion of said earnings for the compensation of accumulated losses and deficiencies. In the event of surplus earnings, the Company shall allocate no less than 1% of the profit as employees' compensation and shall allocate at a maximum of 5% of the profit as directors' compensation.
2. The profit of the Company for the 2023 (i.e., the pre-tax profit before distribution of employees' and directors' compensation) was NT\$2,240,126,443 of which 1.156% was distributed as employees' compensation and 0% as directors' compensation. They are NT\$25,888,307 and NT\$0 respectively. All of the employees' compensation shall be paid in cash. The aforementioned distribution amount is the same as the expenses recognized in 2023.
3. The distribution proposal has been approved by the Compensation Committee and the Board of directors, and is reported to the Annual General Meeting in accordance with the law.

## Acknowledgements

Acknowledgement 1. (Proposed by the Board of Directors)

Subject: Adoption of 2023 business report and financial statements.

Explanation:

1. The Company's 2023 business report and financial statements have been completed. The financial statements were audited by the independent auditors, Lee-Yuan Kuo and Jui-Hsuan Hsu of Deloitte & Touche.
2. Please refer to Attachment 1, page 7 to 10 of this manual for 2023 business report. For Independent Auditors' Report and aforementioned financial statements, please refer to Attachment 3 page 12 to 29 of this manual.

Resolution:

Acknowledgement 2. (Proposed by the Board of Directors)

Subject: Adoption of the proposal for distribution of 2023 earnings.

Explanation:

1. In accordance with the Company's Articles of Incorporation in the Company Act, and as required by the letter issued by the FSC (Ref No. Jin-Guan-Zheng-Fa-Zi No.1010012865), the proposed 2023 earnings distribution table is attached hereto as Attachment 4, page 30 of this manual.
2. The proposed cash dividend distributed to shareholders is NT\$12 per share, for a total of NT\$1,055,667,312.
3. Shareholders' cash dividend is the number of shares held by shareholders as of the record date. The unit for distribution of cash dividends is in "dollar" unit; amounts less than one dollar are distributed to "other incomes" of the Company.
4. In the event the number of outstanding shares and shareholder distribution ratio are affected by the Company's subsequent cash capital increase or other causes, the chairman is authorized to adjust the distribution percentage and other related matters.
5. Upon the approval of the shareholders' meeting, it is proposed that the chairman is authorized to resolve the cash dividend record date and other related matters.

Resolution:

## **Proposed Resolutions**

Proposal 1. (Proposed by the Board of Directors)

Subject: Amendments to the Company's "Rules and Procedures for Shareholders' Meetings". Approval is respectfully requested.

Explanation:

1. To conform to the amendments of the relevant laws and regulations, the Company plans to amend the "Rules and Procedures for Shareholders' Meetings".
2. The comparison table illustrating the original and amended texts is attached hereto as Attachment 5, page 31~32 of this manual.

Resolution:

## **Directors Election**

Proposal 1. (Proposed by the Board of Directors)

Subject: Election of seven directors (including three independent directors). Election is respectfully requested.

Explanation:

1. The tenure of directors of the present session will be due on July 25, 2024. The Company plans to elect the directors for seven seats (including three seats of independent directors) at the 2024 annual shareholders' meeting, and the tenure of the new directors (including independent directors) will start at the end of the annual shareholders' meeting from June 11, 2024 to June 10, 2027, for a period of three years. The present directors will leave their office on the date the new directors are elected.
2. According to the Company's Articles of Incorporation, the directors shall be elected by adopting candidate nomination system. The directors shall be elected from a list of nominated candidates during the shareholders' meeting. For the list of candidate, please refer to Attachment 6, page 33~34 of this manual.

Election Results:

## **Extraordinary Motions**

## **Adjournment**



## **Alexander Marine Co., Ltd.**

### **Business Report**

#### **1. Operation strategies**

- (1) **Production:** Of the six factories owned by the Company at present, four are in charge of the front-end manufacturing while two are responsible for back-end assembly. The two assembly plants are expected to reach full capacity this year (2024). Considering future production plans for the new series and bigger yachts, the construction of the third assembly plant has been initiated and will be completed next year (2025) in expectation. The maximum installed capacity of the third assembly plant will increase the existing production capacity by 50%. In addition to investing in new product development and optimizing/redesigning exciting product, the Company also continues to enhance production technology to improve production efficiency and lower operating costs. The Company plans to increase the market share by means of diversified product series, and to boost the future revenue and profit growth with high-margin product mixes simultaneously.
- (2) **Service:** We will continue to strengthen and deepen customer relationship and widen service range and bases through acquisitions, investments and strategic alliances. In addition, the Company will establish appropriate service procedures by customer groups to satisfy the demand of overseas markets and customers in order to obtain the latest trends, equipment and technology of the global yacht industry along with the timeliest customer feedback. Information gathered is regularly relayed to the Company for the improvement of production process and the formulation of proper operating strategies.
- (3) **Market:** We have established a stable cooperative relationship with Marine Max, the largest listed yacht agent in the U.S., and continuously cultivated our brand advantages of high quality and technology to secure our existing market share in U.S. superyachts market. The Company also acts as an agent for several yacht brands in the small and medium-sized segment to enrich the product portfolio. Meanwhile, the Company has established in-house sales channel in the west coast of the United States and Australia as well as aimed at the global market continuously to reduce its dependence on the single U.S. market as well as diversify the risk of concentrated sales.
- (4) **Brand:** With over 40 years of experience in managing the global market and in-house brand, the Company is one step ahead where high unit price and large-sized luxury yachts are concerned. We also tailor production, marketing and customer service strategies to position the in-house brand, Ocean Alexander, on world stage, demonstrating its value in an effort to make a distinction from the price competitions of peers.

#### **2. Overview of implementation**

In terms of superyachts, Ocean Alexander maintains its leading position in the U.S. large yacht market with profound industrial expertise and technical capabilities, along with a long-term cooperative relationship with Marine Max, a listed yacht agent in the United States. OA's ranking has dropped in the latest survey of global yacht manufacturers of 24 meters (78 feet) and above conducted by the well-known yacht magazine, Show Boat International, primarily due to the changes in their survey methodology. The Company plays greater importance on the confidentiality of customer data and is therefore unwilling to provide contracts. Despite facing

various challenges from the economy and market, the Company's order backlog remains stable and production operations are proceeding as usual. We continue to develop various sizes and expand our new series product lines, aiming to meet the needs of different customers and to increase our market share.

As for small-sized yachts, the Company acts as an agent for several small-sized yacht brands to enhance the diversity and integrity of product mix and attract younger customers. We are the number one yacht agent in the U.S. West Coast market. The sales of small-sized yachts increased by 16.8% from the previous year.

With regard to after-sale maintenance service, the Company has established maintenance firms at both the East and the West Coasts in the U.S. to further explore and strengthen in-house maintenance teams, bring in steady revenue sources as well as build customer loyalty. On top of these, the Company can acquire users' first-hand experience and give feedback to the sales, production and design teams.

### 3. Business plan implementation results

Although the sales volume of large-sized yachts was one vessel fewer than the previous year, the Company's annual sales was NT\$6.33 billion, a growth of 13.9% from the previous year, supported by the favorable product mix and continuous price increase. Additionally, the impact of higher marketing expenses was offset by the rising selling prices. The Company's operating profit increased by 17.7% year-over-year, reaching NT\$2.19 billion, while its net income was NT\$2.08 billion, marking a 18.7% year-over-year growth, with basic EPS at NT\$23.66. The Company delivered a fourth-consecutive year of record profitability, surpassing the NT\$2 billion mark in profit for the first time and setting outstanding profit indicators records.

Unit: boat ; NTD thousand

Main Products	2022				2023			
	Domestic sales		Exports		Domestic sales		Exports	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Large-size yachts <sup>(1)</sup>	-	-	15	5,073,307	-	-	14	5,860,813
Small-size yachts	-	-	5	202,979	-	-	6	237,178
Others <sup>(2)</sup>	-	-	-	279,165	-	-	-	227,120
Total	-	-	20	5,555,452	-	-	20	6,325,111

Note 1: Large-size yachts refer to vessels of 24-meter and above.

Note 2: Including sales of spare parts, used boats, and income from maintenance service.

Unit: NTD thousand

Item	2022	2023	Increase / decrease %
Net Sales	5,555,452	6,325,111	13.9%
Gross Profit	2,524,117	3,048,196	20.8%
Operating Profit	1,861,633	2,191,914	17.7%
Profit before Income Tax	1,842,357	2,214,599	20.2%
Net Income	1,753,278	2,081,427	18.7%

### 4. Implementation of Budget

The Company did not release financial forecasts; thus, it did not have to disclose its budget execution status.

## 5. Profitability analysis

Item		2022	2023
Financial Structure	Debt-to-Assets	48.3%	46.6%
	Long-term capital to property, plant and equipment	513.7%	627.0%
Solvency	Current Ratio	341.1%	306.2%
	Quick Ratio	161.3%	150.8%
Profitability	Return on Assets	22.6%	21.7%
	Return on Shareholders' Equity	45.5%	39.5%
	Pre-tax Income to Paid-in Capital	207.3%	249.1%
	Net Profit Margin	31.6%	32.9%
	Basic EPS (NT\$)	19.93	23.66

## 6. Research development update

Being a labor-intensive industry, the finesse in techniques required from equipment installation to interior decoration is completely relied on the experienced master craftsmen rather than the special processes protected by patents, and the high-end equipment used on board can be acquired through procurement. As a result, yacht builders' research and development plans center around the design of "functionality" nowadays. The Company constantly improves existing products and strengthens the systematic management of production lines. The possibilities of using different materials during the manufacturing process are studied to reduce the yacht weight without compromising safety, thereby lowering energy consumption. Also, we learn of the ship owners' needs through sales who are closely connected to the market, and track the performance of relevant technologies and research through after-sales services as feedback for production lines to make adjustments, thereby further differentiating the Company from our competitors. The first yacht of PURO has been debuted and other sizes will be launched in the future.

## 7. Impact from external competitive environment, regulatory environment, and the overall business environment

### (1) External competitive environment

According to the latest data released by the internationally renowned yacht magazine, Show Boats International, the total length of superyachts (24-meter and above) on order or under construction is 45,722 meters, representing a slight decrease of 1.2% compared with the previous year, with a total of 1,166 vessels. The global yacht market has entered a post-pandemic new normal, and new orders intake is expected to stabilize. Italy, Turkey, and the Netherlands, the traditional yacht manufacturing countries in Europe, continue to take the lead. Taiwan ranks the fifth place in the world and retains number one in Asia.

### (2) Regulatory environment

The Company has marketing, sales and service bases overseas. Relevant operations are conducted in accordance with international trade standards and local regulations. In terms of global regulations on money laundering prevention and personal data protection, the Company will continue to pay close attention to their developments and formulate countermeasures in advance. Domestically, the Company's management team would constantly assess the potential effects of amendments in labor regulations, tax systems and environmental protection policies on the Company and adopt necessary management measures for regulatory compliance. This is to prevent significant influence on the Company's financial operation caused by changes in the regulatory environment either abroad or at home.

### (3) Overall business environment

According to the World Economic Outlook (WEO) published by the International Monetary Fund (IMF) in January 2023, the global growth is projected at 3.1% in 2024 on account of greater-than-expected resilience in the United States and several large emerging markets and developing economies. The economic growth is projected to be 2.1% in the U.S. and 0.9% in the Euro area. Global inflation is set to fall to 5.8% in 2024 and to 4.4% in 2025 with the effects of tight monetary policy by central banks. With disinflation and steady growth, the risks of global growth are broadly balanced, and the likelihood of a hard landing has receded.

## 8. Future prospect

The Company remains committed to advanced technology and outstanding manufacturing. With a sound foundation for design, production, sales, and after-sale service, we have successfully built an upscale brand value and won customer trust. The Company continues to invest in the development and production of new series as well as larger-sized yachts. The construction plan for third assembly plant has been initiated, and the new production capacity will further drive our growth. Meanwhile, we are actively monitoring global economic conditions and changes in the high-end luxury market, making strategic adjustments as necessary to generate profits for the Company and shareholders.

Chairman:  
Johnny Chueh

Chief Executive Officer:  
Kevin Tseng

Accounting Supervisor:  
Tim Huang

【Attachment 2】

## **Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2023 annual business report, financial statements, and earnings distribution proposal. The CPA firm of Deloitte & Touche was retained to audit the financial statements and has issued an audit report relating to the financial statements. The 2023 business report, financial statements, and earnings distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committee, and are considered to be free of discrepancies. We hereby submit this report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To:

The 2024 Annual General Shareholders' Meeting of Alexander Marine Co., Ltd.

Chairman of the Audit Committee: Ming Cheng Chang

February 29, 2024

【Attachment 3】

## **Independent Auditors' Report and 2023 Financial Statements (Consolidated Financial Statements)**

### **INDEPENDENT AUDITORS' REPORT**

Alexander Marine Co., Ltd.

#### **Opinion**

We have audited the accompanying consolidated financial statements of Alexander Marine Co., Ltd. (the "Corporation") and its subsidiaries, 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 a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation and its subsidiaries 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 the 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 (FSC) of the Republic of China.

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Corporation and its subsidiaries 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.

The key audit matters of the Corporation and its subsidiaries' consolidated financial statements for the year ended December 31, 2023 are stated as follows:

##### Revenue Recognition

Revenue of the Corporation and its subsidiaries mainly comes from the manufacturing and selling of yachts. As the amount from each individual transaction was material, and as the percentage of sales to dealers increased, we focused on the occurrence of sales and accuracy of the sales revenue from the sale of yachts to the dealers. Refer to Notes 4 and 21 to the consolidated financial statements for the disclosures related to revenue recognition.

The audit procedures we performed included the following:

1. We understood the design and implementation of the internal controls related to sales revenue from dealers.
2. We sent confirmation requests to selected dealers and confirmed that the recorded sales revenue actually occurred, and were accurate and complete.
3. We sampled and obtained the details of sales returns and allowances of some of the dealers which occurred after the balance sheet date, and verified the validity of the sales returns and allowances.

### **Other Matter**

We have also audited the standalone financial statements of the Corporation as of and for the years ended December 31, 2023 and 2022, and have issued an unmodified opinion on both years.

### **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 the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the FSC, and for such internal control as management determines is necessary to enable the preparation of the Corporation and its subsidiaries' 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 Corporation and its subsidiaries' 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 Corporation and its subsidiaries 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 Corporation and its subsidiaries' 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 of Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 29, 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.*



# ALEXANDER MARINE CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,044,685	10	\$ 2,330,524	26
Financial assets at fair value through profit or loss (Notes 4 and 7)	938,098	9	-	-
Financial assets at amortized cost (Notes 4 and 8)	435,070	4	5,200	-
Contract assets (Notes 4 and 22)	-	-	229,387	2
Notes receivable (Notes 4 and 9)	51	-	-	-
Accounts receivable (Notes 4, 9 and 22)	1,697,337	15	683,618	8
Other receivables	34,744	-	36,140	-
Inventories (Notes 4 and 10)	4,136,491	38	3,386,004	37
Prepayments (Note 12)	339,106	3	437,139	5
Other financial assets - current (Notes 11 and 29)	40,559	-	68,747	1
Other current assets	150,204	1	77,841	1
<b>Total current assets</b>	<b>8,816,345</b>	<b>80</b>	<b>7,254,600</b>	<b>80</b>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment (Notes 4, 14 and 29)	1,288,611	12	1,347,530	15
Right-of-use assets (Notes 4 and 15)	410,524	4	227,936	3
Intangible assets (Notes 4 and 16)	-	-	31,106	-
Deferred tax assets (Notes 4 and 24)	194,313	2	178,787	2
Prepayment for land (Note 14)	200,000	2	-	-
Other non-current assets	15,004	-	9,452	-
<b>Total non-current assets</b>	<b>2,143,084</b>	<b>20</b>	<b>1,794,811</b>	<b>20</b>
<b>TOTAL</b>	<b>\$ 10,959,429</b>	<b>100</b>	<b>\$ 9,049,411</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 17)	\$ 1,065,860	10	\$ 659,303	7
Short-term bills payable (Note 17)	458,621	4	-	-
Contract liabilities (Notes 4 and 22)	271,016	2	730,772	8
Notes payable	4,010	-	8,539	-
Accounts payable	325,359	3	247,599	3
Other payables (Note 18)	229,360	2	233,263	2
Current tax liabilities (Notes 4)	109,655	1	75,606	1
Provisions - current (Notes 4 and 19)	70,329	1	70,794	1
Lease liabilities - current (Notes 4 and 15)	67,688	-	55,475	1
Current portion of long-term bank borrowings (Notes 17 and 29)	198,000	2	-	-
Other current liabilities	79,465	1	45,605	-
<b>Total current liabilities</b>	<b>2,879,363</b>	<b>26</b>	<b>2,126,956</b>	<b>23</b>
<b>NON-CURRENT LIABILITIES</b>				
Long-term bank borrowings (Notes 17 and 29)	1,794,244	17	1,990,244	22
Deferred tax liabilities (Notes 4, 5, and 24)	63,468	1	63,468	1
Lease liabilities - non-current (Notes 4 and 15)	357,851	3	184,600	2
Net defined benefit liabilities (Notes 4 and 20)	8,215	-	3,282	-
Guarantee deposits received	4,300	-	-	-
<b>Total non-current liabilities</b>	<b>2,228,078</b>	<b>21</b>	<b>2,241,594</b>	<b>25</b>
<b>Total liabilities</b>	<b>5,107,441</b>	<b>47</b>	<b>4,368,550</b>	<b>48</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 4 and 21)</b>				
Share capital	888,863	8	888,863	10
Capital surplus	992,905	9	992,588	11
Retained earnings				
Legal reserve	420,490	4	244,919	3
Special reserve	-	-	221,535	2
Unappropriated earnings	3,507,155	32	2,263,300	25
Total retained earnings	3,927,645	36	2,729,754	30
Other equity	89,017	1	116,098	1
Treasury shares	(46,442)	(1)	(46,442)	-
<b>Total equity</b>	<b>5,851,988</b>	<b>53</b>	<b>4,680,861</b>	<b>52</b>
<b>TOTAL</b>	<b>\$ 10,959,429</b>	<b>100</b>	<b>\$ 9,049,411</b>	<b>100</b>

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

## ALEXANDER MARINE CO., LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 22)	\$ 6,325,111	100	\$ 5,555,452	100
OPERATING COSTS (Notes 10 and 23)	<u>3,276,915</u>	<u>52</u>	<u>3,031,335</u>	<u>55</u>
GROSS PROFIT	<u>3,048,196</u>	<u>48</u>	<u>2,524,117</u>	<u>45</u>
OPERATING EXPENSES (Note 23)				
Selling and marketing expenses	588,557	9	400,356	7
General and administrative expenses	<u>267,725</u>	<u>4</u>	<u>262,128</u>	<u>5</u>
Total operating expenses	<u>856,282</u>	<u>13</u>	<u>662,484</u>	<u>12</u>
PROFIT FROM OPERATIONS	<u>2,191,914</u>	<u>35</u>	<u>1,861,633</u>	<u>33</u>
NON-OPERATING INCOME AND EXPENSES (Note 23)				
Interest income	113,097	2	21,720	1
Other income	25,744	-	66,441	1
Other gains and losses	(1,692)	-	(49,264)	(1)
Finance costs	<u>(114,464)</u>	<u>(2)</u>	<u>(58,173)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>22,685</u>	<u>-</u>	<u>(19,276)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	2,214,599	35	1,842,357	33
INCOME TAX EXPENSE (Notes 4 and 24)	<u>133,172</u>	<u>2</u>	<u>89,079</u>	<u>1</u>
NET INCOME FOR THE YEAR	<u>2,081,427</u>	<u>33</u>	<u>1,753,278</u>	<u>32</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 20, 21, and 24)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	(4,766)	-	3,037	-
Income tax benefit (expense) relating to items that will not be reclassified subsequently to profit or loss	953	-	(607)	-

(Continued)

## ALEXANDER MARINE CO., LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Year Ended December 31			
	2023		2022	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	\$ (27,081)	(1)	\$ 337,633	6
Other comprehensive income (loss) for the year, net of income tax	(30,894)	(1)	340,063	6
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>	<u>\$ 2,050,533</u>	<u>32</u>	<u>\$ 2,093,341</u>	<u>38</u>
<b>NET PROFIT ATTRIBUTABLE TO:</b>				
Owners of the Corporation	<u>\$ 2,081,427</u>	<u>33</u>	<u>\$ 1,753,278</u>	<u>32</u>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:</b>				
Owners of the Corporation	<u>\$ 2,050,533</u>	<u>32</u>	<u>\$ 2,093,341</u>	<u>38</u>
<b>EARNINGS PER SHARE (Note 25)</b>				
Basic	<u>\$ 23.66</u>		<u>\$ 19.93</u>	
Diluted	<u>\$ 23.64</u>		<u>\$ 19.91</u>	

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

(Concluded)

## ALEXANDER MARINE CO., LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Share Capital - Ordinary Shares	Capital Surplus	Retained Earnings				Total	Other Equity	Treasury Shares	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Foreign Operations		Exchange Differences on Translating		
BALANCE AT JANUARY 1, 2022	\$ 888,863	\$ 992,588	\$ 171,942	\$ 160,654	\$ 1,081,311	\$ 1,413,907	\$ (221,535)	\$ (46,442)	\$ 3,027,381	
Appropriation of 2021 earnings (Note 21)										
Legal reserve	-	-	72,977	-	(72,977)	-	-	-	-	
Special reserve	-	-	-	60,881	(60,881)	-	-	-	-	
Cash dividends	-	-	-	-	(439,861)	(439,861)	-	-	(439,861)	
Net profit for the year ended December 31, 2022	-	-	-	-	1,753,278	1,753,278	-	-	1,753,278	
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	2,430	2,430	337,633	-	340,063	
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	1,755,708	1,755,708	337,633	-	2,093,341	
BALANCE AT DECEMBER 31, 2022	888,863	992,588	244,919	221,535	2,263,300	2,729,754	116,098	(46,442)	4,680,861	
Appropriation of 2022 earnings (Note 21)										
Legal reserve	-	-	175,571	-	(175,571)	-	-	-	-	
Reversal of special reserve	-	-	-	(221,535)	221,535	-	-	-	-	
Cash dividends	-	-	-	-	(879,723)	(879,723)	-	-	(879,723)	
Other changes to capital reserve (Note 21)	-	317	-	-	-	-	-	-	317	
Net profit for the year ended December 31, 2023	-	-	-	-	2,081,427	2,081,427	-	-	2,081,427	
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	(3,813)	(3,813)	(27,081)	-	(30,894)	
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	2,077,614	2,077,614	(27,081)	-	2,050,533	
BALANCE AT DECEMBER 31, 2023	\$ 888,863	\$ 992,905	\$ 420,490	\$ -	\$ 3,507,155	\$ 3,927,645	\$ 89,017	\$ (46,442)	\$ 5,851,988	

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

# ALEXANDER MARINE CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 2,214,599	\$ 1,842,357
Adjustments for:		
Depreciation expense	155,810	155,121
Amortization expense	1,393	6,238
Net loss on fair value change of financial assets at fair value through profit or loss	42	-
Finance costs	114,464	58,173
Interest income	(113,097)	(21,720)
Loss on disposal of property, plant and equipment	5,542	6,158
Write-down of inventories	6,477	12
Recognition of provisions	32,882	28,183
Gain on lease modification	(169)	(608)
Changes in operating assets and liabilities		
Contract assets	229,387	-
Notes receivable	(51)	16
Accounts receivable	(1,013,719)	(76,588)
Other receivables	1,396	511
Inventories	(751,294)	(557,221)
Prepayments	98,033	(55,371)
Other current assets	(72,363)	(58,958)
Contract liabilities	(459,756)	686,021
Notes payable	(4,529)	4,043
Accounts payable	77,760	29,076
Other payables	(3,595)	65,967
Provisions	(33,346)	(12,517)
Other current liabilities	33,860	15,246
Net defined benefit liabilities	167	(5,279)
Cash generated from operations	519,895	2,108,860
Interest received	113,097	21,720
Income taxes paid	(113,717)	(20,823)
Net cash generated from operating activities	<u>519,275</u>	<u>2,109,757</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets amortized at cost	(429,870)	-
Acquisition of financial assets at fair value through profit or loss	(952,561)	-
Acquisition of property, plant and equipment	(34,206)	(18,921)
Proceeds from the disposal of property, plant and equipment	1,077	-
Decrease (increase) in refundable deposits	(1,152)	(1,031)
Acquisition of intangible assets	(5,044)	(783)
Decrease (increase) in other financial assets	28,188	27,144
Increase in prepayment for land	(200,000)	-
Net cash used in investing activities	<u>(1,593,568)</u>	<u>6,409</u>

(Continued)

# ALEXANDER MARINE CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	\$ 1,863,729	\$ 3,365,683
Decrease in short-term borrowings	(1,457,172)	(4,016,124)
Increase in short-term bills payable	460,000	-
Decrease in short-term bills payable	-	(500,000)
Proceeds from long-term borrowings	-	2,000,000
Repayments of long-term borrowings	-	(1,126,457)
Increase in guarantee deposit received	4,300	-
Repayments of principal of lease liabilities	(71,465)	(68,139)
Dividends paid	(879,723)	(439,861)
Interest paid	(119,144)	(62,939)
Exercise of the vesting rights	317	-
Net cash generated from (used in) financing activities	<u>(199,158)</u>	<u>(847,837)</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH</b>	<u>(12,388)</u>	<u>308,630</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,285,839)	1,576,959
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>2,330,524</u>	<u>753,565</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 1,044,685</u>	<u>\$ 2,330,524</u>

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

(Concluded)

# **Independent Auditors' Report and 2023 Financial Statements**

## **(Parent Company Only Financial Statements)**

### **INDEPENDENT AUDITORS' REPORT**

Alexander Marine Co., Ltd.

#### **Opinion**

We have audited the accompanying standalone financial statements of Alexander Marine Co., Ltd. (the Corporation), which comprise the standalone balance sheets as of December 31, 2023 and 2022, the standalone statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the standalone financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying standalone financial statements present fairly, in all material respects, the standalone financial position of the Corporation as of December 31, 2023 and 2022, and its standalone financial performance and its standalone 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 Auditing and Attestation of Financial Statements by 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 Standalone Financial Statements section of our report. We are independent of the Corporation 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 significant in our audit of the standalone financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Corporation's standalone financial statements for the year ended December 31, 2023 are stated as follows:

##### Revenue Recognition

Revenue of the Corporation mainly comes from the manufacturing and selling of yachts. As the amount from each individual transaction was material, we focused on whether the sales revenue from the sale of yachts actually occurred and the accuracy of the recognized revenue. Refer to Notes 4 and 19 to the Corporation's standalone financial statements for the disclosures related to revenue recognition.

The audit procedures we performed included the following:

1. We understood the design and implementation of the internal controls related to sales revenue.
2. We used the sales revenue as population for sampling and traced the samples back to the customer orders, yacht acceptances and cash collection documents.
3. We sampled and obtained the details of sales returns and allowances which occurred after the balance sheet date, and verified whether there were material sales returns and allowances.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

Management is responsible for the preparation and fair presentation of the standalone 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 the Corporation's financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Corporation'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 Corporation 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 Corporation's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

1. Identify and assess the risks of material misstatement of the standalone 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 Corporation'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 Corporation'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 standalone 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 Corporation to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone 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 Corporation to express an opinion on the standalone financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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 Lee-Yuan Kuo and Jui-Hsuan Hsu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 29, 2024

#### Notice to Readers

*The accompanying standalone financial statements are intended only to present the standalone 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 standalone financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying standalone 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 standalone financial statements shall prevail.*

# ALEXANDER MARINE CO., LTD.

## STANDALONE BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 101,984	1	\$ 355,357	4
Contract asset - current (Notes 4, 19 and 25)	-	-	35,643	-
Notes receivable (Notes 4 and 7)	51	-	-	-
Accounts receivable - related parties (Notes 4, 7, 19 and 25)	290,924	3	250,482	3
Other receivables	29,905	-	26,327	-
Other receivables - related parties (Note 25)	1,310	-	1,156	-
Inventories (Notes 4 and 8)	2,643,100	23	2,492,874	26
Prepayments (Notes 10)	306,867	3	307,564	3
Other financial assets - current (Notes 9 and 26)	40,559	-	68,747	1
Other current assets	135,838	1	61,306	1
Total current assets	3,550,538	31	3,599,456	38
<b>NON-CURRENT ASSETS</b>				
Investments accounted for using the equity method (Notes 4 and 11)	6,388,434	56	4,713,605	49
Property, plant and equipment (Notes 4, 12 and 26)	941,647	8	1,000,044	11
Right-of-use assets (Notes 4, 13 and 25)	322,921	3	211,444	2
Intangible assets (Note 4)	6,073	-	2,097	-
Deferred tax assets (Notes 4 and 21)	46,945	-	31,398	-
Prepayments for land (Note 12)	200,000	2	-	-
Other non-current assets	13,444	-	7,645	-
Total non-current assets	7,919,464	69	5,966,233	62
<b>TOTAL</b>	<b>\$ 11,470,002</b>	<b>100</b>	<b>\$ 9,565,689</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 14)	\$ 1,065,860	9	\$ 659,303	7
Short-term bills payable (Note 14)	458,621	4	-	-
Contract liabilities (Notes 4, 19 and 25)	1,094,404	10	1,358,249	14
Notes Payable	-	-	21	-
Accounts payable	177,062	2	192,814	2
Accounts payable - related parties (Note 25)	39,757	-	75,099	1
Other payables (Notes 15 and 25)	258,265	2	233,460	2
Current tax liabilities (Note 4)	109,472	1	75,422	1
Provisions - current (Notes 4 and 16)	62,887	1	63,350	1
Lease liabilities - current (Notes 4, 13 and 25)	55,725	-	56,462	-
Current portion of long-term bank borrowings (Notes 14 and 26)	198,000	2	-	-
Other current liabilities	4,959	-	3,762	-
Total current liabilities	3,525,012	31	2,717,942	28
<b>NON-CURRENT LIABILITIES</b>				
Long-term bank borrowings (Notes 14 and 26)	1,794,244	16	1,990,244	21
Deferred tax liabilities (Notes 4, 5 and 21)	8,411	-	8,411	-
Lease liabilities - non-current (Notes 4, 13 and 25)	277,832	2	164,949	2
Net defined benefit liabilities (Notes 4 and 17)	8,215	-	3,282	-
Guarantee deposits received	4,300	-	-	-
Total non-current liabilities	2,093,002	18	2,166,886	23
Total liabilities	5,618,014	49	4,884,828	51
<b>EQUITY (Notes 4 and 18)</b>				
Share capital	888,863	8	888,863	9
Capital surplus	992,905	9	992,588	10
Retained earnings				
Legal reserve	420,490	4	244,919	3
Special reserve	-	-	221,535	2
Unappropriated earnings	3,507,155	30	2,263,300	24
Total retained earnings	3,927,645	34	2,729,754	29
Other equity	89,017	1	116,098	1
Treasury shares	(46,442)	(1)	(46,442)	-
Total equity	5,851,988	51	4,680,861	49
<b>TOTAL</b>	<b>\$ 11,470,002</b>	<b>100</b>	<b>\$ 9,565,689</b>	<b>100</b>

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

# ALEXANDER MARINE CO., LTD.

## STANDALONE STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 19 and 25)	\$ 3,275,055	100	\$ 2,684,623	100
OPERATING COSTS (Notes 8, 20 and 25)	<u>2,618,208</u>	<u>80</u>	<u>2,237,925</u>	<u>84</u>
GROSS PROFIT	656,847	20	446,698	16
REALIZED (UNREALIZED) GAIN ON TRANSACTIONS WITH SUBSIDIARIES	<u>(69,869)</u>	<u>(2)</u>	<u>20,785</u>	<u>1</u>
REALIZED GROSS PROFIT	<u>586,978</u>	<u>18</u>	<u>467,483</u>	<u>17</u>
OPERATING EXPENSES (Note 20)				
Selling and marketing expenses	136,755	4	58,868	2
General and administrative expenses	<u>68,282</u>	<u>2</u>	<u>79,783</u>	<u>3</u>
Total operating expenses	<u>205,037</u>	<u>6</u>	<u>138,651</u>	<u>5</u>
PROFIT FROM OPERATIONS	<u>381,941</u>	<u>12</u>	<u>328,832</u>	<u>12</u>
NON-OPERATING INCOME AND EXPENSES (Note 20)				
Interest income	9,127	-	2,097	-
Other income	12,171	1	16,754	1
Other gains and losses	7,403	-	(43,246)	(2)
Finance costs	(63,524)	(2)	(50,045)	(2)
Share of profit of subsidiaries	<u>1,867,120</u>	<u>57</u>	<u>1,587,611</u>	<u>59</u>
Total non-operating income and expenses	<u>1,832,297</u>	<u>56</u>	<u>1,513,171</u>	<u>56</u>
PROFIT BEFORE INCOME TAX	2,214,238	68	1,842,003	68
INCOME TAX EXPENSE (Notes 4 and 21)	<u>132,811</u>	<u>4</u>	<u>88,725</u>	<u>3</u>
NET INCOME FOR THE YEAR	<u>2,801,427</u>	<u>64</u>	<u>1,753,278</u>	<u>65</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 17, 18 and 21)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	(4,766)	-	3,037	-

(Continued)

## ALEXANDER MARINE CO., LTD.

### STANDALONE STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2023		2022	
	Amount	%	Amount	%
Income tax benefit relating to items that will not be reclassified subsequently to profit or loss	\$ 953	-	\$ (607)	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	<u>(27,081)</u>	<u>(1)</u>	<u>337,633</u>	<u>13</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(30,894)</u>	<u>(1)</u>	<u>340,063</u>	<u>13</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ 2,050,533</u>	<u>63</u>	<u>\$ 2,093,341</u>	<u>78</u>
EARNINGS PER SHARE (Note 22)				
Basic	<u>\$ 23.66</u>		<u>\$ 19.93</u>	
Diluted	<u>\$ 23.64</u>		<u>\$ 19.91</u>	

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

(Concluded)

**ALEXANDER MARINE CO., LTD.**

**STANDALONE STATEMENTS OF CHANGES IN EQUITY**  
**(In Thousands of New Taiwan Dollars, Except Dividends Per Share)**

	Share Capital - Ordinary Shares	Capital Surplus	Retained Earnings			Total	Other Equity	Treasury Shares	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings		Exchange Differences on Translating Foreign Operations		
BALANCE AT JANUARY 1, 2022	\$ 888,863	\$ 992,588	\$ 171,942	\$ 160,654	\$ 1,081,311	\$ 1,413,907	\$ (221,535)	\$ (46,442)	\$ 3,027,381
Appropriation of 2021 earnings (Note 18)									
Legal reserve	-	-	72,977	-	(72,977)	-	-	-	-
Special reserve	-	-	-	60,881	(60,881)	-	-	-	-
Cash dividends	-	-	-	-	(439,861)	(439,861)	-	-	(439,861)
Net profit for the year ended December 31, 2022	-	-	-	-	1,752,278	1,753,278	-	-	1,753,278
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	2,430	2,430	337,633	-	340,063
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	1,755,708	1,755,708	337,633	-	2,093,341
BALANCE AT DECEMBER 31, 2022	888,863	992,588	244,919	221,535	2,263,300	2,729,754	116,098	(46,442)	4,680,861
Appropriation of 2022 earnings (Note 18)									
Legal reserve	-	-	175,571	-	(175,571)	-	-	-	-
Reversal of special reserve	-	-	-	(221,535)	221,535	-	-	-	-
Cash dividends	-	-	-	-	(879,723)	(879,723)	-	-	(879,723)
Other changes in capital surplus (Note 18)	-	317	-	-	-	-	-	-	317
Net profit for the year ended December 31, 2023	-	-	-	-	2,081,427	2,081,427	-	-	2,081,427
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	(3,813)	(3,813)	(27,081)	-	(30,894)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	2,077,614	2,077,614	(27,081)	-	2,050,533
BALANCE AT DECEMBER 31, 2023	\$ 888,863	\$ 992,905	\$ 420,490	\$ -	\$ 3,507,155	\$ 3,927,645	\$ 89,017	\$ (46,442)	\$ 5,851,988

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

# ALEXANDER MARINE CO., LTD.

## STANDALONE STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 2,214,238	\$ 1,842,003
Adjustments for:		
Depreciation expense	146,010	147,213
Amortization expense	941	1,045
Finance costs	63,524	50,045
Interest income	(9,127)	(2,097)
Share of profit of subsidiaries	(1,867,120)	(1,587,611)
Loss on disposal of property, plant and equipment	5,544	6,158
Write-down of inventories	298	12
Unrealized (realized) gain on the transactions with subsidiaries	69,869	(20,785)
Recognition of provisions	32,882	28,183
Gain on lease modification	-	(608)
Changes in operating assets and liabilities		
Contract assets - current	35,643	-
Notes receivable	(51)	16
Accounts receivable - related parties	(40,442)	(213,323)
Other receivables	(3,578)	3,008
Other receivables - related parties	(154)	1,251
Inventories	(144,503)	(607,972)
Prepayments	697	(26,386)
Other current assets	(74,532)	(54,228)
Contract liabilities	(263,845)	1,358,249
Notes payable	(21)	21
Accounts payable	(15,752)	24,547
Accounts payable - related parties	(35,342)	35,259
Other payables	25,113	61,148
Provisions	(33,345)	(12,517)
Other current liabilities	1,197	550
Net defined benefit liabilities	167	(5,279)
Cash generated from operations	108,311	1,027,902
Interest received	9,127	2,097
Dividend received	95,341	117,785
Income taxes paid	(113,355)	(20,487)
Net cash generated from operating activities	<u>99,424</u>	<u>1,127,297</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(32,440)	(18,356)
Decrease (increase) in refundable deposits	(1,399)	(900)
Acquisition of intangible assets	(5,044)	(783)
Decrease (increase) in other financial assets	28,188	27,144
Decrease (increase) in prepayments for land	(200,000)	-
Net cash generated from (used in) investing activities	<u>(210,695)</u>	<u>7,105</u>

(Continued)

# ALEXANDER MARINE CO., LTD.

## STANDALONE STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	\$ 1,863,729	\$ 3,365,683
Decrease in short-term borrowings	(1,457,172)	(4,016,124)
Increase in short-term bills payable	460,000	-
Decrease in short-term bills payable	-	(500,000)
Proceeds from long-term bank borrowings	-	2,000,000
Repayments of long-term bank borrowings	-	(1,126,457)
Increase in guarantee deposits received	4,300	-
Repayments of principal of lease liabilities	(65,270)	(61,487)
Dividends paid	(879,723)	(439,861)
Interest paid	(68,283)	(55,035)
Exercise of the vesting rights	<u>317</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>(142,102)</u>	<u>(833,281)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(253,373)	301,121
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>355,357</u>	<u>54,236</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 101,984</u>	<u>\$ 355,357</u>

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

(Concluded)

【 Attachment 4 】

## 2023 Earnings Distribution Proposal

Alexander Marine Co., Ltd. 2023 Earnings Distribution Table		
Items	Amount	
	Subtotal	Total
Unappropriated retained earnings from the previous year		\$ 1,429,541,775
Net profit for the year		2,081,426,587
Less: change in remeasurement of defined benefit plan		(3,812,853)
Net profit for the year with adjusted unappropriated retained earnings		2,077,613,734
Less: 10% legal reserve		(207,761,373)
Earnings available for distribution		3,299,394,136
Distribution items		
Cash dividends to common shareholders (NT\$12 per share)	(1,055,677,312)	(1,055,667,312)
Unappropriated retained earnings		\$ 2,243,726,824

Note: The allotment is based on 87,972,276 outstanding shares as of February 29, 2024 (net of 914,000 treasury shares from 88,886,276 shares issued).

Chairman:  
Johnny Chueh

Chief Executive Officer:  
Kevin Tseng

Accounting Supervisor:  
Tim Huang



## Comparison Table for Amendments in Rules and Procedures for Shareholders' Meetings

Proposed amendment	Current clauses	Reason for amendment
<p>Article 2 The Shareholders meetings of the Company shall be convened by the board of directors, unless otherwise provided by law. <u>Unless otherwise provided by the Regulations Governing the Administration of Shareholder Services of Public Companies, the convening of a virtual shareholders' meeting shall be specified in the Articles of Incorporation, and resolved by the board of directors. The resolution shall be adopted by a majority at a meeting attended by over two-thirds of the directors.</u> (omitted)</p>	<p>Article 2 The Shareholders meetings of the Company shall be convened by the board of directors, unless otherwise provided by law.  (omitted)</p>	<p>The new article is proposed in accordance with the law and regulations.</p>
<p>Article 6-1 To convene a virtual shareholders' meeting, the Company shall include the following items in the shareholders' meeting notice: Paragraph 1&amp;2: omitted Paragraph 3: For virtual shareholders' meetings, alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified. <u>Except for circumstances set forth in Paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall provide shareholders at least the</u></p>	<p>Article 6-1 To convene a virtual shareholders' meeting, the Company shall include the following items in the shareholders' meeting notice: Paragraph 1&amp;2: omitted Paragraph 3: For virtual shareholders' meetings, alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified.</p>	<p>The new article is proposed in accordance with the law and regulations.</p>

Proposed amendment	Current clauses	Reason for amendment
<u>necessary connection devices and essential assistance. The Company shall publicly announce the period during which shareholders submit their applications and other relevant notices.</u>		
<p>Article 22</p> <p>When convening a virtual shareholders' meeting, the Company shall provide appropriate alternative measures to shareholders with difficulties in attending the virtual shareholders' meeting online. <u>Except for circumstances set forth in Paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall provide shareholders at least the necessary connection devices and essential assistance. The Company shall publicly announce the period during which shareholders submit their applications and other relevant notices.</u></p>	<p>Article 22</p> <p>When convening a virtual shareholders' meeting, the Company shall provide appropriate alternative measures to shareholders with difficulties in attending the virtual shareholders' meeting online.</p>	<p>The new article is proposed in accordance with the law and regulations.</p>

【Attachment 6】

**List of Director Candidates**

No.	Name	Gender	Shareholding	Major Education & Experiences	Major Current Positions
<b>Director Candidates</b>					
1	Johnny Chueh	Male	8,348,097	<ol style="list-style-type: none"> <li>1. Bachelor in Economics, University of Chicago</li> <li>2. Mitchell Madison Management Consulting</li> </ol>	<ol style="list-style-type: none"> <li>1. Chairman of Alexander Marine Co., Ltd.</li> <li>2. Chairman of the Company's subsidiaries, Alexander Marine International Co., Limited, Alexander Marine USA Inc., Alexander Marine Enterprises Inc., Alexander Australia Pty Ltd, Pacific Coast Yachting Service, Inc., and East Coast Yacht Group Inc.</li> </ol>
2	Hsiung Wei Tseng	Male	156,384	<ol style="list-style-type: none"> <li>1. Bachelor in Hydraulic and Ocean Engineering, Cheng-Kung University</li> <li>2. Manager, Chifu Construction Engineering Corporation Limited</li> <li>3. Manufacturing Manager, Alexander Marine Co., Ltd</li> </ol>	<ol style="list-style-type: none"> <li>1. Vice-chairman and CEO of Alexander Marine Co., Ltd.</li> <li>2. Director of Alexander Marine International Co., Limited</li> </ol>
3	Chung Hui Cheng	Male	2,214,276	<ol style="list-style-type: none"> <li>1. Bachelor in Mathematics, National Tsing Hua University.</li> <li>2. General Manager, Alexander Marine Co., Ltd</li> <li>3. Manager, Yu-Ton (E-COM) Corporation</li> <li>4. Manager, Yuhua Technology Co., Ltd</li> </ol>	Director of Alexander Marine Co., Ltd.
4	Neng Mou Tu	Male	0	<ol style="list-style-type: none"> <li>1. Bachelor in Financial Law, College of Law, National Taiwan University</li> <li>2. Master and PhD in Law, University of California-Berkeley</li> <li>3. Legal Consultant of MediaTek Inc.</li> <li>4. Legal Consultant of Hon Hai Precision Industry Co., Ltd</li> <li>5. Founding partner of the Yuan Fang Law Firm</li> </ol>	International Partner, King & Wood Mallensons

No.	Name	Gender	Shareholding	Major Education & Experiences	Major Current Positions
Independent Director Candidates					
1	Chu-Sheng Hsu	Male	0	<ol style="list-style-type: none"> <li>1. Department of Electronic Engineering, NTUT</li> <li>2. Master of Computer Science, Stevens Institute of Technology</li> <li>3. General Manager, IBM Taiwan</li> <li>4. CEO, GE Taiwan</li> </ol>	<ol style="list-style-type: none"> <li>1. Adjunct Professor, NTU Leadership Program</li> <li>2. Adjunct Professor, EMBA / MBA, NTHU</li> <li>3. Independent director of inergy Technology Inc.</li> <li>4. Independent director of Pou Chen Group</li> <li>5. Independent director of Fubon Bank (China)</li> </ol>
2	Shui-Xian Lin	Female	0	<ol style="list-style-type: none"> <li>1. Bachelor in Electrical Engineering, Cooper Union</li> <li>2. Master of Electrical Engineering, Columbia University</li> <li>3. CEO, Morgan Stanley Taiwan Limited</li> <li>4. CEO, Goldman Sachs (Asia) L.L.C.</li> <li>5. Private Equity Fund sales person of AEA Asia Group Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Director of Kanpai Group</li> <li>2. Founding partner of EverYi Capital</li> </ol>
3	Shui-En Liu	Male	0	<ol style="list-style-type: none"> <li>1. Bachelor in Accounting, National Chung Hsing University</li> <li>2. Master of Accounting, Soochow University</li> <li>3. Audit Partner of Deloitte &amp; Touche, China</li> <li>4. COO, Deloitte &amp; Touche</li> <li>5. Director of Deloitte &amp; Touche</li> </ol>	Independent director of Mercuries Data Systems Ltd

## 【Appendix 1】

### Articles of Incorporation of Alexander Marine Co., Ltd.

#### Chapter 1 General

- Article 1: The Company is organized in accordance with the Company Act of the Republic of China and is named 東哥企業股份有限公司 in Chinese and Alexander Marine Co., Ltd. in English.
- Article 2: The Company operates the businesses below:
1. F401021 Restrained Telecom Radio Frequency Equipment and Materials Import.
  2. CA02060 Metal Containers Manufacturing.
  3. CB01010 Machinery and Equipment Manufacturing.
  4. CD01010 Ship and Parts Manufacturing.
  5. CN01010 Furniture and Fixtures Manufacturing.
  6. E801010 Building Maintenance and Upholstery.
  7. I501010 Product Designing
  8. I503010 Landscape and Interior Designing.
  9. F114060 Wholesale of Ship Machinery and Parts.
  10. F199990 Other Wholesale Trade.
  11. F401010 International Trade
  12. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Company has its headquarters in Kaohsiung City and may, as required through board resolution, establish domestic or overseas branches, representative offices or business places.
- Article 4: The Company makes public announcements in accordance with Article 28 of the Company Act and may also make public announcements in the manner provided by the securities management authority.

#### Chapter 2 Shares

- Article 5: The total capital of the Company is NT\$1.5 Billion, divided into 150,000,000 shares, at NT\$10 per share. The board of directors is authorized to issue shares that are not yet issued through several issuances as required.
- The Company may issue employee stock purchase warrants, retaining one million shares from the total amount of shares in the preceding paragraph as the shares of the employees' stock purchase warrants, and authorize the board of directors to issue the shares at separate times.
- Article 5-1 The Company's bought back treasury shares can be transferred to the employees of subsidiaries of the Company meeting certain specific qualifications. The Board of Directors are delegated to decide such qualifications and methods of transfer.
- The Company's employee stock warrants can be issued to the employees of subsidiaries of the Company meeting certain specific qualifications. The Board of Directors are delegated to decide such qualifications and issuance methods.
- Issuance of new shares by the Company can be subscribed by the employees of subsidiaries of the Company meeting certain specific qualifications. The Board of Directors are delegated to decide such qualifications and methods of obtaining.
- Issuance of new restricted employee shares by the Company can be subscribed by the employees of subsidiaries of the Company meeting certain specific qualifications. The

Board of Directors are delegated to decide such qualifications and allocation.

Article 6: The Company may be exempted from printing any share certificate for the shares issued, but shall appoint a centralized securities custody enterprise/institution to make recordation of the issue of such shares. If the Company decides to print share certificates for shares issued, the Company shall comply with relevant provisions of the Company Law and relevant rules and regulations of the Republic of China.

Article 7: Share transfer registration shall be suspended during a period of 60 days before any general shareholders meeting, 30 days before any extraordinary shareholders meeting or 5 days before any record date for the Company's decision to distribute dividend, bonus or other benefit. The handling of shareholder service matters of the Company shall be in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies.

Article 7-1: The cancellation of the public issuance of the Company's shares shall be submitted to the shareholders meeting for resolution.

### Chapter 3 Shareholders Meeting

Article 8: Shareholders meetings are divided into general meetings and extraordinary meetings. General meetings shall be called by the board of directors in accordance with the law once a year within 6 months from the closing of each accounting year. Extraordinary meetings are called in accordance with the law as required. The procedure for the calling of general shareholders meetings shall be in accordance with the Company Act, the Securities and Exchange Act and applicable laws.

Article 8-1: A shareholders meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 9: If a shareholder cannot attend a shareholders meeting, it may issue a proxy printed by the Company, specifying the scope of authorization and affixed with its signature and seal, to appoint a representative to attend the meeting on its behalf. In addition to Article 177 of the Company Act, the use of proxies shall be in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

Article 10: Each shareholder of the Company is entitled to one voting right per share held, except shares with no voting right as provided by the Company Act.

Article 11: Unless otherwise provided by the Company Act, shareholder resolutions shall be approved by the majority of voting rights represented by the shareholders attending a meeting that is attended by shareholders representing the majority of all outstanding shares. In accordance with the rules of the competent authority, the shareholders of the Company may exercise voting rights in an electronic manner. Shareholders exercising their voting rights in an electronic manner shall be deemed to have attended the meetings personally. Relevant matters shall be in accordance with the law.

Shareholder resolutions shall be recorded in minutes and affixed with the signatures or seals of the chairman of the shareholders meeting. The minutes shall be distributed to each shareholder within 20 days from the meeting.

The distribution of the minutes under the previous paragraph may be done through public announcement.

Article 12: When a shareholders meeting is called by the board of directors, the chairman of the board of directors shall chair the meeting. If the chairman is on leave or cannot perform his duties due to any reason, the provisions of the Company Act shall apply. If the shareholders meeting is called by any other person entitled to call the meeting other than the board of directors and if there are two or more persons that have called the meeting, one person shall be elected from among themselves to chair the meeting.

#### Chapter 4 Directors and Audit Committee

- Article 13: The Company has 7 to 9 directors, serving terms of 3 years. The directors shall be elected by the shareholders meeting from among persons with legal capacities. The same person may be re-elected upon expiry of the term. In electing the directors, Article 198 of the Company Act and applicable provisions shall apply. The percentage of shares held by all directors shall be in accordance with the regulations of the securities management authority.
- The board of directors may purchase liability insurance for all directors during their terms based on actual requirements.
- The above number of directors includes the number of independent directors. There shall be at least 2 independent directors and at least 1/5 of all directors shall be independent directors. Directors (including independent directors) of the Company shall be elected through the candidate nomination system under Article 192-1 of the Company Act. Directors shall be elected by the shareholders meeting from a list of director candidates.
- The relevant qualifications, nomination manner and other matters of compliance about independent directors under the previous paragraph shall be in accordance with the regulations of the securities management authority. When the Company elects directors under the previous paragraph, independent directors and non-independent directors shall be elected at the same time and the number of elected directors/independent directors shall be calculated separately. Those receiving the most votes shall be elected.
- Article 13-1: In accordance with Article 14-4 of the Securities and Exchange Act, the Company has an audit committee or the members of the audit committee to be responsible for performing the duties of the supervisors in accordance with the Company Act, the Securities and Exchange Act and other laws. The exercise of the duties by the audit committee and other compliance matters shall be in accordance with applicable regulations.
- The audit committee shall be composed of all independent directors. There shall be at least 3 members, one of whom shall be the chairman and at least one person shall have accounting or financial expertise.
- Article 14: The board of directors is composed of directors. One director shall be elected by the majority of directors attending a meeting that is attended by 2/3 or more directors as the chairman. One vice chairman may also be elected in the same manner. The chairman shall chair shareholders' meetings and board meetings and shall represent the Company.
- Article 15: When the chairman is on leave or cannot exercise his duties due to any reason, the representation shall be in accordance with Article 208 of the Company Act. If a director cannot attend a board meeting, another director may be appointed as a representative to attend the meeting in accordance with Article 205 of the Company Act, provided that each director shall represent no more than one other director. If a board meeting is held through video conference, any director participating in the meeting through video conference shall be deemed to have attended the meeting in person. Board meetings shall be called in accordance with Article 204 of the Company Act. Notice for board meetings may be sent in writing, by fax or by email. However, in case of emergency, a meeting may be called at any time.
- Article 16: The board of directors is authorized to determine the remuneration for all directors. Such remuneration may be paid at the common standard of the same industry, regardless of whether there is profit or loss.

## Chapter 5 Managers

Article 17: The Company shall have manager, whose title, appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

## Chapter 6 Accounting

Article 18: The board of directors of the Company shall at the close of each fiscal year, prepare the following statements and records: (1) Business report, (2) Financial Statement, (3) Various reports on distribution plan or loss make-up proposal submitted to the Annual General Meeting in accordance with the law, for ratification.

Article 19: If the Company has any profit in the year, at least 1% shall be provided as employee remuneration. A decision shall be made by board resolution to distribute such remuneration in stock or in cash. Such remuneration may also be received by employees of subsidiaries that meet certain conditions. A decision may be made by board resolution to use the above profit of the Company to provide no more than 5% as director remuneration. Employee remuneration and director remuneration proposals shall be reported to the shareholders meeting.

However, if the Company has accumulated losses, the compensation amount shall be provided first before provision for employee remuneration and director remuneration in accordance with the percentages under the previous paragraph.

Article 20: If the Company's yearly closing shows profit, taxes shall be paid in accordance with the law and accumulated losses be compensated. Then 10% shall be provided as legal reserve, unless the amount of legal reserve has reached the paid-in capital of the Company. The rest shall be used to provide or recycle special reserve in accordance with the law. The remaining amount, if any, together with the accumulated undistributed profit, shall be subject to a profit distribution proposal to be established by the board of directors. Such proposal shall be submitted to the shareholders meeting for resolution to distribute shareholder dividend and bonus.

The Company's dividend policy is to pay dividends considering factors such as the Company's current and future development plans, the investment environment, funding needs and domestic and overseas competition status, and taking shareholders' interest into consideration. No less than 20% of the retained earnings available for distribution of the current year shall be distributed as dividend. If the retained earnings available for distribution of the current year does not reach 20% of the paid in capital of the Company, the Company may distribute no dividend. The cash portion of the dividend shall not be less than 10% of the total dividend in the form of cash and stock. The dividend distribution ratio in the preceding paragraph could be adjusted taking into consideration finance, business and operations, etc.

## Chapter 7 Miscellaneous

Article 21: The total amount of investment by the Company is not limited by Article 13 of the Company Act and the board of directors is authorized to engage in such investment.

Article 22: The Company makes endorsements/guarantees based on needs arising from business dealings, such operations should follow the Company's management regulations for endorsements/guarantees.

Article 23: Anything that is not fully stipulated in these Articles of Association shall be in accordance with the Company and applicable laws.

Article 24: These Articles of Association were established on December 29, 1977.

The first amendment was made on December 20, 1979.

The second amendment was made on April 10, 1981.

The third amendment was made on May 5, 1983.



The fourth amendment was made on December 16, 1985.  
The fifth amendment was made on November 16, 1986.  
The sixth amendment was made on June 26, 1988.  
The seventh amendment was made on August 7, 1988.  
The eighth amendment was made on June 9, 1991.  
The ninth amendment was made on June 20, 1994.  
The tenth amendment was made on June 9, 1996  
The eleventh amendment was made on July 1, 1997.  
The twelfth amendment was made on January 5, 1999.  
The thirteenth amendment was made on March 18, 2002.  
The fourteenth amendment was made on July 4, 2004.  
The fifteenth amendment was made on June 28, 2008.  
The sixteenth amendment was made on August 26, 2012.  
The seventeenth amendment was made on July 18, 2013.  
The eighteenth amendment was made on June 9, 2014.  
The nineteenth amendment was made on June 9, 2015.  
The twentieth amendment was made on December 21, 2015.  
The twenty-first amendment was made on April 22, 2016.  
The twenty-second amendment was made on April 28, 2017.  
The twenty-third amendment was made on 22 June, 2020.  
The twenty-fourth amendment was made on 23 June, 2022.

**Alexander Marine Co., Ltd.**  
**Rules and Procedures for Shareholders' Meetings**

(before the amendments)

Article 1

Shareholders' meeting of the Company shall be conducted in accordance with these Rules and Procedures, except as otherwise provided by law, regulation, or the Articles of Incorporation.

Article 2

The Shareholders meetings of the Company shall be convened by the board of directors, unless otherwise provided by law.

Changes to the methods of convening the shareholders' meeting shall be resolved by the board of directors and made before sending out the shareholders' meeting notice.

Article 3

This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of an extraordinary shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of an extraordinary shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Company and the professional shareholder services agent designated thereby.

The shareholders' meeting agenda and supplemental meeting materials in the preceding paragraph shall be made available by the Company in the following manners for shareholders to review on the date of the shareholders' meeting:

1. For in-person shareholders' meetings, the documents shall be distributed at the meeting.
2. For hybrid shareholders' meetings, the documents shall be distributed at the meeting and their electronic versions shall be available on the virtual meeting platform.
3. For virtual shareholders' meetings, the electronic files shall be available on the virtual meeting platform.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Matters related to election or dismissal of directors, amendments to the articles of incorporation, capital reduction, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors as well as their inauguration date is stated in the notice of the

reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

Shareholders holding one percent (1%) or more of the total number of issued shares may submit a proposal to the general shareholders' meeting in writing. Each proposal shall contain only one subject matter. A proposal with more than one subject matter will not be included in the agenda, unless the proposal is to urge the Company to promote public interests or fulfill its social responsibilities. Also, if the proposal made by a shareholder contains circumstances described in subparagraphs of Paragraph 4, Article 172-1 of the Company Act, the Board of Directors may exclude it from the agenda.

Prior to the date on which share transfer registration is suspended before convening a regular meeting, the Company shall give a public notice announcing the place and the period for shareholders to submit proposals in writing or by way of electronic transmission. The period for accepting such proposals shall be no less than ten (10) days.

Shareholders' proposals shall be limited to three hundred (300) words. Proposals containing over three hundred (300) words shall be excluded from the agenda. The shareholder who has submitted a proposal shall attend, in person or by proxy, the regular shareholders' meeting and take part in discussion of the proposal.

The Company shall, prior to preparing and delivering the meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposals screening results, and shall list in the meeting notice the proposals conforming the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the meeting agenda, the cause of exclusion of such proposal and explanation shall be made by the Board of Directors at the shareholders' meeting to be convened.

#### Article 4

A shareholder may appoint a proxy to attend a Meeting in his/her behalf by executing a proxy form printed and issued by the Company stating therein the scope of power authorized to the proxy.

A shareholder may only execute one proxy form and appoint one proxy only, and shall serve such written proxy form on the Company no later than five (5) days prior to the date of the Meeting. When two or more written proxy forms are received from one shareholder, the first one received by the Company shall prevail; unless an explicit statement to rescind the previous written proxy form is made in the proxy form which comes later.

After the service of the proxy form on the Company, in case the shareholder issuing the said proxy form intends to attend the Meeting in person or to exercise his/her voting rights in writing or by way of electronic transmission, a proxy rescission notice shall be filed with the Company two (2) days prior to the date of the Meeting. Otherwise, the voting rights exercised by the authorized proxy at the Meeting shall prevail.

After the proxy has been delivered to the Company, if the shareholder intends to attend the meeting online, a written notice to revoke the proxy shall be submitted to the Company two days before the shareholders' meeting. If the revocation is submitted after such period, the votes exercised by the representative shall prevail.

#### Article 5

The shareholders' meeting shall be convened at the location of the Company or at any place easily accessible to shareholders and suitable for the convening of a meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The constrains on meeting locations in the preceding paragraph do not apply in the case of virtual shareholders' meetings.

## Article 6

The Company shall specify in its shareholders meeting notices the time during which shareholder and their proxies (collectively, “shareholders”) 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 clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders shall attend the shareholders’ meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish the attending shareholders with the agenda, the annual report, the attendance card, speaker’s slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

For government or corporate shareholders, the number of representatives present at the meeting is not limited to one person. When a juristic person is commissioned to attend the meeting, it may only appoint one representative to attend.

For virtual shareholders’ meetings, shareholders shall register with the Company two days before the meeting if they intend to attend the meeting online.

For virtual shareholders’ meetings, the Company shall upload the shareholders’ meeting agenda, annual report and other relevant materials to the virtual meeting platform at least 30 minutes prior to the time the meeting commences and have the information available until the end of the meeting.

### Article 6-1

To convene a virtual shareholders’ meeting, the Company shall include the following items in the shareholders’ meeting notice:

1. The means for shareholders to attend the virtual meeting and exercise their rights.
2. Actions to be taken when the virtual meeting platform or online participation is obstructed due to natural disasters, accidents or other force majeure events. The action plan shall at least cover the following items:
  - A. The time to which the meeting is postponed if the above obstruction cannot be removed or the time the meeting will resume, and the date to which the meeting is postponed or the date the meeting will resume.
  - B. Shareholders who did not register to attend the original virtual shareholders’ meeting cannot attend the postponed or resumed session.
  - C. For hybrid shareholders’ meetings, if the virtual meeting cannot continue and the total number of shares represented by attending shareholders, excluding shares represented by ones attending the virtual meeting online, meets the minimum quorum requirement for a shareholders’ meeting, the meeting shall continue. For shareholders who attend the virtual meeting online, their shares shall be included in the total number of shares represented by the attending shareholders, and they are deemed to have waived their rights with respect to all proposals of that shareholders’ meeting.
  - D. Actions to be taken if the outcome of all proposals has been announced and extraordinary motions have not been carried out.
3. For virtual shareholders’ meetings, alternative measures available to shareholders with difficulties in attending a virtual shareholders’ meeting online shall be specified.

## Article 7

If the shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board of directors. If the chairman is on leave or cannot exercise his duties due to any reason, the vice chairman shall act on behalf of the chairman. If there is no vice chairman or if the vice chairman cannot perform his duties due to any reason, the chairman shall appoint one managing director to act on his behalf. If there is no managing director, one director shall be appointed. If the chairman does not appoint any person to act on his behalf, the managing directors or the directors shall elect one person from among themselves to act on behalf of the chairman.

It is advisable for shareholders meeting convened by the board of directors to be chaired by the chairman of the board of directors in person. It is advisable for the majority members of the board of directors and at least one member of each functional committee to attend the meeting. The attendance shall be recorded in the meeting minutes.

If the shareholders meeting is convened by any person entitled to convene the meeting other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves. The Company may appoint its attorney, accountant or relevant staff to attend the shareholders meeting.

## Article 8

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio or video recording of the registration procedure, the proceedings of the meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one (1) 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.

For virtual shareholders' meetings, the Company shall keep records of the shareholder registration, sign-in, check-in, question time, and voting as well as the vote counting by the Company, and make an uninterrupted audio and video recording of the entire proceedings of the virtual meetings.

The records and audio and video recording in the preceding paragraph shall be properly retained throughout the life of the Company. Copies of the audio and video recording shall be given to the party engaged by the Company to handle the virtual meetings for safekeeping.

For virtual shareholders' meetings, the Company is advised to make audio and video recording of the back-end operation interface of the virtual meeting platform.

## Article 9

Attendance in shareholders' meeting shall be calculated based on the number of shares. The number of shares in attendance is calculated based on the attendance book or the attendance cards submitted and the shares of shareholders whose attendances are registered at the virtual meeting platform, plus the number of shares with voting rights exercised in writing or by electronic means.

The chairman shall call the shareholders meeting to order at the designated meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent more than half of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairman shall declare the meeting adjourned. For virtual shareholders' meetings, the Company shall also announce the meeting failed at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act. A notice of such tentative resolution shall be given to each shareholder and another shareholders meeting shall be reconvened within one month. For virtual shareholders' meetings, shareholders shall re-register with the Company pursuant to Article 6 if they intend to attend the meeting online.

When, prior to conclusion of the said meeting, the attending shareholders represent more than half of the total number of issued shares, the chairman may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

#### Article 10

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chairman may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chairman declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chairman in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chairman shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chairman is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

#### Article 11

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairman.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairman and the shareholder that has the floor; the chairman shall stop any violation.

Except with the consent of the chairman, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five (5) minutes.

If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairman may terminate the speech.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

For virtual shareholders' meetings, shareholders attending online may raise questions in writing at the virtual meeting platform after the chairman calls the meeting to order and before the

chairman announces the meeting adjourned. Shareholders cannot raise more than two questions for the same proposal and each question shall be limited to 200 words. Paragraphs 1 to 5 do not apply.

Questions referred to in the preceding paragraph are advised to be disclosed to the public at the virtual meeting platform if they do not violate any rules nor exceed the scope of a proposal.

#### Article 12

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

#### Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or join the virtual meeting, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two (2) business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chairman or a person designated by the chairman shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the

conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS. When there is an amendment or an alternative to a proposal, the chairman shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

For virtual shareholders' meetings, when the meeting is called to order, shareholders attending the meeting online shall cast votes on proposals and elections via the virtual meeting platform before the chairman announces the end of the voting session. Otherwise, they are deemed to have waived their rights.

For virtual shareholders' meetings, all votes are counted after the chairman announces the end of the voting session. Results of votes and elections shall be announced immediately.

For hybrid shareholders' meetings, shareholders who decide to attend the in-person shareholders' meeting in person after registering to attend the meeting online in accordance with Article 6 shall retract their registration two days before the shareholders' meeting by the same means as their original registration. If their registration is retracted after such period, they can only attend the shareholders' meeting online.

When voting rights have been exercised in writing or by electronic means, unless the shareholders withdraw their declarations of intent and attend the shareholders' meeting online, they cannot exercise voting rights on the original proposals, make any amendments to the original proposals or exercise voting rights on amendments to the original proposals, except for extraordinary motions.

#### Article 14

The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

The ballots for the election under the previous paragraph shall be sealed and signed by the vote monitors and kept in due custody for at least one year. However, if any shareholder files a lawsuit in accordance with Article 189 of the Company Act, the ballots shall be kept until the completion of the lawsuit.

#### Article 15

Matters resolved by shareholder meetings shall be recorded in minutes, which shall be affixed with the chairman's signature or seal and distributed to each shareholder within 20 days from the meeting. The minutes may be prepared and distributed in an electronic manner.

The Company may distribute the meeting minutes referred to in the preceding paragraph via public announcement by filing it on the Market Observation Post System.

The meeting minutes shall accurately record the year, month, date, and location of the meeting; the name of chairman; manner of resolution, main proceedings of the meeting and the voting results (including the number of voting rights). For elections of directors and supervisors, the number of voting rights received by each candidate shall be disclosed. The minutes shall be retained throughout the life of the Company.

For virtual shareholders' meetings, besides items set forth in the preceding paragraph, the time



the shareholders' meeting start and end, methods for convening the meeting, names of the chairman and recorder, and actions to be taken when the virtual meeting platform or online participation is obstructed due to natural disasters, accidents or other force majeure events as well as the outcomes thereof shall be included in the minutes.

For virtual shareholders' meetings, besides complying with requirements set forth in the preceding paragraph, alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified in the meeting minutes.

#### Article 16

On the day of the shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by representatives and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and disclose it clearly at the place of the shareholders' meeting. For virtual shareholders' meetings, the Company shall upload the aforementioned materials to the virtual meeting platform at least 30 minutes prior to the time the meeting commences and have the information available until the end of the meeting.

For virtual shareholders' meetings, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under regulations of the Taiwan Stock Exchange Corporation, the Company shall upload the details of such resolution to the MOPS within the prescribed time period.

#### Article 17

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chairman may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chairman may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

#### Article 18

When a meeting is in progress, the chairman may announce a break based on time considerations. If a force majeure event occurs, the chairman may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five (5) days in accordance with Article 182 of the Company Act.

#### Article 19

For virtual shareholders' meetings, the Company shall disclose the results of votes and election promptly after the end of the voting session on the virtual meeting platform as required. The disclosure shall continue at least 15 minutes after the chairman has announced the meeting

adjourned.

#### Article 20

When convening a virtual shareholders' meeting, the chairman and the recorder shall be at the same location in Taiwan. The chairman shall announce the address of their location when the meeting is called to order.

#### Article 21

Prior to a virtual shareholders' meeting, the Company may conduct a simple connection trial with shareholders. Relevant services shall be provided promptly before and during the meeting to assist with technical issues of communication.

When calling a virtual shareholders' meeting to order, the chairman shall also announce the date to which the meeting would be postponed or resume in cases where the virtual meeting platform or online participation is obstructed due to natural disasters, accidents or other force majeure events before the chairman announces the meeting adjourned and the obstruction continues for more than 30 minutes, except for circumstances set forth in Paragraph 4, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies where the meeting is not required to be postponed or resumed. The new date shall be within five days from the original meeting and Article 182 of the Company Act does not apply.

For the postponed or resumed meetings in the preceding paragraph, shareholders who did not register to attend the original virtual shareholders' meeting cannot attend the postponed or resumed session.

For meetings postponed or resumed in accordance with Paragraph 2, the number of shares represented by and the voting rights and election rights exercised by the shareholders, who register to attend and complete the attendance registration of the original shareholders' meeting but do not take part in the postponed or resumed meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed meeting.

In meetings postponed or resumed in accordance with Paragraph 2, discussions and resolutions are not required for proposals with votes cast and counted as well as results announced, or concerning the list of elected directors.

For hybrid shareholders' meetings where the virtual meeting cannot continue due to circumstances set forth in Paragraph 2, if the total number of shares represented by attending shareholders, excluding shares represented by ones attending the virtual meeting online, meets the minimum quorum requirement for a shareholders' meeting, the shareholders' meeting shall continue. Rules of postponement or resumption under paragraph 2 shall not apply.

When the meeting continues as described in the preceding paragraph, shares represented by shareholders attending the meeting online shall be included in the total number of shares represented by attending shareholders. However, these shareholders are deemed to have waived their rights with respect to all proposals of that shareholders' meeting.

When the Company postpones or resumes the shareholders' meeting in accordance with Paragraph 2, preliminary works shall be done according to the date of the original shareholders' meeting and the requirements set forth in Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or periods set forth in the second half of Article 12, and Paragraph 3, Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies as well as Paragraph 2, Article 44-5, Article 44-15, and Paragraph 1, Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall proceed based on the date of shareholders' meeting postponed or resumed in accordance with Paragraph 2.

Article 22

When convening a virtual shareholders' meeting, the Company shall provide appropriate alternative measures to shareholders with difficulties in attending the virtual shareholders' meeting online.

Article 23

Any matter that is not stipulated in these Rules shall be governed by the Company Act, applicable laws and the Articles of Association of the Company.

Article 24

These Rules shall be implemented upon approval by a Shareholders' Meeting. Subsequent amendments thereto shall be effected in the same manner.

【Appendix 3】

**Alexander Marine Co., Ltd.**  
**Shareholdings of All Directors**

1. According to Article 26 of the S&E Act and “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies,” where the paid-in capital of the Company is NT\$300 million or more but NT\$1 billion or less, the total registered shares owned by all directors shall not be less than ten percent of the total issued shares; If more than two independent directors are elected, the number of shares held by all directors other than the independent directors will be reduced to 80% according to the proportional calculation in the preceding paragraph. If the audit committee is set up, the requirement that the supervisor shall hold no more than a certain percentage of shares shall not apply.
2. The total paid-in capital of the Company as of the closing date of this shareholders Annual General Meeting, April 13, 2024 was NT\$888,862,760 and the number of issued shares was 88,886,276 shares. Therefore, all directors should hold a minimum of 7,110,902 shares (88,886,276 shares\*10%\*80%).
3. As of the date of the suspension of the shareholder's regular meeting (April 13, 2024), the individual directors and their aggregate shareholdings are listed as below:

Title	Name	Shares	%
Chairman	Johnny Chueh	8,348,097	9.39%
Vice Chairman	Hsiung Wei Tseng	156,384	0.18%
Director	Chung Hui Cheng	2,214,276	2.49%
Director	Yi Hui Kuo	8,943,830	10.06%
Independent director	Ming Cheng Chang	0	-
Independent director	Hung Wen Lin	0	-
Independent director	Chu-Sheng Hsu	0	-
Holding of all directors		19,662,587	22.12%

【Appendix 4】

**Alexander Marine Co., Ltd.**  
**Rules for Election of Directors**

Article 1: To ensure a just, fair, and open election of directors, the Company has established these measures, and the directors' election are handled in accordance with the provisions of these measures.

Article 2: The overall composition of the board of directors shall be taken into consideration in the selection of this Company's directors. Board members shall be diversified in a manner that supports the Company's operations, business activities and growth. The diversification shall be based on, but is not limited to, the following two principles:

1. Basic conditions and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: Professional background (such as, law, accounting, industry, finance, marketing, or technology), professional skills, and industrial experience.

Board members should possess the necessary knowledge, skills, and literacy for performing duties, which include:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

The majority of the board directors may not be with a relationship of spouse or second cousin.

The Board of Directors shall base on the results of the performance evaluation to consider the adjustment of the Board members.

Article 3: The qualifications for the independent directors of this Company shall comply with Articles 2, 3, and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

The election of independent directors of this Company shall comply with Articles 5, 6, 7, 8, and 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and shall be conducted in accordance with Article 24 of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies."

Article 4: Elections of directors at this Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. Where Directors are dismissed for cause and the total number of Directors falls below five, the Company shall hold a by-election at the next shareholders' meeting. However, where the vacancies on the Board equal to or exceed one-third of the number of Directors stipulated in the Articles of Incorporation, the Company shall convene an extraordinary shareholders' meeting within 60 days of the event to hold a by-election.

Where the number of Independent Directors falls short of the number stipulated in Paragraph 1, Article 14-2 of the Securities and Exchange Act, the Company shall hold a by-election at the next shareholders' meeting. Where all Independent Directors are

dismissed, the Company shall convene an extraordinary shareholders' meeting within 60 days of the event to hold a by-election.

- Article 5: The election of Directors adopts the cumulative voting method. Each share shall have voting rights equivalent to the number of Directors to be elected, and such voting rights can be combined to vote for one candidate, or divided to vote for several candidates.
- Article 6: The Company's directors shall be elected by shareholders with the legal capacity in accordance with the provisions of this procedure and shall elect for the number of directors as specified in the Company's Memorandum and Articles of Association, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 7: Board of directors shall prepare and print the ballots. When necessary, the shareholder account number should be filled out on the ballot, in addition to the Company stamp, the attendance card numbers and number of voting rights. Ballots will not be printed for those who exercise their voting rights via electronic method.
- Article 8: Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the Company and publicly checked by the vote monitoring personnel before voting commences.
- Article 9: Ballots shall be deemed void in any of the following circumstances:
1. Ballots not prepared by parties entitled to convene the meeting.
  2. Blank ballots.
  3. Illegible writing or modification.
  4. The candidate being entered on the ballot is inconsistent with the list of Director candidates upon verification.
  5. Ballots with written characters other than the number of votes casted for the candidate.
- Article 10: The ballots shall be calculated right after the vote casting and the results of the election shall be announced by the Chairman at the meeting, including the list of Directors elected and the number of voting rights thereof. The ballots for the election under the previous paragraph shall be sealed and signed by the vote monitors and kept in due custody for at least one year. However, if any shareholder files a lawsuit in accordance with Article 189 of the Company Act, the ballots shall be kept until the completion of the lawsuit.
- Article 11: The board of directors of the Company shall issue notifications to the persons elected as directors.
- Article 12: The matters not specified in these regulations shall be handled in accordance with the provisions of the Company Act and relevant laws and regulations.
- Article 13: These regulations, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

## 【Appendix 5】

The Impact of these Stock Dividend Issuance on Operating Performance, Earnings per Share, and Shareholders' Return on Investments: the Company does not have stock grants for this year, therefore, it is not applicable.

## 【Appendix 6】

### Other matters

Situation for acceptance of shareholder proposal and nomination in 2024 Annual General Meeting:

According to Article 172-1 of the Company Act, shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the Company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal (300-word limit). Such application filings for acceptance by the Company was from April 2, 2024 to April 11, 2024, and the Company did not receive any shareholder proposal.