

**FRANBO LINES CORPORATION AND
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2024 AND 2023

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

FRANBO LINES CORPORATION AND SUBSIDIARIES

Declaration of Consolidated Financial Statements of Affiliated Enterprises

Year ended December 31, 2024, pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the entity that is required to be included in the consolidated financial statements of affiliates, is the same as the entity required to be included in the consolidated financial statements of parent and subsidiary companies under IFRS 10. Also, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

FRANBO LINES CORPORATION

TSAI,PANG-CHUAN

March 11, 2025

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Franbo Lines Corporation

Opinion

We have audited the accompanying consolidated balance sheets of Franbo Lines Corporation (the "Group") as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China.

Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

The existence of revenue recognition of newly top 10 unlisted customers

Description

Please refer to Notes 4(25) and 4(31) for the accounting policies on revenue recognition, and Note 6(20) for details of operating revenue.

Operating revenue was the main indicator of managements' operating performance, and because the economic fluctuation of marine industry was larger in recent years, we consider the existence of revenue recognition of newly top 10 unlisted customers of the Company and subsidiaries as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed and tested the implementation effectiveness of internal control in relation to credit business in sales cycle.
2. Examined contracts to confirm the amounts of revenue were calculated according to contracts.
3. Verified that the collection records of banks and counterparties were in agreement.
4. Confirmed that vessels were actually operating properly by searching rutters on the internet and verified related documents.

Impairment assessment of vessels and equipment

Description

Please refer to Note 4(19) for accounting policies on the impairment of non-financial assets, and Note 5 for the uncertainty of accounting estimates and assumptions on the impairment assessment of investment accounted for using equity method.

The main business of the subsidiary held by the Group was ocean freight forwarder. Because of the external competitive environment of bulk shipments and the effect of the continuous fluctuations in the overall economic, there were indications that were identified by the management showing that the vessels and equipment of some subsidiaries might have been impaired, thus, the appraiser who was appointed by the management measured the recoverable amounts of vessels and equipment by using fair values less disposal costs. As the aforementioned estimates of recoverable amount primarily relied on the appraisal report of the appraiser, and the result might have significant influence on the consolidated financial statements, thus, we consider the impairment assessment of vessels and equipment as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained the vessels appraisal report of the appraiser who was appointed by the management, and assessed the professional ability, the performance of competence and the objectiveness of the appraiser.
2. Examined the content of vessels appraisal report to understand and assess the reasonableness of the source of data, appraisal method and conclusions of the appraiser.

Other matter – Consolidated financial reports

We have audited and expressed an unmodified opinion on the consolidated financial statements of the Company as at and for the years ended December 31, 2024 and 2023.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Wang, Kuo-Hua

Liao, A-Shen

For and on behalf of PricewaterhouseCoopers, Taiwan

March 11, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

FRANBO LINES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 475,521	4	\$ 448,715	5
1110	Financial assets at fair value through profit or loss - current	6(2)	5,898	-	8,803	-
1170	Accounts receivable, net	6(5) and 7	30	-	56	-
1197	Finance lease receivable, net	6(9)	130,889	1	163,693	2
1220	Current tax assets		24	-	19	-
130X	Inventories	6(6), 7 and 8	934,223	8	786,100	9
1410	Prepayments		70,474	-	45,586	-
1460	Non-current assets held for sale, net	5, 6(8)(10)	-	-	73,086	1
1479	Other current assets, others		19,894	-	6,808	-
11XX	Current Assets		1,636,953	13	1,532,866	17
Non-current assets						
1510	Non-current financial assets at fair value through profit or loss	6(2)	87	-	397	-
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	2,996	-	2,996	-
1535	Non-current financial assets at amortised cost	6(4) and 8	34,190	-	16,973	-
1550	Investments accounted for using equity method	6(7)	12,230	-	25,278	-
1600	Property, plant and equipment	5, 6(8)(10) and 8	8,549,022	70	5,764,213	65
1780	Intangible assets		2,855	-	513	-
1840	Deferred tax assets	6(26)	2,754	-	664	-
1915	Prepayments for business facilities		1,072,071	9	384,428	4
1930	Long-term notes and accounts receivable	6(9)	923,672	8	1,204,032	14
1990	Other non-current assets, others	8	725	-	725	-
15XX	Non-current assets		10,600,602	87	7,400,219	83
1XXX	Total assets		\$ 12,237,555	100	\$ 8,933,085	100

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FRANBO LINES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Current borrowings	6(11) and 8	\$ 55,000	1	\$ -	-
2130	Current contract liabilities		6,093	-	1,598	-
2170	Accounts payable	7	6,840	-	9,020	-
2200	Other payables	6(12)	125,478	1	134,567	2
2230	Current tax liabilities		24,671	-	80,338	1
2320	Long-term liabilities, current portion	6(13)(14) and 8	462,519	4	170,566	2
2399	Other current liabilities, others	6(20)	133,183	1	111,579	1
21XX	Current Liabilities		813,784	7	507,668	6
Non-current liabilities						
2530	Bonds payable	6(13)	608,430	5	581,773	7
2540	Non-current portion of non-current borrowings	6(14) and 8	2,698,613	22	1,474,038	16
2645	Guarantee deposits received		68,377	-	111,597	1
2670	Other non-current liabilities, others	6(20)	6,978	-	55,229	1
25XX	Non-current liabilities		3,382,398	27	2,222,637	25
2XXX	Total Liabilities		4,196,182	34	2,730,305	31
Equity						
Equity attributable to owners of parent						
	Share capital	6(17)				
3110	Ordinary share		3,110,235	25	2,924,827	33
	Capital surplus	6(18)				
3200	Capital surplus		1,592,024	13	1,392,634	15
	Retained earnings	6(19)				
3310	Legal reserve		234,700	2	192,260	2
3350	Unappropriated retained earnings		1,997,934	16	1,604,259	18
	Other equity interest					
3400	Other equity interest		543,788	5	88,800	1
31XX	Equity attributable to owners of the parent		7,478,681	61	6,202,780	69
36XX	Non-controlling interests	4(3)	562,692	5	-	-
3XXX	Total equity		8,041,373	66	6,202,780	69
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 12,237,555	100	\$ 8,933,085	100

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

FRANBO LINES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

			Year ended December 31			
			2024		2023	
Items	Notes		AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(20) and 7	\$ 1,654,400	100	\$ 1,337,660	100
5000	Operating costs	6(24)(25) and 7	(892,410)	(54)	(727,426)	(55)
5900	Gross profit from operations		<u>761,990</u>	<u>46</u>	<u>610,234</u>	<u>45</u>
	Operating expenses	6(24)(25)				
6100	Selling expenses		(12,224)	(1)	(11,508)	(1)
6200	Administrative expenses		(73,697)	(4)	(86,330)	(6)
6000	Total operating expenses		(85,921)	(5)	(97,838)	(7)
6900	Net operating income		<u>676,069</u>	<u>41</u>	<u>512,396</u>	<u>38</u>
	Non-operating income and expenses					
7100	Interest income		20,716	1	33,187	3
7010	Other income	6(21)	27,931	2	18,270	1
7020	Other gains and losses	6(2)(22)	39,258	2	49,794	4
7050	Finance costs	6(23)	(161,809)	(10)	(96,026)	(7)
7060	Share of profit of associates and joint ventures accounted for using equity method	6(7)	<u>3,550</u>	<u>-</u>	<u>1,410</u>	<u>-</u>
7000	Total non-operating income and expenses		(70,354)	(5)	6,635	1
7900	Profit before income tax		<u>605,715</u>	<u>36</u>	<u>519,031</u>	<u>39</u>
7950	Income tax expense	6(26)	(22,908)	(1)	(94,629)	(7)
8200	Profit for the year		<u>\$ 582,807</u>	<u>35</u>	<u>\$ 424,402</u>	<u>32</u>
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	\$ -	- (\$ 4)	-	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation		<u>454,988</u>	<u>28</u>	(17,603)	(2)
8300	Other comprehensive income(loss) for the year		<u>\$ 454,988</u>	<u>28</u>	(\$ 17,607)	(2)
8500	Total comprehensive income for the year		<u>\$ 1,037,795</u>	<u>63</u>	<u>\$ 406,795</u>	<u>30</u>
	Profit(loss), attributable to:					
8610	Owners of the parent		\$ 584,901	35	\$ 424,402	32
8620	Non-controlling interests		(2,094)	-	-	-
			<u>\$ 582,807</u>	<u>35</u>	<u>\$ 424,402</u>	<u>32</u>
	Comprehensive income(loss) attributable to:					
8710	Owners of the parent		\$ 1,039,889	63	\$ 406,795	30
8720	Non-controlling interests		(2,094)	-	-	-
			<u>\$ 1,037,795</u>	<u>63</u>	<u>\$ 406,795</u>	<u>30</u>
	Earnings per share	6(27)				
9750	Basic earnings per share		<u>\$ 1.92</u>		<u>\$ 1.69</u>	
9850	Diluted earnings per share		<u>\$ 1.79</u>		<u>\$ 1.52</u>	

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

FRANBO LINES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent													
Notes	Capital surplus					Retained earnings			Other equity interest		Total	Non-controlling interests	Total equity
	Ordinary share	Share premium	Treasury stock transactions	Stock options	Expired options	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income			
<u>2023</u>													
Balance at January 1, 2023	\$ 2,391,567	\$ 1,071,622	\$ 5	\$ 30,399	\$ 5,973	\$ 64,268	\$ 263,295	\$ 1,403,289	\$ 106,407	\$ -	\$ 5,336,825	\$ -	\$ 5,336,825
Profit for the year	-	-	-	-	-	-	-	424,402	-	-	424,402	-	424,402
Other comprehensive loss for the year	-	-	-	-	-	-	-	-	(17,603)	(4)	(17,607)	-	(17,607)
Total comprehensive income (loss)	-	-	-	-	-	-	-	424,402	(17,603)	(4)	406,795	-	406,795
Appropriation and distribution of 2022 retained earnings:													
Legal reserve appropriated	-	-	-	-	-	127,992	-	(127,992)	-	-	-	-	-
Special reserve appropriated	-	-	-	-	-	-	(263,295)	263,295	-	-	-	-	-
Cash dividends	6(19)	-	-	-	-	-	-	(358,735)	-	-	(358,735)	-	(358,735)
Due to recognition of equity component of convertible bonds issued	6(13)	-	-	8,552	-	-	-	-	-	-	8,552	-	8,552
Issuance of shares	6(17)	300,000	125,000	-	-	-	-	-	-	-	425,000	-	425,000
Conversion of convertible bonds	6(13)(17)(28)	233,260	159,819	(12,112)	-	-	-	-	-	-	380,967	-	380,967
Share-based payments	6(16)	-	3,376	-	-	-	-	-	-	-	3,376	-	3,376
Balance at December 31, 2023	<u>\$ 2,924,827</u>	<u>\$ 1,359,817</u>	<u>\$ 5</u>	<u>\$ 26,839</u>	<u>\$ 5,973</u>	<u>\$ 192,260</u>	<u>\$ -</u>	<u>\$ 1,604,259</u>	<u>\$ 88,804</u>	<u>(\$ 4)</u>	<u>\$ 6,202,780</u>	<u>\$ -</u>	<u>\$ 6,202,780</u>
<u>2024</u>													
Balance at January 1, 2024	\$ 2,924,827	\$ 1,359,817	\$ 5	\$ 26,839	\$ 5,973	\$ 192,260	\$ -	\$ 1,604,259	\$ 88,804	(\$ 4)	\$ 6,202,780	\$ -	\$ 6,202,780
Profit(loss) for the year	-	-	-	-	-	-	-	584,901	-	-	584,901	(2,094)	582,807
Other comprehensive income for the year	-	-	-	-	-	-	-	-	454,988	-	454,988	-	454,988
Total comprehensive income (loss)	-	-	-	-	-	-	-	584,901	454,988	-	1,039,889	(2,094)	1,037,795
Appropriation and distribution of 2023 retained earnings:													
Legal reserve appropriated	-	-	-	-	-	42,440	-	(42,440)	-	-	-	-	-
Cash dividends	6(19)	-	-	-	-	-	-	(148,786)	-	-	(148,786)	-	(148,786)
Due to recognition of equity component of convertible bonds issued	6(13)	-	-	68,014	-	-	-	-	-	-	68,014	-	68,014
Conversion of convertible bonds	6(13)(17)(28)	185,408	145,834	(14,458)	-	-	-	-	-	-	316,784	-	316,784
Changes in non-controlling interests	4(3)	-	-	-	-	-	-	-	-	-	-	564,786	564,786
Balance at December 31, 2024	<u>\$ 3,110,235</u>	<u>\$ 1,505,651</u>	<u>\$ 5</u>	<u>\$ 80,395</u>	<u>\$ 5,973</u>	<u>\$ 234,700</u>	<u>\$ -</u>	<u>\$ 1,997,934</u>	<u>\$ 543,792</u>	<u>(\$ 4)</u>	<u>\$ 7,478,681</u>	<u>\$ 562,692</u>	<u>\$ 8,041,373</u>

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

FRANBO LINES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 605,715	\$ 519,031
Adjustments			
Income and expenses having no effect on cash flows			
Depreciation expense	6(8)(24)	326,696	250,564
Amortization expense		147	152
Net gains on financial assets at fair value through profit or loss	6(2)(22)	(251)	(1,628)
Interest expense	6(23)	161,809	96,026
Interest income		(20,716)	(33,187)
Share-based payments		-	3,376
Share of profit of associates and joint ventures accounted for using equity method	6(7)	(3,550)	(1,410)
Gain on disposal of non-current assets classified as held for sale	6(22)	(61,861)	-
Gain on disposal of property, plant and equipment	6(22)	-	(54,042)
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Current financial assets at fair value through profit or loss		3,578	1,018
Accounts receivable		26	-
Finance lease receivable		397,386	(41,485)
Inventories	(	146,785)	(175,811)
Prepayments	(	21,877)	5,344
Other current assets, others	(	12,360)	50,919
Net changes in liabilities relating to operating activities			
Accounts payable	(	2,590)	8,703
Other payables	(	16,145)	(52,170)
Other payables to related parties		-	(1,881)
Other current liabilities, others		18,269	14,289
Other non-current liabilities, others	(	50,914)	(54,724)
Cash inflow generated from operations		1,176,577	533,084
Interest received		20,716	33,187
Dividends received	6(7)	4,631	2,442
Interest paid	(	149,969)	(84,816)
Income taxes paid	(	80,665)	(5,922)
Income taxes refunded		-	12
Net cash flows from operating activities		971,290	477,987

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FRANBO LINES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income		\$ -	(\$ 3,000)
Decrease in current financial assets at amortised cost		-	242,676
(Increase) decrease in non-current financial assets at amortised cost		(15,886)	2,136
Proceeds from capital reduction of investments accounted for using equity method	6(7)	13,374	-
Proceeds from liquidation of investments accounted for using equity method	6(7)	-	66
Acquisition of property, plant and equipment	6(8)	(2,373,709)	(2,516,754)
Proceeds from disposal of property, plant and equipment		-	124,130
Proceeds from disposal of non-current assets held for sale		239,232	-
Acquisition of intangible assets		(2,489)	(283)
Increase in prepayments for business facilities		(1,049,839)	-
Increase in guarantee deposits received		-	(105)
Net cash flows used in investing activities		(3,189,317)	(2,151,134)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans	6(29)	505,000	579,120
Decrease in short-term loans	6(29)	(450,000)	(699,120)
Decrease in short-term notes and bills payable	6(29)	-	(30,000)
Proceeds from issuing bonds	6(29)	613,720	395,943
Repayments of bonds	6(29)	-	(400,000)
Proceeds from long-term debt	6(29)	1,709,920	1,854,859
Repayments of long-term debt	6(29)	(536,656)	(1,230,618)
Proceeds from issuing shares (net of issuance cost)		-	425,000
Cash dividends paid	6(19)	(148,786)	(358,735)
Decrease in guarantee deposits received	6(29)	(47,735)	(14,213)
Change in non-controlling interest		564,786	-
Net cash flows from financing activities		2,210,249	522,236
Effect of exchange rate changes on cash and cash equivalents		34,584	2,373
Net increase (decrease) in cash and cash equivalents		26,806	(1,148,538)
Cash and cash equivalents at beginning of year	6(1)	448,715	1,597,253
Cash and cash equivalents at end of year	6(1)	\$ 475,521	\$ 448,715

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

FRANBO LINES CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

- (1) Franbo Lines Corporation (the “Company”) was incorporated on September 29, 1998, and was primarily engaged in the shipping agency, consulting service and ocean freight forwarder, etc.
- (2) The main activities of the Company and its subsidiaries (collectively referred herein as the “Group”) are provided in Note 4(3).
- (3) The Company’s shares are traded in the Taipei Exchange starting from October 9, 2014.

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

These consolidated financial statements were authorised for issuance by the Board of Directors on March 11, 2025.

3. Application of New Standards, Amendments and Interpretations

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

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

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

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026
2026Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature-dependent electricity’	January 1, 2026
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
IFRS 18, ‘Presentation and disclosure in financial statements’	January 1, 2027
IFRS 19, ‘Subsidiaries without public accountability: disclosures’	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following relevant impacts on the standards and interpretations which have yet to be assessed, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

IFRS 18, ‘Presentation and disclosure in financial statements’

IFRS 18, ‘Presentation and disclosure in financial statements’ replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

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

(1) Compliance statement

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

(2) Basis of preparation

A. Except for financial assets (including derivative instruments) at fair value through profit or loss,

the consolidated financial statements have been prepared under the historical cost convention.

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

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

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements

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

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

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

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

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary

are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiaries	Main business activities	Ownership(%)		Description
			December 31	December 31	
			2024	2023	
Franbo Lines Corporation	New Lucky Lines S.A.	Notes 1 、 2	100	100	-
Franbo Lines Corporation	Uni-Morality Lines Ltd.	Note 1	100	100	-
Franbo Lines Corporation	BCTS Capital Inc.	Note 1	100	100	-
Franbo Lines Corporation	Franbo Asset Management Co., Ltd.	Note 3	100	100	-
Franbo Lines Corporation	FWF Shipping Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Shipping S.A.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Transportation S.A.	Note 2	-	100	Note 5
New Lucky Lines S.A.	Franbo Logos S.A.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Logic S.A.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Lohas S.A.	Note 2	100	100	-
New Lucky Lines S.A.	Prevalent Creation Corp.	Note 4	100	100	-
New Lucky Lines S.A.	Franbo Sagacity S.A.	Notes 2 、 4	100	100	-
New Lucky Lines S.A.	Franbo Uprightness Corp.	Note 2	-	100	Note 6
New Lucky Lines S.A.	Franbo Ocean Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Legion Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	FB Pioneer Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Legacy Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Bright Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Ace Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Cosmos Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Art Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Century Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Brave Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Bravo Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Wealth Shipping Ltd.	Note 2	70	-	Note 8
New Lucky Lines S.A.	Franbo Charity S.A.	Note 2	70	100	Note 9
New Lucky Lines S.A.	Franbo Monica Shipping Ltd.	Note 2	70	-	Note 8
New Lucky Lines S.A.	Franbo Sino Ltd.	Note 2	70	100	Note 10
New Lucky Lines S.A.	TW Hornbill Line S.A.	Note 2	70	100	Note 11
New Lucky Lines S.A.	Franbo Way Ltd.	Note 2	70	100	Note 12
New Lucky Lines S.A.	FB Navigation Ltd.	Note 2	-	100	Note 7
BCTS Capital Inc.	FB Navigation Ltd.	Note 2	100	-	Note 7
Uni-Morality Lines Ltd.	Dexin Shipping S.A.	Note 2	100	100	-
FWF Shipping Ltd.	Franbo Wind S.A.	Note 2	100	100	-
FWF Shipping Ltd.	Franbo Transportation S.A.	Note 2	100	-	Note 5
Franbo Asset Management Co., Ltd.	Franbo Propriety Building Development Co., Ltd.	Note 3	100	100	-
Franbo Asset Management Co., Ltd.	Franbo Justice Buiding Development Co., Ltd.	Note 3	100	100	-
Franbo Asset Management Co., Ltd.	FB Integrity Real Estate Development Co., Ltd.	Note 3	100	100	-

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

Note 2: The main business activities are domestic and foreign shipping business and ocean freight

transportation forwarding services.

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

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

Note 5: The Company, as resolved by the Board of Directors on December 20, 2023, approved for FWF Shipping Ltd. to invest in its subsidiary Franbo Transportation SA.

Note 6: The entity was declared to be dissolved on January 5, 2024.

Note 7: In November 2024, the Board of Directors of the Group resolved that the subsidiary fully distribute the retained earnings and conducted its 100% capital reduction. Subsequently, in December 2024, the Board of Directors resolved that the original 100% owned BCTS Capital Inc. was adjusted to be held by New Lucky Lines. As of December 31, 2024, the capital injection has not yet been completed.

Note 8: It was a subsidiary of the Group established as a joint venture with other shareholders in March 2024, with the Group holding 70% of shares. The capital injection was completed in April 2024.

Note 9: In December 2021, the Board of Directors of the Company resolved that the subsidiary decrease its capital and settled the bank account. Subsequently, in April 2024, the Board of Directors resolved to change the investment structure for a joint venture with other shareholders, with the Group holding 70% of shares. The capital injection was completed in April 2024.

Note 10: In December 2023, the Board of Directors of the Company resolved that the subsidiary decrease its capital and settled the bank account. Subsequently, in April 2024, the Board of Directors resolved to change the investment structure for a joint venture with other shareholders, with the Group holding 70% of shares. The capital injection was completed in April 2024.

Note 11: In August 2024, the Board of Directors of the Company resolved that the subsidiary decrease its capital and settled the bank account. Subsequently, in November 2024, the Board of Directors resolved to change the investment structure for a joint venture with other shareholders, with the Group holding 70% of shares. The capital injection was completed in December 2024.

Note 12: In November 2024, the Board of Directors of the Company resolved that the subsidiary decrease its capital and settled the bank account. Subsequently, in November 2024, the Board of Directors resolved to change the investment structure for a joint venture with other shareholders, with the Group holding 70% of shares. The capital injection was completed in December 2024.

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

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

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2024 the non-controlling interest amounted to \$562,692. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest	
		December 31, 2024	
		Amount	Ownership (%)
Franbo Wealth Shipping Ltd.	Marshall	\$ 129,997	30
Franbo Charity S.A.	Marshall	81,780	30
Franbo Monica Shipping Ltd.	Marshall	47,372	30
Franbo Sino Ltd.	Marshall	50,340	30
Franbo Way Ltd.	Marshall	230,200	30
Tw Hornbill Line S.A.	Marshall	23,003	30

As of December 31, 2023: None.

Summarised financial information of the subsidiaries:

Balance sheets

	December 31, 2024		
	Franbo Wealth Shipping Ltd.	Franbo Charity S.A.	Franbo Monica Shipping Ltd.
Current assets	\$ 14,533	\$ 10,446	\$ 612
Non-current assets	419,450	262,156	157,294
Current liabilities	(660)	-	-
Non-current liabilities	-	-	-
Total net assets	<u>\$ 433,323</u>	<u>\$ 272,602</u>	<u>\$ 157,906</u>
	December 31, 2024		
	Franbo Sino Ltd.	Franbo Way Ltd.	Tw Hornbill Line S.A.
Current assets	\$ 10,506	\$ 18,424	\$ 1,261
Non-current assets	157,294	754,170	75,417
Current liabilities	-	(5,260)	-
Non-current liabilities	-	-	-
Total net assets	<u>\$ 167,800</u>	<u>\$ 767,334</u>	<u>\$ 76,678</u>

Statements of comprehensive income

	Franbo Wealth Shipping		Franbo Charity S.A.	
	Ltd.			
	2024		2024	
Revenue	\$	-	\$	-
Loss before income tax	(	479)	(	46)
Income tax expense		-		-
Loss for the year	(	479)	(	46)
Other comprehensive net income		-		-
Total comprehensive loss for the year	(\$	479)	(\$	46)
	Franbo Monica Shipping		Franbo Sino Ltd.	
	Ltd.			
	2024		2024	
Revenue	\$	-	\$	-
(Loss) profit before income tax	(	43)		13
Income tax expense		-		-
(Loss) profit for the year	(	43)		13
Other comprehensive net income		-		-
Total comprehensive (loss) income for the year	(\$	43)	\$	13
	Franbo Way Ltd.		TW Hornbill Line S.A.	
	2024		2024	
Revenue	\$	1,461	\$	-
Loss before income tax	(	6,375)	(	50)
Income tax expense		-		-
Loss for the year	(	6,375)	(	50)
Other comprehensive net income		-		-
Total comprehensive loss for the year	(\$	6,375)	(\$	50)

Statements of cash flows

	Franbo Wealth Shipping		Franbo Charity S.A.	
	Ltd.			
	2024		2024	
Net cash used in operating activities	(\$	479)	(\$	46)
Net cash used in investing activities	(	410,751)	(	256,719)
Net cash provided financing activities		426,495		269,155
Effect of exchange rates on cash and cash equivalents	(	2,898)	(	1,944)
Increase in cash and cash equivalents		12,367		10,446
Cash and cash equivalents, beginning of year		-		-
Cash and cash equivalents, end of year	\$	12,367	\$	10,446
	Franbo Monica Shipping		Franbo Sino Ltd.	
	Ltd.			
	2024		2024	
Net cash (used in) provided by operating activities	(\$	43)	\$	13
Net cash used in investing activities	(	154,032)	(	154,032)
Net cash provided by financing activities		156,441		165,963
Effect of exchange rates on cash and cash equivalents	(	1,754)	(	4,960)
Increase in cash and cash equivalents		612		6,984
Cash and cash equivalents, beginning of year		-		-
Cash and cash equivalents, end of year	\$	612	\$	6,984
	Franbo Way Ltd.		TW Hornbill Line S.A.	
	2024		2024	
Net cash used in operating activities	(\$	6,375)	(\$	50)
Net cash used in investing activities	(	738,530)	(	73,853)
Net cash provided by financing activities		767,236		76,588
Effect of exchange rates on cash and cash equivalents	(	3,907)	(	1,424)
Increase in cash and cash equivalents		18,424		1,261
Cash and cash equivalents, beginning of year		-		-
Cash and cash equivalents, end of year	\$	18,424	\$	1,261

(4) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The consolidated financial statements are presented in New Taiwan dollar, which is the Company’s

functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

- (a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale.

(5) Classification of current and non-current items

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

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;

- (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
 - (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) Cash equivalents

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

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income. Financial assets at amortised cost or fair value through other comprehensive income are designated as at fair value through profit or loss at initial recognition when they eliminate or significantly reduce a measurement or recognition inconsistency.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.

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

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs.

The Group subsequently measures the financial assets at fair value:

(a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets at amortised cost

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

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

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

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

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

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

(10) Accounts receivable

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

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

(11) Impairment of financial assets

For financial assets at amortised cost including accounts receivable or contract assets that have a significant financing component, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group

recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(13) Leasing arrangements (lessor) – lease receivables/ operating leases

- A. Based on the terms of a lease contract, a lease is classified as a finance lease if the lessee assumes substantially all the risks and rewards incidental to ownership of the leased asset.
 - (a) At commencement of the lease term, the lessor should record a finance lease in the balance sheet as ‘lease receivables’ at an amount equal to the net investment in the lease (including initial direct costs). The difference between gross lease receivable and the present value of the receivable is recognised as ‘unearned finance income of finance lease’.
 - (b) The lessor should allocate finance income over the lease term based on a systematic and rational basis reflecting a constant periodic rate of return on the lessor’s net investment in the finance lease.
 - (c) Lease payments (excluding costs for services) during the lease term are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.
- B. Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(14) Inventories

A. Vessel oils

It is the amount of inventory of vessel oils at the end of period, the value of oils was calculated by using the weighted moving average method. Inventories are stated at the lower of cost and net realisable value. The item by item approach is used in applying the lower of cost and net realisable value. The net realisable value is the replacement cost of oils.

B. Land held for construction site and construction in progress

Inventories are initially recorded at cost. Ending inventories are stated at the lower of cost and net realisable value. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The interests associated with the construction in progress were capitalised in the period starting from beginning of construction until completion.

(15) Non-current assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(16) Investments accounted for using equity method / subsidiaries and associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes the Group's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(17) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss

during the financial period in which they are incurred.

- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	5 to 50 years
Transportation equipment	5 years
Vessels equipment	2.5 to 25 years
Office equipment	5 years

(18) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 5 years.

(19) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(20) Borrowings

- A. Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.
- B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for

liquidity services and amortised over the period of the facility to which it relates.

(21) Accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services.
- B. The short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(23) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(24) Convertible bonds payable

Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

- A. The embedded call options and put options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.
- B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.
- C. The embedded conversion options which meet the definition of an equity instrument are initially recognised in 'capital surplus—share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and 'capital surplus—share options'.

(25) Operating leases (lessor)

A. The Group assessed whether the contract pertain to (or including) lease according to the signature date. If the contract transferred the control power of the identified assets' use right for a period of time to exchange for a price, the contract pertain to (or including) lease. To assess whether the contract transferred the control power of the identified assets' use right for a period of time, the Group assessed whether the two conditions incurred in the use period:

- (a) Acquisition of the right on almost all of the economic benefit from using identified assets ; and
- (b) Conducting the use right of identified assets.

For contracts pertaining to (or including) lease, the Group separates every lease component in the contract into single lease, and accounts the lease components and non-lease components in the contract, respectively. For contracts containing one lease component and one or above additional lease components or non-lease components, the Group amortised the price to the lease component based on the relative single price of every lease component and the summarised single price of non-lease component. The relative single price of lease and non-lease component were determined based on the prices which were charged by the lessor (or one who was similar to the supplier) on the component (or the similar component). If the observable single price could not be readily available at any time, the Group estimated the single price by using the maximised observable information.

On the signature date, the Group classified every lease into operating lease or finance lease. Lease was classified as finance lease if almost all of the risk and returns of the ownership which attached on the target assets; otherwise, it would be classified as operating lease. At the commencement date, the Group recognised all of the assets held as finance lease in the balance sheet and presented them as finance lease receivable according to the net investment in the lease.

For contracts containing lease component and non-lease component, the Group amortised prices in contracts by applying IFRS 15.

B. Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(26) Employee benefits

A. Salaries and other short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(27) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(28) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations, and management accrued income tax liabilities based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. The Group's subsidiaries, Franbo Shipping S.A., Franbo Logos S.A., Franbo Logic S.A., Franbo Lohas S.A., and Franbo Sagacity S.A., Franbo Transportation S.A., and Dexin Shipping S.A., were established in Panama and have no income tax payables to Panama which does not levy income tax.
- D. The Group's subsidiaries, New Lucky Lines S.A., FWF Shipping Ltd., BCTS Capital Inc., Prevalent Creation Corp., TW Hornbill Line S.A., Franbo Way Ltd., Franbo Ocean Ltd., Franbo Legion Ltd., FB Pioneer Ltd., FB Navigation Ltd., Franbo Legacy Ltd., Franbo Bright Ltd., Franbo Ace Ltd., Franbo Cosmos Ltd., Franbo Art Ltd., Franbo Century Ltd., Franbo Brave Ltd., Franbo Bravo Ltd., and Franbo Wind S.A., Franbo Wealth Shipping Ltd., Franbo Monica Shipping Ltd., Franbo Charity S.A., and Franbo Sino Ltd. were established in Marshall Islands and have

no income tax payables to Marshall Islands which does not levy income tax.

- E. The Group's subsidiary, Uni-Morality Lines Ltd., was established in Hong Kong, the income tax of the subsidiary is levied according to local regulations.
- F. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- G. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(29) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(30) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(31) Revenue recognition

A. Rent income

Vessels rent income was recognised by using straight-line method in the lease period under operating leases. Income of finance leases was allocated over the accounting periods to reflect a constant periodic rate of return for each period.

B. Income from vessels management and freight

The Group's revenue from contracts with customers primarily arose from providing services, including vessels management service and carriage service of cargo. The aforementioned services were all separate pricing or negotiation, and the contract period was the basis for vessels management and carriage of cargo. Because the Group provided vessels management and carriage service of cargo in the contract period, revenue was recognised over time in the accounting period when the Group provided service to customers.

C. The Group and its customers sign a contract which is consistent with market practice. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money. The Group provided charter service and vessels management, service revenue was recognised over time in the accounting period when the Group provided service to customers.

(32) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Details of critical accounting estimates and assumption uncertainty are as follows:

Impairment assessment of tangible assets

When there were indications identified by the management that showed the vessel equipment of some subsidiaries might have been impaired, the appraiser who was appointed by the management measures the recoverable amount of vessel equipment by using fair values reducing disposal costs. The aforementioned estimates on recoverable amount primarily relies on the appraisal report of the appraiser, and the data resources and assumptions which were applied by the appraiser might have significant influence on the result.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash:		
Cash on hand and petty cash	\$ 13,353	\$ 7,940
Checking accounts and demand deposits	164,963	168,095
Cash equivalents:		
Time deposits	257,205	272,680
Repurchase bonds	40,000	-
	<u>\$ 475,521</u>	<u>\$ 448,715</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group's demand deposits had been transferred into "non-current financial assets at amortised cost" due to being pledged and restricted, please refer to Note 8, pledged assets.

C. The aforementioned time deposits and repurchase bonds are both within three months of maturity, were not pledged as collateral and were classified as cash equivalents based on their nature.

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

Items	December 31, 2024	December 31, 2023
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 3,385	\$ 6,657
Callable bonds	1,410	1,472
Foreign corporate bonds	1,119	1,177
Valuation adjustment	(16)	(503)
	<u>\$ 5,898</u>	<u>\$ 8,803</u>
Non-Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Derivative instruments	<u>\$ 87</u>	<u>\$ 397</u>

A. Amounts recognised in (loss) profit in relation to financial assets at fair value are listed below:

	Year ended December 31	
	2024	2023
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 425	\$ 1,798
Callable bonds	167	40
Foreign corporate bonds	81	167
Derivative instruments	(422)	(377)
	<u>\$ 251</u>	<u>\$ 1,628</u>

The amount of (loss) income was shown as "other gains and losses", please refer to Note 6(22) for details.

B. The Group has no financial assets at fair value through profit or loss pledged to others as collateral.

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

D. The derivative instruments were the options embedded in convertible bonds, please refer to Note 6(13).

(3) Financial assets at fair value through other comprehensive income

Items	December 31, 2024	December 31, 2023
Non-current items:		
Equity instruments		
Unlisted stocks	\$ 2,996	\$ 2,996

A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$2,996 as at December 31, 2024 and 2023.

B. The Group recognised \$0 and (\$4) in comprehensive income (loss) from financial assets at fair value through other comprehensive income for fair value change for the years ended December 31, 2024 and 2023, respectively.

C. The Group has no financial assets at fair value through other comprehensive income pledged to others.

(4) Financial assets at amortised cost

Items	December 31, 2024	December 31, 2023
Non-current items:		
Restricted bank deposits	\$ 34,190	\$ 16,973

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. For the years ended December 31, 2024 and 2023, interest income from demand deposits and time deposits were recognised under interest income from bank deposits.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

(5) Accounts receivable

	December 31, 2024	December 31, 2023
Accounts receivable	\$ 30	\$ 56
Less: Allowance for doubtful accounts	-	-
	\$ 30	\$ 56

A. The ageing analysis of accounts receivable (including related parties) that were past due but not impaired is as follows:

	December 31, 2024	December 31, 2023
Up to 30 days	\$ 30	\$ 56

The above ageing analysis was based on invoice date.

B. On December 31, 2024, December 31, 2023 and January 1, 2023, the balances of the receivables from the Group's and customers contracts were \$30, \$56 and \$56, respectively.

C. The Group did not hold any collateral for the security of accounts receivable.

D. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was \$30 and \$56, respectively.

E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(6) Inventories

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Fuels	\$ 24,988	\$ -	\$ 24,988
Construction in progress (Note)	209,366	-	209,366
Land held for construction site (Note)	699,869	-	699,869
	<u>\$ 934,223</u>	<u>\$ -</u>	<u>\$ 934,223</u>
	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Fuels	\$ 17,984	\$ -	\$ 17,984
Construction in progress (Note)	139,035	-	139,035
Land held for construction site (Note)	629,081	-	629,081
	<u>\$ 786,100</u>	<u>\$ -</u>	<u>\$ 786,100</u>

Note: It is a land development investment case which was obtained by the Company's subsidiary, Franbo Asset Management Co., Ltd., and the Company's second-tier subsidiaries, Franbo Propriety Buiding Development Co., Ltd., Franbo Justice Buiding Development Co., Ltd., and FB Integrity Real Estate Development Co., Ltd. in October 2022, others had not been developed. Refer to Note 8 for details of pledges and collateral.

For the year ended December 31, 2024, the interest capitalised on inventories amounted to \$1,593 and the net interest rate of capitalised interest ranged between 2.88% to 3%. No interests were capitalised on inventories for the year ended December 31, 2023.

(7) Investments accounted for using equity method

Changes in the year were as follows:

	2024	2023
At January 1	\$ 25,278	\$ 26,363
Capital decrease in investments accounted for using equity method (Notes 1, 2)	(13,374)	-
Proceed from liquidation of investments accounted for using equity method (Notes 2, 3)	- (	66)
Share of profit of investments accounted for using equity method	3,550	1,410
Earnings distribution of investments accounted for using equity method	(4,631) (	2,442)
Other equity	1,407	13
At December 31	\$ 12,230	\$ 25,278
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Subsidiaries:		
BCI Loyalty Inc. (Note 1)	\$ 12,230	\$ 11,712
Franbo Courage S. A.	-	13,566
	<u>\$ 12,230</u>	<u>\$ 25,278</u>

Note 1: For the year ended December 31, 2024, the subsidiary, Franbo Courage S.A., decreased its capital, and the Company collected the investment proceeds in the amount of USD 417 thousand.

Note 2: The Group invested in Taiwan Offshore Engineering Co., Ltd. returned proceeds from liquidation of investments amounting to \$26 in December 2023 and completed the liquidation in January 2024.

Note 3: Due Feng Shipping Co., Ltd. was cancelled and proceeds from liquidation of investments amounting to \$40 were returned in September 2023.

A. The basic information of the associates that are material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Methods of measurement
		December 31, 2024	December 31, 2023		
Franbo Courage S.A.	Panama	-	49%	-	Equity method
BCI Loyalty Inc.	Marshall	49%	49%	-	Equity method

B. The summarized financial information of the associate that is material to the Group is as follows:

Balance sheets

	Franbo Courage S.A.	
	December 31, 2024	December 31, 2023
Current assets	\$ -	\$ 67,665
Non-current assets	-	-
Current liabilities	- (	15,103)
Non-current liabilities	- (	24,875)
Total assets	<u>\$ -</u>	<u>\$ 27,687</u>
Share in associate's net assets	\$ -	\$ 13,566
Goodwill	-	-
Carrying amount of the associate	<u>\$ -</u>	<u>\$ 13,566</u>

	BCI Loyalty Inc.	
	December 31, 2024	December 31, 2023
Current assets	\$ 19,733	\$ 19,326
Non-current assets	38,792	51,103
Current liabilities	(18,056)	(16,154)
Non-current liabilities	(15,510)	(30,372)
Total assets	<u>\$ 24,959</u>	<u>\$ 23,903</u>
Share in associate's net assets	\$ 12,230	\$ 11,712
Goodwill	-	-
Carrying amount of the associate	<u>\$ 12,230</u>	<u>\$ 11,712</u>

Comprehensive income

	Franbo Courage S.A.	
	2024	2023
Revenue	\$ 4,636	\$ 6,231
Profit for the year from continuing operations	\$ 4,241	\$ 1,606
Total comprehensive income	<u>\$ 4,241</u>	<u>\$ 1,606</u>
Dividends received from associates	<u>\$ -</u>	<u>\$ -</u>

	BCI Loyalty Inc.	
	2024	2023
Revenue	\$ 5,267	\$ 6,433
Profit for the year from continuing operations	\$ 3,004	\$ 1,286
Total comprehensive income	<u>\$ 3,004</u>	<u>\$ 1,286</u>
Dividends received from associates	<u>\$ -</u>	<u>\$ -</u>

C. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:

- (a) As of December 31, 2024 and 2023, the carrying amount of the Group's individually immaterial associates amounted to \$0.
- (b) As of 2024 and 2023, the profit (loss) for the year from continuing operations and total comprehensive net income of the Group's individually immaterial associates amounted to \$0 and \$(7).

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(8) Property, plant and equipment

	Land For own use	Building and structures For own use	Vessels equipment (Note 1) For lease	Office equipment For own use	Transportation equipment For own use	Total
January 1, 2024						
Cost	\$ 19,247	\$ 42,193	\$ 6,634,310	\$ 4,700	\$ 7,748	\$ 6,708,198
Accumulated depreciation and impairment	-	(15,384)	(919,500)	(3,562)	(5,539)	(943,985)
	<u>\$ 19,247</u>	<u>\$ 26,809</u>	<u>\$ 5,714,810</u>	<u>\$ 1,138</u>	<u>\$ 2,209</u>	<u>\$ 5,764,213</u>
<u>2024</u>						
January 1	\$ 19,247	\$ 26,809	\$ 5,714,810	\$ 1,138	\$ 2,209	\$ 5,764,213
Additions	-	-	2,371,983	1,726	-	2,373,709
Reclassifications	-	-	298,860	-	-	298,860
Disposals-cost reduction	-	-	-	(659)	-	(659)
Depreciation expense	-	(685)	(324,649)	(559)	(803)	(326,696)
Disposals-Accumulated depreciation and impairment reduction	-	-	-	659	-	659
Net exchange differences	-	-	438,936	-	-	438,936
December 31	<u>\$ 19,247</u>	<u>\$ 26,124</u>	<u>\$ 8,499,940</u>	<u>\$ 2,305</u>	<u>\$ 1,406</u>	<u>\$ 8,549,022</u>
December 31, 2024						
Cost	\$ 19,247	\$ 42,193	\$ 9,744,186	\$ 5,767	\$ 7,748	\$ 9,819,141
Accumulated depreciation and impairment	-	(16,069)	(1,244,246)	(3,462)	(6,342)	(1,270,119)
	<u>\$ 19,247</u>	<u>\$ 26,124</u>	<u>\$ 8,499,940</u>	<u>\$ 2,305</u>	<u>\$ 1,406</u>	<u>\$ 8,549,022</u>

	<u>Land</u> For own use	<u>Building and structures</u> For own use	<u>Vessels equipment (Note 1)</u> For lease	<u>Office equipment</u> For own use	<u>Transportation equipment</u> For own use	Total
January 1, 2023						
Cost	\$ 19,247	\$ 42,193	\$ 3,265,880	\$ 4,700	\$ 7,748	\$ 3,339,768
Accumulated depreciation and impairment	-	(14,653)	(812,199)	(3,132)	(4,218)	(834,202)
	<u>\$ 19,247</u>	<u>\$ 27,540</u>	<u>\$ 2,453,681</u>	<u>\$ 1,568</u>	<u>\$ 3,530</u>	<u>\$ 2,505,566</u>
<u>2023</u>						
January 1	\$ 19,247	\$ 27,540	\$ 2,453,681	\$ 1,568	\$ 3,530	\$ 2,505,566
Additions	-	-	2,516,754	-	-	2,516,754
Reclassifications	-	-	1,110,316	-	-	1,110,316
Disposals-cost reduction	-	-	(149,520)	-	-	(149,520)
Depreciation expense	-	(731)	(248,082)	(430)	(1,321)	(250,564)
Disposals-Accumulated depreciation and impairment reduction	-	-	79,432	-	-	79,432
Net exchange differences	-	-	(47,771)	-	-	(47,771)
December 31	<u>\$ 19,247</u>	<u>\$ 26,809</u>	<u>\$ 5,714,810</u>	<u>\$ 1,138</u>	<u>\$ 2,209</u>	<u>\$ 5,764,213</u>
December 31, 2023						
Cost	\$ 19,247	\$ 42,193	\$ 6,634,310	\$ 4,700	\$ 7,748	\$ 6,708,198
Accumulated depreciation and impairment	-	(15,384)	(919,500)	(3,562)	(5,539)	(943,985)
	<u>\$ 19,247</u>	<u>\$ 26,809</u>	<u>\$ 5,714,810</u>	<u>\$ 1,138</u>	<u>\$ 2,209</u>	<u>\$ 5,764,213</u>

Note 1: They were vessels owned by second-tier subsidiaries as follows: NORD owned by Franbo Logos S.A., Thorco Logic owned by Franbo Logic S.A., Thorco Lohas owned by Franbo Lohas S.A., STL HARVEST (was disposed in January 2024, Note 2) owned by Franbo Sagacity S.A., LAUREN OCEAN (was disposed in September 2023) owned by Franbo Sino Ltd., FAIRWIND LEGION owned by Franbo Legion S.A., SINOWAY LILY owned by FB Pioneer Ltd., CHRISTINA OCEAN (was disposed in July 2024, Note 3) owned by FB Navigation Ltd., IMARI owned by Franbo Bright Ltd., FRANBO ACE owned by Franbo Ace Ltd., MERGENSER owned by Franbo Art Ltd., NORVIC HOUSTON owned by Franbo Cosmos Ltd., NORVIC SINGAPORE owned by Franbo Century Ltd., FRANBO BRAVE owned by Franbo Brave Ltd., FRANBO BRAVO owned by Franbo Bravo Ltd. and MANDARIN KAOHSIUNG owned by Franbo Way Ltd.

Note 2: In December 2023, the Group transferred vessel equipment into non-current assets held for sale. The vessel equipment was disposed in the January, 2024 and the delivery of the vessels was completed. Refer to Note 6(22) for details of the recognition of the related gain or loss on disposal.

Note 3: In April 2024, the Group transferred vessel equipment into non-current assets held for sale. The vessel equipment was disposed in July, 2024 and the delivery of the vessels was completed. Refer to Note 6(22) for details of the recognition of the related gain or loss on disposal.

- A. For the years ended December 31, 2024 and 2023, the Group had no borrowing cost capitalisation of property, plant and equipment.
- B. The significant components of buildings include main plants and decorated accessory equipment, which are depreciated over 50 and 5 years, respectively. The significant components of vessel equipment include vessels and dock repair equipment, which are depreciated over 25 and 2.5 ~ 5 years, respectively.
- C. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.
- D. Information about the Group's vessel equipment that were rented to non-related parties is provided in Note 9.

(9) Leasing arrangements – lessor

- A. The Group leases various assets including vessel equipment. Rental contracts are typically made for periods of 1 and 7 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
- B. The Group leases vessel equipment under a finance lease. Based on the terms of the lease contract, the ownership of vessel equipment will be transferred to lessees when the leases expire. Information on profit or loss in relation to lease contracts is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Finance income from the net investment in the finance lease	\$ 128,441	\$ 140,137

- C. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

	<u>December 31, 2024</u>		<u>December 31, 2023</u>
In the next year	\$ 247,223	In the next year	\$ 302,755
In the next two years	235,254	In the next two years	286,434
In the next three years	697,802	In the next three years	270,772
In the next four years	40,624	In the next four years	794,957
In the next five years	140,344	In the next five years	169,489
	<u>\$ 1,361,247</u>		<u>\$ 1,824,407</u>

- D. Reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided as follows:

	<u>December 31, 2024</u>		<u>December 31, 2023</u>	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
Undiscounted lease payments	\$ 247,223	\$ 1,114,024	\$ 302,755	\$ 1,521,652
Unearned finance income	(116,334)	(190,352)	(139,062)	(317,620)
Net investment in the lease	<u>\$ 130,889</u>	<u>\$ 923,672</u>	<u>\$ 163,693</u>	<u>\$ 1,204,032</u>

- (a) In September 2023, the Group's second-tier subsidiary, Franbo Wind S.A., purchased the vessel, MV YONG JIN, and signed a finance lease contract with the lessee. Finance lease receivables total amounted to \$461,641 (USD 14,280 thousand).
- (b) In August 2022, the Group's second-tier subsidiary, Franbo Ocean Ltd., purchased the vessel, XIE HAI MARINER, and signed a finance lease contract with the lessee. Finance lease receivables total amounted to \$884,742 (USD 29,689 thousand).
- (c) In 2022, the Group's second-tier subsidiaries including Franbo Shipping S.A., Franbo Transportation S.A., Franbo Way Ltd. and Franbo Legacy Ltd., signed bareboat charter agreements of vessel equipment - FRANBO PROGRESS, FRANBO PROSPECT, MEDI BANGKOK and THORCO LEGACY, respectively. Finance lease receivables total amounted to \$1,470,808 (USD 49,356 thousand). Among them, the bareboat charter agreement of Franbo Way Ltd. was terminated in November 2024 as the lessee exercised the call option early.

E. For the years ended December 31, 2024 and 2023, the Group's lease payments receivable under finance lease did not have provisioned loss allowance arising from past due receivable. Refer to Note 12(2) for credit risk information of lease payments receivable.

F. Gain arising from operating lease agreements for the years ended December 31, 2024 and 2023 are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Rent income	\$ 1,494,355	\$ 1,127,204

G. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>December 31, 2024</u>		<u>December 31, 2023</u>
In the next year	\$ 1,434,168	In the next year	\$ 1,200,780
In the next two years	930,097	In the next two years	948,104
In the next three years	724,481	In the next three years	639,571
In the next four years	413,016	In the next four years	628,918
In the next five years	74,511	In the next five years	326,562
	<u>\$ 3,576,273</u>		<u>\$ 3,743,935</u>

(10) Non-current assets held for sale

A. The assets related to vessel equipment have been reclassified as disposal group held for sale following the approval of the Group's Board of Directors on December 20, 2023 to sell vessel equipment- STL HARVEST. The completion date for the transaction is expected by the first quarter of 2024. The assets and liabilities of the disposal group held for sale as at December 31, 2023 amounted to \$73,086 and \$0, respectively.

B. The assets related to vessel equipment have been reclassified as disposal group held for sale following the approval of the Group's Board of Directors on April 12, 2024 to sell vessel equipment- CRISTINA OCEAN . The completion date for the transaction is expected on July 31 ,2024.

C. Assets of disposal group held for sale:

	<u>December 31, 2023</u>
Property, plant and equipment	
Vessels equipment-STL HARVEST	\$ 73,086

D. The Group has no non-current assets held for sale pledged to others.

E. There was no impairment loss as a result of the remeasurement of the disposal group held for sale at the lower of its carrying amount or fair value less costs to sell. Information relating to fair value is provided in Note 12(3).

F. December 31, 2024: None.

(11) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2024</u>	<u>Collateral</u>
Bank borrowings		
Secured bank borrowings	\$ <u>55,000</u>	Land held for construction side
Interest rate range	<u>3.2%</u>	

December 31, 2023: None.

For collaterals of aforementioned bank borrowings, please refer to Note 8 for details.

(12) Other payables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Salaries and rewards payable	\$ 41,555	\$ 40,406
Interest payable	6,275	5,672
Employees' compensation and directors' remuneration payable	12,600	10,620
Premium payable	1,692	5,894
Payables on charterer's payment on behalf of the Group	17,164	5,027
Payable on maintenance and reimbursement fees	10,393	28,690
Payables on profit-sharing from disposals of vessels	13,611	12,748
Others	22,188	25,510
	<u>\$ 125,478</u>	<u>\$ 134,567</u>

(13) Bonds payable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
The fifth domestic unsecured convertible bonds	\$ 215,900	\$ 465,000
The sixth domestic unsecured convertible bonds	57,300	131,500
The seventh domestic unsecured convertible bonds	590,000	-
Less: Discount on bonds payable	(40,776)	(14,727)
	822,424	581,773
Less: current portion (Note)		
(shown as long-term liabilities, current portion)	(213,994)	-
	<u>\$ 608,430</u>	<u>\$ 581,773</u>

Note : Shown as 「long-term liability wrent portion」

A. The terms of the fifth domestic unsecured convertible bonds issued by the Company are as follows:

- (a) The Company issued \$600,000, 0% the fifth domestic secured convertible bonds and issued at 101% of the face value, as approved by the regulatory authority. The bonds mature 3 years from the issue date (July 28, 2022 ~ July 28, 2025), and bondholders' convertible bonds will

be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on July 28, 2022.

- (b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months (October 29, 2022) of the bonds issue to the maturity date (July 28, 2025), except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares. As of December 31, 2024, the bonds with a face value of \$382,500 had been converted into 21,351 thousand common shares and were transferred to 'ordinary share' of \$231,516.
- (c) The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model specified in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the reset conversion price, the conversion price will not be adjusted; the conversion price on issuance was NT\$19.99 per share. As of December 31, 2024, the conversion price of the convertible bonds was adjusted to NT\$17.5.
- (d) The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Group's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months (October 29, 2022) of the bonds issue to 40 days before the maturity date (June 18, 2025), or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months (October 29, 2022) of the bonds issue to 40 days before the maturity date (June 18, 2025).
- (e) Under the terms of the bonds, all bonds redeemed, matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished. As of December 31, 2024, the bonds totaling \$1,600 (face value) were repurchased and were retired by the Company from the Taipei Exchange.
- (f) Regarding the issuance of the aforementioned convertible bonds, the equity conversion options amounting to \$31,003 were separated from the liability component and were recognised in 'capital surplus—share options' in accordance with IAS 32. As of December 31, 2024, after conversion, repurchase and writing off of corporate bonds, the balance of the aforementioned 'capital surplus - share options' was \$11,156. The call options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets at fair value through profit or loss' in net amount in accordance with IAS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rate of the bonds payable after such separation was 1.55%.

B. The terms of the sixth domestic unsecured convertible bonds issued by the Company are as follows:

- (a) The Company issued \$400,000, 0% the fifth domestic secured convertible bonds and issued at 100% of the face value, as approved by the regulatory authority. The bonds mature 3 years from the issue date (August 23, 2023 ~ August 23, 2026), and bondholders' convertible bonds will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on August 23, 2023.
- (b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months (November 24, 2023) of the bonds issue to the maturity date (August 23, 2026), except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares. As of December 31, 2024, the bonds with a face value of \$342,700 had been converted into 21,036 thousand common shares and were transferred to 'ordinary share' of \$210,360.
- (c) The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model specified in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the reset conversion price, the conversion price will not be adjusted; the conversion price on issuance was NT\$16.48 per share. As of December 31, 2024, the conversion price of the convertible bonds was adjusted to NT\$15.97.
- (d) The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Group's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months (November 24, 2023) of the bonds issue to 40 days before the maturity date (July 14, 2026), or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months (November 24, 2023) of the bonds issue to 40 days before the maturity date (July 14, 2026).
- (e) Under the terms of the bonds, all bonds redeemed, matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
- (f) Regarding the issuance of the aforementioned convertible bonds, the equity conversion options amounting to \$8,552 were separated from the liability component and were recognised in 'capital surplus—share options' in accordance with IAS 32. As of December 31, 2024, after conversion, repurchase and writing off of corporate bonds, the balance of the aforementioned 'capital surplus - share options' was \$1,255. The call options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets at fair value through profit or loss' in net amount in accordance with IAS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to

those of the host contracts. The effective interest rate of the bonds payable after such separation was 1.05%.

- C. The terms of the seventh domestic unsecured convertible bonds issued by the Company are as follows:
- (a) The Company issued \$590,000, 0% the sixth domestic secured convertible bonds and issued at 104.8% of the face value, as approved by the regulatory authority. The bonds mature 3 years from the issue date (July 26, 2024 ~ July 26, 2027), and bondholders' convertible bonds will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on July 26, 2024.
 - (b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months (October 27, 2024) of the bonds issue to the maturity date (July 26, 2027), except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
 - (c) The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model specified in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the reset conversion price, the conversion price will not be adjusted; the conversion price on issuance was NT22.7 per share.
 - (d) The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months (October 27, 2024) of the bonds issue to 40 days before the maturity date (June 16, 2027), or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months (October 27, 2024) of the bonds issue to 40 days before the maturity date (June 16, 2027).
 - (e) Under the terms of the bonds, all bonds redeemed, matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
 - (f) Regarding the issuance of the aforementioned convertible bonds, the equity conversion options amounting to 68,014 were separated from the liability component and were recognised in 'capital surplus-share options' in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets at fair value through profit or loss' in net amount in accordance with IAS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rate of the bonds payable after such separation was 2.62%.

(14) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Collateral	December 31, 2024
E.Sun Commercial Bank, Ltd.			
Secured borrowings	Borrowing period is from December 2023 to December 2030; principal and interest is payable monthly.	NORVIC HOUSTION-vessels equipment and demand deposits	\$ 534,477
Mega International Commercial Bank			
Secured borrowings	Borrowing period is from August 2023 to August 2030; principal and interest is payable monthly.	Franbo Ace-vessels equipment and demand deposits	459,388
Secured borrowings	Borrowing period is from November 2023 to November 2030; principal and interest is payable monthly.	MERGANSER-vessels equipment and demand deposits	441,680
Taichung Commercial Bank, Co., Ltd.			
Secured borrowings	Borrowing period is from April 2024 to August 2030; principal and interest is payable monthly.	NORVIC SINGAPORE-vessels equipment and demand deposits	359,706
TAIWAN COOPERATIVE BANK			
Secured borrowings	Borrowing period is from June 2024 to June 2031; principal and interest is payable monthly.	FRANBO BRAVE-vessels equipment and demand deposits	590,122
Entie Bank, Ltd.			
Secured borrowings	Borrowing period is from October 2024 to October 2031; principal and interest is payable monthly.	FRANBO BRAVO-vessels equipment and demand deposits	362,985
COTA Commercial Bank			
Secured borrowings	Borrowing period is from January 2024 to January 2026; principal and interest is payable monthly.	Land held for construction site	60,000
Hua Nan Commercial Bank			
Secured borrowings	Borrowing period is from October 2023 to April 2025; principal and interest is payable monthly.	Land held for construction site	34,080
Secured borrowings	Borrowing period is from February 2024 to February 2026; principal and interest is payable monthly.	Construction in progress	104,700
			2,947,138
Less: Current portion			(248,525)
			\$ 2,698,613
Interest rate range			2.80%~7.30%

Type of borrowings	Borrowing period and repayment term	Collateral	December 31, 2023
E.Sun Commercial Bank, Ltd.			
Secured borrowings	Borrowing period is from December 2023 to December 2030; principal and interest is payable monthly.	NORVIC HOUSTION-vessels equipment and demand deposits	\$ 546,638
Mega International Commercial Bank			
Secured borrowings	Borrowing period is from August 2023 to August 2030; principal and interest is payable monthly.	Franbo Ace-vessels equipment and demand deposits	513,164
Secured borrowings	Borrowing period is from November 2023 to November 2030; principal and interest is payable monthly.	MERGANSER-vessels equipment and demand deposits	525,602
COTA Commercial Bank			
Secured borrowings	Borrowing period is from March 2022 to August 2024; principal and interest is payable monthly.	Land held for construction site	10,000
Secured borrowings	Borrowing period is from November 2022 to October 2024; principal and interest is payable monthly.	Land held for construction site	15,000
Hua Nan Commercial Bank			
Secured borrowings	Borrowing period is from October 2023 to April 2025; principal and interest is payable monthly.	Land held for construction site	34,200
			1,644,604
Less: Current portion			(170,566)
			\$ 1,474,038
Interest rate range			2.73%~7.30%

Note 1: The Group repaid in advance in January 2024.

A. Refer to Note 9 for the aforementioned significant commitments of borrowings.

B. For collaterals of aforementioned bank borrowings, please refer to Note 8 for details.

(15) Pensions

A. Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

B. The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2024 and 2023, were \$2,057 and \$1,873, respectively.

(16) Share-based payment

A. The Group’s share-based payment arrangements were as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted (thousand shares)</u>	<u>Vesting conditions</u>
Cash capital increase reserved for employee preemption	August 4, 2023	1,361 thousand shares	Vested immediately

The share-based payment arrangements above are settled by equity.

B. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Stock price (NTD)</u>	<u>Exercise price (NTD)</u>	<u>Expected price volatility (Note 1)</u>	<u>Expected option life</u>	<u>Expected dividends</u>	<u>Risk-free interest rate (Note 2)</u>	<u>Fair value per share (NTD)</u>
Cash capital increase reserved for employee preemption	August 4, 2023	16.50	14.20	34.63 (Note 1)	60 days	\$ -	1.02%	2.48

Note 1: Expected price volatility rate was estimated by using the average annualised volatility of return rate of the Group’s stock price between August 5, 2022 and August 4, 2023.

Note 2: Referred to Taiwan 1-Year and 2-Years government bond yield.

C. For the year ended December 31, 2023, the Company had expenses due to share-based payments transactions in the amount of \$3,376.

(17) Share capital

A. As of December 31, 2024, the Company had authorised capital in the amount of \$6,000,000 and paid-in capital in the amount of \$3,110,235 which consisted of 311,024 thousand shares with a par value of NT\$10. All proceeds from shares issued have been collected.

B. Movements in the number of the Company's ordinary shares outstanding are as follows: (Unit: thousand shares)

	2024	2023
At January 1	292,483	239,157
Cash capital increase	-	30,000
Conversion of convertible bonds (Note)	18,541	23,326
At December 31	311,024	292,483

Note: For the year ended December 31, 2024, the number of common stocks converted from convertible bonds was 18,541 thousand shares with a par value of \$10 (in dollars) per share. As of December 31, 2024, the number of shares of which the registration has not yet been completed amounted to 444 thousand shares. On March 11, 2025, the Board of Directors resolved the effective date of conversion and issuance of new shares, and the related registration procedures are in progress. For the year ended December 31, 2023, the number of common stocks converted from convertible bonds was 23,326 thousand shares with a par value of \$10 (in dollars) per share. As of December 31, 2023, the number of shares of which the registration has not yet been completed amounted to 22,452 thousand shares. On March 7, 2024 the Board of Directors resolved the effective date of conversion and issuance of new shares, and the registration has been completed.

C. On May 4, 2023, the Board of Directors of the Company approved to increase cash capital which had been approved by the Financial Supervisory Commission. The effective date was set on August 14, 2023, and the Company increased capital by issuing 30,000 thousand new shares with a par value of NT\$10, the acquisition price was NT\$14.20 per share, and the total stock proceeds was \$426,000 which had been collected in the full amount. The registration of the capital increase was completed. The capital increase generated premiums on issuance in the amount of \$126,000, and the net premium amount was \$128,376 after deducting necessary cost of increasing capital by issuing new shares and plus actual transference amount which was acquired by employees.

(18) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(19) Retained earnings

A. After annual settlement, the current year's earnings, if any, shall first be used to pay profit-seeking enterprise income tax and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve amount equals total capital amount. After that, special reserve shall be set aside or reversed in accordance with the related laws or the regulations made by the regulatory authority. The remainder along with the beginning undistributed earnings will be accumulated distributable earnings which shall be appropriated after being proposed by the Board of Directors and being resolved by the shareholders.

For the aforementioned appropriation of earnings, the Board of Directors may, upon special resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, distribute dividends and bonus, capital surplus or legal reserve, in whole or in part, in the form of cash, and reported to the shareholders. The above distribution is not subject to approval by the shareholders.

B. In order to continually expand the scale of operation, increase competitiveness as well as cooperate with the Group's long-term development, future capital requirements and long-term financial plan, the accumulative distributable earnings are distributed as shareholders' bonuses, which shall not be lower than 15% of the distributable earnings for the current year, and cash bonuses shall not be less than 10% of the total shareholders' bonuses.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Group's paid-in capital.

D. On March 3, 2023, the Board of the Directors of the Company resolved the appropriation of 2022 earnings, and the cash dividends was \$358,735 (NT\$1.5 per share), which was reported to shareholders on June 1, 2023.

E. On March 7, 2024, the Board of Directors of the Company resolved the appropriation of 2023 earnings, and the cash dividends was \$148,786 (NT\$0.5 per share), which was reported to shareholders on May 30, 2024.

F. On March 11, 2025, the Board of Directors of the Company resolved the appropriation of 2024 earnings, and the cash dividends amounted to \$156,271 (NT\$0.5 per share).

(20) Operating revenue

	Year ended December 31	
	2024	2023
Operating lease income (Note)	\$ 1,494,235	\$ 1,127,204
Finance lease income (Note)	128,441	140,137
Revenue from contracts with customers	31,604	70,319
	<u>\$ 1,654,400</u>	<u>\$ 1,337,660</u>

Note: Please refer to Note 6(9) for leasing arrangements – lessor.

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of services over time in the following major categories:

	<u>Vessels management revenue</u>
<u>Year ended December 31, 2024</u>	
Revenue from external customer contracts	\$ 31,604
Timing of revenue-over time	\$ 31,604
<u>Year ended December 31, 2023</u>	<u>Vessels management revenue</u>
Revenue from external customer contracts	\$ 70,319
Timing of revenue-over time	\$ 70,319

B. On December 31, 2024 and 2023, due to the operating requirement of the lessee and the Group's financial plan, the rent compensation was generated from the conditionally earlier termination of the lease contract, and the rent compensation was accounted as 'other current liabilities, others' and 'other non-current liabilities, others' in the amounts of \$51,992, \$53,951, \$6,978 and \$55,229, respectively. For the years ended December 31, 2024 and 2023, the amounts of lease income were \$56,411 and \$54,575, respectively. As of December 31, 2024 and 2023, the amounts of income that were expected to be recognised in the next one year were \$51,992 and \$53,951, respectively. The residual was expected to be recognised as income before 2026.

(21) Other income

	<u>Year ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Satellite communication subsidy income	\$ 5,290	\$ 3,510
Insurance claim income	10,799	7,884
Others	11,842	6,876
	<u>\$ 27,931</u>	<u>\$ 18,270</u>

(22) Other gains and losses

	<u>Year ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Gain on disposal of non-current assets classified as held for sale	\$ 61,861	\$ -
Losses on disposal of property, plant and equipment (Note)	- (	54,042)
Foreign exchange losses, net	(21,536)	(5,565)
Net gains on financial assets at fair value through profit or loss	251	1,628
Others	(1,318)	(311)
	<u>\$ 39,258</u>	<u>\$ 49,794</u>

Note: Disposal of vessels by the Group is provided in Note 6(8).

(23) Finance costs

	Year ended December 31	
	2024	2023
Interest expense:		
Bank borrowings	\$ 150,183	\$ 83,568
Bonds payable	11,617	12,146
Short-term notes and bills payable	9	312
	<u>\$ 161,809</u>	<u>\$ 96,026</u>

Capitalization of qualifying assets is provided in Note 6(6).

(24) Expenses by nature

	Year ended December 31	
	2024	2023
Depreciation expense from property, plant and equipment	\$ 326,696	\$ 250,564
Employee benefit expense	379,194	301,578
Rent expenses for vessels	-	1,998
Supplementary payments for vessels	59,232	70,192
Insurance premiums	51,039	33,153
Commissions expense	46,041	31,461
Fuels used	20,742	16,425
Certificate inspection fee	15,339	12,393
Repairs and maintenance expense	10,559	12,378
Other expenses	69,489	95,122
Total operating costs and operating expenses	<u>\$ 978,331</u>	<u>\$ 825,264</u>

(25) Employee benefit expense

	Year ended December 31	
	2024	2023
Wages and salaries	\$ 301,690	\$ 234,819
Share-based payment	-	3,376
Labour and health insurance fees	4,418	4,369
Pension costs	2,057	1,873
Other personnel expenses	71,029	57,141
	<u>\$ 379,194</u>	<u>\$ 301,578</u>

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 1% for employees' compensation and shall not be higher than 5% for directors' remuneration.

- B. For the years ended December 31, 2024 and 2023, employees' compensation was accrued at \$6,300 and \$5,310, respectively; while directors' remuneration was accrued at \$6,300 and \$5,310, respectively. The aforementioned amounts were recognised in salary expenses and other expenses. For 2023, the employees' compensation and directors' and supervisors' remuneration resolved by the Board of Directors amounted to \$5,310 and \$5,310, respectively. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(26) Income tax

A. Income tax expense

Components of income tax expense:

	Year ended December 31	
	2024	2023
Current tax:		
Current tax on profits for the year	\$ 14,947	\$ 28,166
Prior year income tax overestimation	(1,608)	-
Tax on undistributed earnings	<u>11,659</u>	<u>52,824</u>
Total current tax	<u>24,998</u>	<u>80,990</u>
Deferred tax:		
Origination and reversal of temporary differences	(2,090)	13,639
Income tax expense	<u>\$ 22,908</u>	<u>\$ 94,629</u>

B. Reconciliation between income tax expense and accounting profit:

	Year ended December 31	
	2024	2023
Tax calculated based on profit before tax and statutory tax rate	\$ 121,562	\$ 103,806
Effects from items adjusted in accordance with tax regulation	3,572	6,975
Prior year income tax overestimation	(1,608)	
Tax on undistributed surplus earnings	11,659	52,824
Temporary difference not recognised as deferred tax assets	-	-
Temporary difference not recognised as deferred tax liabilities	(112,277)	(59,037)
Change in assessment of realisation of deferred tax assets	-	(9,939)
Taxable loss not recognised as deferred tax assets	-	-
Income tax expense	<u>\$ 22,908</u>	<u>\$ 94,629</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	2024		
	January 1	Recognised in profit or loss	December 31
Deferred income tax assets			
Temporary differences:			
Exchange losses	<u>\$ 664</u>	<u>\$ 2,090</u>	<u>\$ 2,754</u>
		2023	
	2023		
	January 1	Recognised in profit or loss	December 31
Deferred income tax assets			
Temporary differences:			
Exchange losses	\$ -	\$ 664	\$ 664
Tax losses	<u>14,764</u>	<u>(14,764)</u>	<u>-</u>
	<u>\$ 14,764</u>	<u>(\$ 14,100)</u>	<u>\$ 664</u>
Deferred income tax liabilities			
Temporary differences:			
Exchange gains	<u>(\$ 461)</u>	<u>\$ 461</u>	<u>\$ -</u>

D. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2024 and 2023, the amounts of temporary difference unrecognised as deferred tax liabilities were \$2,906,059 and \$2,344,676, respectively.

- E. The Group's income tax returns through 2022 have been assessed and approved by the Tax Authority. As of the reporting date, the Company had no significant and pending tax administrative remedies.
- F. The controlled foreign corporation (CFC) rules for profit-making enterprises was implemented on January 1, 2023, the company recognizes the investment income of relevant controlled foreign enterprises and includes it in the estimated income tax in accordance with relevant regulations.
- G. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2024						
Year incurred	Corporate name	Amount assessed/ filed	Amount	Used amount	Unused amount	Expiry year
Associated:						
2022	Franbo Asset Management Co.,Ltd.	Amount assessed	\$ 880	\$ 880	\$ 880	2032
2023	Franbo Asset Management Co.,Ltd.	Amount filed	\$ 1,158	\$ 1,158	\$ 1,158	2033
2024	Franbo Asset Management Co.,Ltd.	Amount expected to be filed	\$ 1,250	\$ 1,250	\$ 1,250	2034
2023	Franbo Propriety Building Development Co.,Ltd.	Amount filed	\$ 7,476	\$ 7,476	\$ 7,476	2033
2023	Franbo Justice Building Development Co.,Ltd.	Amount filed	\$ 125	\$ 125	\$ 125	2033
2024	Franbo Justice Building Development Co.,Ltd.	Amount expected to be filed	\$ 186	\$ 186	\$ 186	2034
December 31, 2023						
Year incurred	Corporate name	Amount assessed/ filed	Amount	Used amount	Unused amount	Expiry year
Associated:						
2022	Franbo Asset Management Co.,Ltd.	Amount assessed	\$ 880	\$ 880	\$ 880	2032
2023	Franbo Asset Management Co.,Ltd.	Amount filed	\$ 1,158	\$ 1,158	\$ 1,158	2033
2023	Franbo Propriety Building Development Co.,Ltd.	Amount filed	\$ 7,802	\$ 7,802	\$ 7,802	2033
2023	Franbo Justice Building Development Co.,Ltd.	Amount filed	\$ 125	\$ 125	\$ 125	2033

(27) Earnings per share

Year ended December 31, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 584,901	305,337	\$ 1.92
<u>Diluted earnings per share</u>			
Profit attributable to the parent	\$ 584,901	305,337	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	12,039	27,216	
Employees' compensation	-	406	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 596,940	332,959	\$ 1.79
Year ended December 31, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 424,402	250,992	\$ 1.69
<u>Diluted earnings per share</u>			
Profit attributable to the parent	\$ 424,402	250,992	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	10,651	34,103	
Employees' compensation	-	377	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 435,053	285,472	\$ 1.52

(28) Supplemental cash flow information

Financing activities with no cash flow effects

	Year ended December 31,	
	2024	2023
Prepayments for facilities transferred to property, plant and equipment	\$ 401,952	\$ 1,183,402
Property, plant and equipment transferred to non-current assets held for sale	\$ 103,092	\$ 73,086
Bonds payable, current portion	\$ 213,994	\$ -
Long-term borrowings, current portion	\$ 248,525	\$ 170,566
Convertible bonds share converted to capital and capital surplus	\$ 316,784	\$ 380,967

(29) Changes in liabilities from financing activities

	Changes in cash flow		Impact of changes in		Other non-cash	
	January 1, 2024	from financing activities	foreign exchange rate	changes	December 31, 2024	
Short-term borrowings	\$	\$ 55,000	\$	\$	\$ 55,000	
Long-terms borrowings	1,644,604	1,173,264	129,270	-	2,947,138	
Bonds payable	581,773	613,720	-	(373,069)	822,424	
Guarantee deposits received	111,597	(47,735)	4,515	-	68,377	
Liabilities from financing activities-gross	\$ 2,337,974	\$ 1,794,249	\$ 133,785	(\$ 373,069)	\$ 3,892,939	

	Changes in cash flow		Impact of changes in		Other non-cash	
	January 1, 2023	from financing activities	foreign exchange rate	changes	December 31, 2023	
Short-term borrowings	\$ 120,000	(\$ 120,000)	\$ -	\$ -	\$ -	
Short-term notes and bills payable	29,966	(30,000)	-	34	-	
Long-terms borrowings	1,032,329	624,241	(11,966)	-	1,644,604	
Bonds payable	965,399	(4,057)	-	(379,569)	581,773	
Guarantee deposits received	125,291	(14,213)	519	-	111,597	
Liabilities from financing activities-gross	\$ 2,272,985	\$ 455,971	(\$ 11,447)	(\$ 379,535)	\$ 2,337,974	

Note: The other non-cash changes were unamortised discount on short-term notes and bills payable, amortisation of discounts on bonds payable, conversion to capital stocks and write-off of capital surplus due to conversion.

7. Related Party Transactions

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
BCI Loyalty Inc.	Investments accounted for using equity method of the Group
Franbo Courage S.A.	Investments accounted for using equity method of the Group
Futian Construction Co., Ltd. (Note 1)	Other related party
Shenglin Construction Co., Ltd.	Other related party
TSAI,PANG-CHUAN 、 TSAI,CHING-CHUNG 、LO,CHUN-YU 、 SHEN,I-WEN 、TAI,CHIH-TSUNG(Note 2) 、 WU,TIEN-MING 、LIU,JUNG-CHIN 、 YAN,SHU-YANG 、LIN,SHIH-CHUAN	Directors

Note 1: After the entity's chairman changed on January 9, 2023, the entity is no longer a related party of the Company.

Note 2: Since June 1, 2023, when the term of the directors of the Company was expired and were fully re-elected, the entity is no longer a related party of the Company.

(2) Significant related party transactions

A. Endorsements and guarantees by related parties

Endorsements and guarantees provided by related parties to the Company and subsidiaries

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
TSAI,PANG-CHUAN	\$ 5,884,503	\$ 4,500,441
TSAI,CHING-CHUNG	5,564,453	4,419,441
	<u>\$ 11,448,956</u>	<u>\$ 8,919,882</u>

Note: The aforementioned related parties provided endorsements and guarantees to the Company and subsidiaries using United States dollars and New Taiwan dollars. The exchange rates of United States dollars translated into New Taiwan dollars were 32.79 and 30.71 on the financial reporting date on December 31, 2024 and 2023, respectively.

B. Other

- (a) For the years ended December 31, 2024 and 2023, the Company received vessels management and consulting revenue from Franbo Courage S.A. in the amounts of \$318 and \$336, respectively. As of December 31, 2024 and 2023, the balances of accounts receivable arising from the transaction were \$0 and \$28, respectively.

- (b) For the years ended December 31, 2024 and 2023, the Company received vessels management and consulting revenue from BCI Loyalty Inc. in the amounts of \$347 and \$336, respectively. As of December 31, 2024 and 2023, the balances of accounts receivable arising from the transaction were \$30 and \$28, respectively.
- (c) In September 2022, the property development of the Company's subsidiary, Franbo Asset Management Co., Ltd., appointed Shenglin Construction Co., Ltd., to be responsible for land development analysis, architectural layout, construction and planning and after sales services. Details of the service expenses paid are as follows:
- i. For the years ended December 31, 2024 and 2023, expenses were \$0 and \$7,162, respectively. As of December 31, 2024 and 2023, the cumulative payments were both \$14,324, which was accounted as 'inventory - land held for construction site'.
 - ii. As of December 31, 2024 and 2023, balance of account payables were \$0 and \$3,760, respectively.
- (d) In April 2022, the property development of the Company's second-tier subsidiary, FB Propriety Construction and Development Co., Ltd., appointed Futian Construction Co., Ltd., to be responsible for land development, architectural layout, construction and planning and after sales services. The aforementioned contract was mutually terminated on June 15, 2023.
- i. Expenses paid in relation to service of land development:
For the years ended December 31, 2023, expenses was (\$1,881), which was accounted as 'inventory - land held for construction site'.
 - ii. Expenses paid in relation to service of architectural layout and construction:
For the year ended December 31, 2023, expenses was \$7,500, which was accounted as 'operating costs'.
- (e) In June 2022, the property development of the Company's second-tier subsidiary, Franbo Justice Construction and Development Co., Ltd., appointed Shenglin Construction Co., Ltd., to execute the purchase of land services.
- i. Expenses paid in relation to service of land development:
 - (i). For the year ended December 31, 2024 and 2023, expenses was both \$0, as of December 31, 2024 and 2023, the accumulated payment was both \$3,609, which were accounted as 'inventory - land held for construction site'.
 - (ii). As of December 31, 2024 and 2023, balance of other payables was both \$0.
- (f) In July 2023, FB Integrity building development of the Company's second-tier subsidiary, Franbo Justice Construction and Development Co., Ltd., appointed Shenglin Construction Co., Ltd., to execute the purchase of land services.
- i. Expenses paid in relation to service of land development:
 - (i). For the years ended December 31, 2024 and 2023, expenses was both \$0, as of December 31, 2024 and 2023, the accumulated payment was both \$3,729, which were accounted

as ‘inventory - land held for construction site’.

(ii) As of December 31, 2024 and 2023, balance of other payables was both \$0.

(3) Key management compensation

	Year ended December 31	
	2024	2023
Salaries and other short-term employee benefits	\$ 19,961	\$ 34,364
Post-employment benefits	346	278
	<u>\$ 20,307</u>	<u>\$ 34,642</u>

8. Pledged Assets

Assets	December 31, 2024	December 31, 2023	Purpose
Construction in progress	\$ 209,366	\$ 139,035	Long-term borrowings
Land held for construction site	487,450	629,081	Long-term borrowings and short-term borrowing
Land	19,247	19,247	Collateral for long-term and short-term borrowings
Buildings and structures, net	26,124	26,809	Collateral for long-term and short-term borrowings
Vessels equipment, net	5,716,273	2,655,588	Long-term borrowings
Restricted assets - demand deposits (Note 2)	30,419	15,355	Long-term borrowings
Restricted assets - demand deposits (Note 2) (shown as “non-current financial assets at amortised cost”)	3,771	1,618	Trust fund for pre-sale construction
Guarantee deposits paid (shown as “other non-current assets, others”)	725	725	Guarantees for Maritime, Port Bureau
	<u>\$ 6,493,375</u>	<u>\$ 3,487,458</u>	

Note 1: The net amount of ship equipment under finance lease is stated at purchase cost.

Note 2: Restricted assets on December 31, 2024 and 2023 - current deposits are listed in " Non-current financial assets at amortised cost "

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) On May 31, 2023, the Company’s second-tier subsidiary, Franbo Ace Ltd., signed a credit facility agreement with Mega International Commercial Bank. The total amount of credit agreement was USD 17,250 thousand, the credit term was 7 years, and the Company and the related parties, TSAI,PANG-CHUAN and TSAI,CHING-CHUNG, were joint guarantors and should keep the commitments which were recorded on the credit agreements, the commitments were as follows:

Based on the consolidated financial statements which were annually attested by auditors of the joint guarantor of a juridical person, Franbo Lines Corporation, and the second quarter consolidated financial statements which were annually reviewed by auditors as the calculation basis and would be verified every half-year. The interest coverage ratio could not be lower than three times (earnings before interest and taxes + interest expenses + depreciation and amortisation/ interest expenses). The net tangible assets value (net assets reduce intangible assets): Not be lower than NT\$1 billion. If any of the abovementioned financial ratios cannot be met, they should be improved through a cash capital increase or other methods. Additionally, a lump sum compensation fee of 0.15% of the outstanding balance as of the date of inspection should be paid to the bank.

- (2) On May 31, 2023, the Company's second-tier subsidiary, Franbo Art Ltd., signed a credit facility agreement with Mega International Commercial Bank. The total amount of credit agreement was USD 17,250 thousand, the credit term was 7 years, and the Company and the related parties, TSAI,PANG-CHUAN and TSAI,CHING-CHUNG, were joint guarantors and should keep the commitments which were recorded on the credit agreements, the commitments were as follows:
- A. Based on the consolidated financial statements which were annually attested by auditors of the joint guarantor of a juridical person, Franbo Lines Corporation, and the second quarter consolidated financial statements which were annually reviewed by auditors as the calculation basis and would be verified every half-year. The interest coverage ratio could not be lower than three times (earnings before interest and taxes + interest expenses + depreciation and amortisation/ interest expenses). The net tangible assets value (net assets reduce intangible assets): Not be lower than NT\$1 billion. If any of the abovementioned financial ratios cannot be met, they should be improved through a cash capital increase or other methods. Additionally, a lump sum compensation fee of 0.15% of the outstanding balance as of the date of inspection should be paid to the bank.
 - B. From the date of the first withdrawal, the collateral, vessels, should be appraised at least once a year by the appraisal company which was admitted by this bank, and the original of appraisal report should be provided to this bank.
 - C. Since 2023, LTV ratio is reviewed annually, if the LTV ratio exceeds 70%, the borrower should repay the certain excess amount of the borrowings or provide collateral approved by the bank to cover the excess borrowings.
 - D. In the duration of the borrowings, directly or indirectly held equity interests in Franbo Art Ltd. by the joint guarantor of a juridical person, Franbo Lines Corporation, should not be lower than 100%. and its operational control over Franbo Art Ltd should not be changed.
- (3) On June 28, 2023, the Company's second-tier subsidiary, Franbo Art Ltd., signed a credit facility agreement with E.SUN BANK. The total amount of credit agreement was USD 17,800 thousand, the credit term was 7 years, and the Company and the related parties, TSAI,PANG-CHUAN and TSAI,CHING-CHUNG, were joint guarantors and should keep the commitments which were recorded on the credit agreements, the commitments were as follows:
- A. From the date of the first withdrawal, the collateral, vessels, should be appraised at least once a year by the appraisal company which was admitted by this bank, and the original of appraisal report should be provided to this bank.
 - B. Since 2023, the LTV ratio is reviewed annually. If the LTV ratio exceeds 80%, the borrower should repay the certain excess amount of the borrowings or provide collateral approved by the bank to restore the LTV ratio to 60%.

(4) On March 31, 2022, the Company's second-tier subsidiary, Franbo Art Ltd., signed a credit facility agreement with Taiwan Cooperative Bank. The total amount of credit agreement was USD 18,777 thousand, the credit term was 7 years, and the Company and the related parties, TSAI,PANG-CHUAN and TSAI,CHING-CHUNG, were joint guarantors and should keep the commitments which were recorded on the credit agreements, the commitments were as follows:

- A. From the date of the first withdrawal, the collateral, vessels, should be appraised at least once a year by the appraisal company which was admitted by this bank, and the original of appraisal report should be provided to this bank.
- B. Since 2024, the LTV ratio is reviewed annually. If the LTV ratio exceeds 65%, the borrower should repay the certain excess amount of the borrowings or provide collateral approved by the bank to restore the LTV ratio to 65%.

(5) On August 30, 2024, the Company's second-tier subsidiary, Franbo Bravo Ltd., signed a credit facility agreement with Mega International Commercial Bank. The total amount of credit agreement was USD 18,777 thousand, the credit term was 7 years, and the Company and the related parties, TSAI,PANG-CHUAN and TSAI,CHING-CHUNG, were joint guarantors and should keep the commitments which were recorded on the credit agreements, the commitments were as follows:

- A. Based on the consolidated financial statements which were annually attested by auditors of the joint guarantor of a juridical person, Franbo Lines Corporation, and the second quarter consolidated financial statements which were annually reviewed by auditors as the calculation basis and would be verified every half-year. The interest coverage ratio could not be lower than three times (earnings before interest and taxes + interest expenses + depreciation and amortisation/ interest expenses). The net tangible assets value (net assets reduce intangible assets): Not be lower than NT\$1 billion. If any of the abovementioned financial ratios cannot be met, the credit interest rate will be increased by 0.25% per annum from the next period. If there are consecutive violations of the above requirements for two times, the credit interest rate will be further increased by 0.5% per annum from the next period, and the credit terms will be renegotiated.
- B. From the date of the first withdrawal, the collateral, vessels, should be appraised at least once a year by the appraisal company which was admitted by this bank, and the original of appraisal report should be provided to this bank.
- C. Since 2024, LTV ratio is reviewed annually, if the LTV ratio exceeds 70%, the borrower should repay the certain excess amount of the borrowings or provide collateral approved by the bank to restore the LTV ratio to 70%.

(6) Capital expenditures contracted but not yet incurred

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Ship equipment	\$ 4,585,649	\$ 1,537,711

(5) The major contractual commitments of the Group's vessels for charter are as follows:

Renters	Vessel Equipment	Charterers	Lease Period	Rent Calculation	Main Terms
Franbo Logos S.A.	NORD LOGOS	Non-relative	From March 2024 to July 2025, 1.33 years	Note 1	Note 3,4
Franbo Logic S.A.	THORCO LOGIC	Non-relative	From May 2021 to September 2025, 4.33 years	Note 1	Note 3,4
Franbo Lohas S.A.	THORCO LOHAS	Non-relative	From August 2021 to May 2025, 3.75 years	Note 1	Note 3,4
Franbo Legion Ltd	FAIRWIND LEGION	Non-relative	From May 2021 to September 2025, 4.33 years	Note 1	Note 3,4
FB Pioneer Ltd.	SINOWAY LILY	Non-relative	From August 2019 to April 2026, 6.67 years	Note 2	-
Franbo Bright Ltd.	IMARI	Non-relative	From December 2021 to December 2025, 4 years	Note 2	Note 3,4
Franbo Ace Ltd.	FRANBO ACE	Non-relative	From March 2023 to March 2028, 5 years	Note 2	Note 3,4
Franbo Art Ltd.	MERGANSER	Non-relative	From April 2023 to April 2028, 5 years	Note 1	Note 3,4
Franbo Cosmos Ltd.	NORVIC HOUSTION	Non-relative	From September 2023 to September 2028, 5 years	Note 2	Note 3,4
Franbo Century Ltd.	NORVIC SINGAPORE	Non-relative	From November 2023 to November 2028, 5 years	Note 2	Note 3,4
Franbo Brave Ltd.	FRANBO BRAVE	Non-relative	From June 2024 to June 2026, 2 years	Note 2	Note 3,4
Franbo Bravo Ltd.	FRANBO BRAVO	Non-relative	From September 2024 to September 2026, 2 years	Note 2	Note 3,4
Franbo Way Ltd.	MANDARIN KAOHSIUNG	Non-relative	From December 2024 to December 2029, 5 years	Note 2	-

Note 1: Rent was calculated daily according to the actual days of sailing and was charged twice a month.

Note 2: Rent was calculated daily according to the actual days of sailing and was charged once a month.

Note 3: The lessor shall afford all of employees' board expenses, wages and consular fees when embarkation and disembarkation, as well as insurance expense of vessels and materials for all cabins, deck, engine room and other necessary materials, which including freshwater for boiler and normal freshwater. The lessor shall maintain the ship class and keep the hull, ship engine and equipment in sufficiently effective status during the lease period.

Note 4: The lessee shall pay for fuels (except otherwise regulated), terminal handling charge, pilotage fee, agency fee, commissions, consular fees (except consular fees for sailors) and regular necessary expenses other than the aforementioned expenses. However, if the current vessel entering port for the reason of its own responsibilities, the owner of the vessel shall pay for all incurring expenses.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

- A. The distribution of 2024 earnings and the effective date of the conversion and issuance of the fifth unsecured convertible bonds were resolved by the Company's Board of Directors on March 11, 2025. Refer to Notes 6(17) and 6(19) for more details.
- B. On March 11, 2025, the Board of Directors of the Company resolved the cash capital reduction of its second-tier subsidiaries, Franbo Way Limited and TW Hornbill Line S.A., in January 2025 and February 2025, for a total amount of USD 26,200 thousand.
- C. On March 11, 2025, the Board of Directors of the Company resolved to increase capital of its 100% owned subsidiary, Franbo Asset Management Co., Ltd., with \$130,000 in cash and authorized the chairman to handle follow-up matters.
- D. On March 11, 2025, the Board of Directors of the Company resolved that its second-tier subsidiaries, Franbo Logos S.A., Franbo Logic S.A., Franbo Lohas S.A. and Franbo Legion Ltd., disposed their respective vessels, Nord Logos, Franbo Logic, Franbo Lohas and Fairwind Legion, at market prices above the vessels' book values, respectively, and authorized the chairman to fully execute all necessary businesses of the case in accordance with the relevant regulations. In addition, the transaction shall be reported to the most recent board meeting thereafter.
- E. On March 11, 2025, the Board of Directors of the Company resolved that its second-tier subsidiary, Franbo Monica Shipping Ltd., disposed its respective vessels at market prices above the original purchase prices, and authorized the chairman to fully execute all necessary businesses of the case in accordance with the relevant regulations.

12. Others

(1) Capital management

The Group's capital management objective was to secure the ability of going-concern in order to return to the shareholders and maintain optimal capital structure. Because the Group should maintain or adjust the capital structure, the Group's objectives when managing capital are to secure necessary financial resources and operating plans to meet the needs of operating funds for the next 12 months, capital expenditure, debt repayment and dividend payment.

For the year ended December 31, 2024, the Group's strategy was the same as that in 2023 and was dedicated to maintaining a stable debt to assets ratio. The Group's debt to assets ratios were as follows:

	December 31, 2024	December 31, 2023
Total liabilities	\$ 4,196,182	\$ 2,730,305
Total assets	\$ 12,237,555	\$ 8,933,085
Debt to assets ratio	34%	31%

(2) Financial instruments

A. Financial instruments by category

	December 31, 2024	December 31, 2023
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss (Note 1)	\$ 5,898	\$ 9,200
Financial assets at fair value through other comprehensive income that are designation of equity instrument	2,996	2,996
Financial assets at amortised cost/Loans and receivables		
Cash and cash equivalents	475,521	448,715
Accounts receivable	30	56
Finance lease receivables	1,054,561	1,367,725
Guarantee deposits paid (Note 2)	725	725
Other financial assets (Note 3)	34,190	16,973
	<u>\$ 1,573,921</u>	<u>\$ 1,846,390</u>
	December 31, 2024	December 31, 2023
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 55,000	\$ -
Accounts payable	6,840	9,020
Other payables	125,478	134,567
Other current liabilities, others	51,992	53,951
Corporate bonds payable (including current portion)	822,424	581,773
Long-term borrowings (including current portion and liabilities directly related to non-current assets held or sale)	2,947,138	1,644,604
Guarantee deposits received	68,377	111,597
Other non-current liabilities, others	6,978	55,229
	<u>\$ 4,084,227</u>	<u>\$ 2,590,741</u>

Note 1: Shown as “current financial assets at fair value through profit or loss”.

Note 2: Shown as “other non-current assets - others”.

Note 3: Shown as “non-current financial assets at amortised cost”.

B. Financial risk management policies

- (a) The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group’s operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- ii. The Group’s businesses involve some non-functional currency operations (the Group’s functional currency: NTD; subsidiaries’ functional currency: USD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

(Foreign currency: functional currency)	December 31, 2024		
	Foreign currency amount (In thousands)	Exchange rate	Carrying amount (New Taiwan dollar)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 396	32.79	\$ 12,985
<u>Non-monetary items</u>			
USD:NTD (Note)	373	32.79	12,230
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	6,170	32.79	202,314

Note: Investments accounted for using equity method.

(Foreign currency: functional currency)	December 31, 2023		
	Foreign currency amount (In thousands)	Exchange rate	Carrying amount (New Taiwan dollar)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 21	30.71	\$ 645
<u>Non-monetary items</u>			
USD:NTD (Note)	823	30.71	25,278
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	6,171	30.71	189,511

Note: Investments accounted for using equity method.

iii. Total exchange loss, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2024 and 2023, amounted to \$21,536 and \$5,565, respectively.

iv. Analysis of foreign currency market risk arising from significant foreign exchange variation:

(Foreign currency: functional currency)	Year ended December 31, 2024		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 130	\$ -
<u>Non-monetary items</u>			
USD:NTD	1%	-	122
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	2,023	-

Year ended December 31, 2023			
Sensitivity analysis			
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 6	\$ -
<u>Non-monetary items</u>			
USD:NTD	1%	-	253
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	1,895	-

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise domestic beneficiary certificates and unlisted stocks of equity instruments and foreign corporate bonds. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2024 and 2023 would have increased/decreased by \$59 and \$88, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other comprehensive profit or loss for the years ended December 31, 2024 and 2023 would have increased/decreased by \$30, as a result of gains/losses on equity instruments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 2024 and 2023, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars and US Dollars.
- ii. The Group's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- iii. If the borrowing interest rate had increased/decreased by 0.25% with all other variables held

constant, profit, net of tax for the years ended December 31, 2024 and 2023 would have increased/decreased by \$7,268 and \$3,289, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at fair value through profit or loss.
- ii. According to the Group's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and service terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.
- iii. The Group adopts following assumptions under IFRS 9, if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.
- v. The Group classifies customer's accounts receivable, contract assets and rents receivable in accordance with geographic area, credit rating of customer, credit risk on trade and customer types. The Group applies the modified approach based on the loss rate methodology to estimate the expected credit loss.
- vi. The Group used the forecastability of adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2024 and 2023, the loss rate methodology is as follows:

	Expected loss rate		
	Up to 30 days past due	31 days to 90 days past due	Over 90 days past due
<u>December 31, 2024</u>	0%~0.17%	0.34%~0.51%	100%
	Expected loss rate		
	Not past due	31 days to 90 days past due	Over 90 days past due
<u>December 31, 2023</u>	0%~0.24%	0.49%~0.73%	100%

- vii. The beginning and ending balances for the years ended December 31, 2024 and 2023 of the Group's application of the modified approach on loss allowance for accounts receivable were all \$0. For the years ended December 31, 2024 and 2023, the Group had no impairment loss

or benefit of receivables which were generated contracting with customers.

(c) Liquidity risk

- i. The objectives for managing liquidity risk are maintaining cash and deposits needed for operations and adequate borrowing credits to ensure the Group is financially flexible.
- ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity and undiscounted amount groups and aggregately listed the Group's financial liabilities which were contracted the repayment period:

	December 31, 2024		
	Within 1 year	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities:			
Short-term borrowings	\$ 56,443	\$ -	\$ -
Account payable	6,840	-	-
Other payables	125,478	-	-
Other current liabilities, others	51,992	-	-
Long-term borrowings (including current portion)	420,652	606,602	2,663,225
Bonds payable (including current portion)	215,900	57,300	590,000
Other non-current liabilities, others	-	6,978	-
	December 31, 2023		
	Within 1 year	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities:			
Account payable	\$ 9,020	\$ -	-
Other payables	134,567	-	-
Other current liabilities, others	53,951	-	-
Long-term borrowings (including current portion)	282,618	279,864	1,628,985
Bonds payable (including current portion)	-	465,000	131,500
Other non-current liabilities, others	-	53,951	1,278

Derivative financial liabilities :

As of December 31, 2024 and 2023 , the Group has no derivative financial liabilities.

(3) Fair value information

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair

value of the Group's investment in beneficiary certificates is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value:

(a) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, accounts receivable, finance lease receivable financial assets at amortised cost, guarantee deposits paid (shown as "other non-current assets, others"), short-term borrowings, account payable other payables, long-term borrowings (including current portion), guarantee deposits and other non-current liabilities-others received are approximate to their fair values.

		December 31, 2024		
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 822,424	\$ -	\$ -	\$ 827,622
		December 31, 2023		
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 581,773	\$ -	\$ -	\$ 581,822

(b) The methods and assumptions of fair value estimate are as follows:

Bonds payable: They are measured at present value, which is calculated based on the cash flow expected to be paid and discounted using a market rate prevailing at balance sheet date.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(a) The related information of natures of the assets and liabilities is as follows:

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 3,282	\$ -	\$ -	\$ 3,282
Callable Bonds	1,586	-	-	1,586
Foreign corporate bond	1,030	-	-	1,030
Option to convert embedded corporate bonds	-	-	87	87
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	2,996	2,996
	<u>\$ 5,898</u>	<u>\$ -</u>	<u>\$ 3,083</u>	<u>\$ 8,981</u>
December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 6,316	\$ -	\$ -	\$ 6,316
Callable Bonds	1,480	-	-	1,480
Foreign corporate bond	1,007	-	-	1,007
Option to convert embedded corporate bonds	-	-	397	397
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	2,996	2,996
<u>Non-recurring fair value measurements</u>				
Non-current assets classified as held for sale	-	-	73,086	73,086
	<u>\$ 8,803</u>	<u>\$ -</u>	<u>\$ 76,479</u>	<u>\$ 85,282</u>

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Open-end fund	Corporate bond
Market quoted price	Net asset value	Referable redemption price

- ii. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions.
- iii. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in

order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

- iv. Due to the lack of sufficient or appropriate observable market information and equity instruments of comparable counterparties, the Group adopted the net asset value method to value equity instruments without active market (such as: unlisted stocks) to approximate the current profitability of the investment target

D. For the years ended December 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3 for the years ended December 31, 2024 and 2023.

	2024	
	Derivative instruments	Non-derivative instruments
January 1	\$ 397	\$ 2,996
Gains and losses recognised in profit or loss (Note 1) (	422)	-
Issued in the period	295	-
Conversion or repurchase in the period	(183)	-
December 31	<u>\$ 87</u>	<u>\$ 2,996</u>
	2023	
	Derivative instruments	Non-derivative instruments
January 1	\$ 880	\$ -
Gains and losses recognised in profit or loss (Note 1) (	377)	-
Gains or losses recognized in other comprehensive profit or loss (Note 2)	- (	4)
Issued in the period	320	3,000
Conversion or repurchase in the period	(426)	-
December 31	<u>\$ 397</u>	<u>\$ 2,996</u>

Note 1: Accounted as other gains and losses.

Note 2: Recorded as unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income.

F. The following chart is the movement of Level 3 for the years ended December 31, 2024 and 2023:

G. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at	Valuation	Significant	Range	Relationship of
Hybrid instrument:	December 31, 2024	technique	unobservable input	(weighted average)	inputs to fair value
Convertible bonds	\$ 87	The Binomial-Tree approach to convertible bonds	Stock price volatility	31.02%~36.01%	The higher the price volatility, the higher the fair value
Non-derivative equity instrument:					
Unlisted stocks	\$ 2,996	Net asset value	Not applicable.	Not applicable.	Not applicable.
Hybrid instrument:	December 31, 2023	technique	unobservable input	Range	Relationship of
Convertible bonds	\$ 397	The Binomial-Tree approach to convertible bonds	Stock price volatility	27.46%~46.75%	The higher the price volatility, the higher the fair value
Non-derivative equity instrument:					
Unlisted stocks	\$ 2,996	Net asset value	Not applicable.	Not applicable.	Not applicable.
Non-current assets held for sale:					
Vessels equipment	\$ 99,680	Market approach	Not applicable.	Not applicable.	Not applicable.

- I. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

December 31, 2024						
	Input	Change	Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Derivative instruments	Stock price volatility	±5%	\$ -	\$ -	\$ -	\$ -
	Stock price volatility	±5%	\$ 30	(\$ 20)	\$ -	\$ -
	Stock price volatility	±5%	\$ 10	(\$ 10)	\$ -	\$ -

The above are the evaluation impacts of the fifth, sixth and seventh domestic unsecured convertible corporate bonds.

December 31, 2023						
	Input	Change	Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Derivative instruments	Stock price volatility	±5%	\$ 60	(\$ 20)	\$ -	\$ -
	Stock price volatility	±5%	\$ 100	(\$ 70)	\$ -	\$ -

The above are the evaluation impacts of the fifth and sixth domestic unsecured convertible corporate bonds.

13. Supplementary Disclosures

(1) Significant transactions information

According to the current regulatory requirements, the Company is only required to disclose the information for the year ended December 31, 2024, the required disclosure information of each investee was prepared according to the 2024 financial statements which were attested by auditors and was disclosed according to each consolidated entities, and the consolidated write-offs and adjustment would not be included into consideration.

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Group's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 5.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2) and 12(3).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 7.

(3) Information on investments in Mainland China

- A. Basic information: None.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Major shareholders information: Please refer to table 8.

14. Segment Information

(1) General information

The Group operates business only in a single industry. The chief operating decision-maker, who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Measurement of segment information

The Group is the only one reportable operating segment, and the reportable operating segment information which is provided to the chief operating decision-maker is the financial statements prepared under generally accepted auditing standards.

(3) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Year ended December 31	
	2024	2023
Revenue from external customers	\$ 1,654,400	\$ 1,337,660
Inter-segment revenue	-	-
Interest income	20,716	33,187
Interest expense	161,809	96,026
Depreciation and amortisation	326,843	250,716
Reportable segments income before tax	605,715	519,031
Assets of reportable segments	12,237,555	8,933,085
Capital expenditure of non-current assets of reportable segment	3,423,548	2,516,754
Liabilities of reportable segments	4,196,182	2,730,305

(4) Reconciliation for segment income (loss)

The revenue reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income. The amounts provided to the chief operating decision maker with respect to reportable segments income/(loss) before tax, total assets and total liabilities are measured in a manner consistent with that of the financial statements.

(5) Information on products and services

	Year ended December 31	
	2024	2023
Income from lease and management of vessels	\$ 1,654,400	\$ 1,337,660

(6) Geographical information

Geographical information for the years ended December 31, 2024 and 2023 is as follows:

	Year ended December 31, 2024		Year ended December 31, 2023	
	Revenue (Note 1)	Non-current assets (Note 2)	Revenue (Note 1)	Non-current assets (Note 2)
Japan	\$ 463,921	\$ -	\$ 327,566	\$ -
China	163,531	-	207,764	-
Denmark	460,822	-	497,629	-
Singapore	384,652	-	175,801	-
Canada	180,809	-	126,520	-
Ireland	-	- (	333)	-
Taiwan	-	49,448	2,041	49,917
Panama	318	1,916,997	336	1,667,752
Marshall	347	8,581,175	336	5,635,518
	<u>\$ 1,654,400</u>	<u>\$ 10,547,620</u>	<u>\$ 1,337,660</u>	<u>\$ 7,353,187</u>

Note 1: The revenue is classified by the country where the customer is located.

Note 2: Non-current assets excluded non-current financial assets at fair value through profit or loss, non-current financial assets at amortised cost, investments accounted for using the equity method, deferred income tax assets and other non-current assets, others.

(7) Major customer information

Major customer information of the Group for the years ended December 31, 2024 and 2023 is as follows:

	<u>Year ended December 31, 2024</u>		<u>Year ended December 31, 2023</u>	
	<u>Revenue</u>	<u>Segment</u>	<u>Revenue</u>	<u>Segment</u>
A	\$ 441,956	All companies and subsidiaries	\$ 413,818	All companies and subsidiaries
B	327,815	All companies and subsidiaries	69,147	All companies and subsidiaries
C	222,365	All companies and subsidiaries	97,211	All companies and subsidiaries
D	185,146	All companies and subsidiaries	175,779	All companies and subsidiaries
E	180,809	All companies and subsidiaries	126,520	All companies and subsidiaries

Table 1

FRANBO LINES CORPORATION
Loans to others
Year ended December 31, 2024

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended	Balance at	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					December 31, 2024	December 31, 2024						Counterparty doubtful accounts	Item	Value			
0	Franbo Lines Corporation	Franbo Asset Management Co., Ltd.	Other receivables due from related parties	Y	\$ 350,000	\$ 150,000	\$ 53,000	-	Short-term financing	\$ -	Operating turnover	\$ -	None	-	\$ 747,868	\$ 1,495,736	Notes 1 ~ 3
0	Franbo Lines Corporation	FB Propriety Real Estate Development Co., Ltd.	Other receivables due from related parties	Y	220,000	20,000	-	-	Short-term financing	-	Operating turnover	-	None	-	747,868	1,495,736	Notes 1 ~ 3
0	Franbo Lines Corporation	FB Integrity Real Estate Development Co., Ltd	Other receivables due from related parties	Y	20,000	20,000	-	-	Short-term financing	-	Operating turnover	-	None	-	747,868	1,495,736	Notes 1 ~ 3
1	New Lucky Lines S.A.	Franbo Lines Corporation	Other receivables due from related parties	Y	262,320	98,370	-	-	Short-term financing	-	Operating turnover	-	None	-	2,089,068	6,963,560	Notes 1 ~ 4
1	New Lucky Lines S.A.	FWF Shipping Ltd.	Other receivables due from related parties	Y	65,580	-	-	-	Short-term financing	-	Operating turnover	-	None	-	2,089,068	6,963,560	Notes 1 ~ 4
1	New Lucky Lines S.A.	Franbo Wind S.A.	Other receivables due from related parties	Y	163,950	-	-	-	Short-term financing	-	Operating turnover	-	None	-	2,089,068	6,963,560	Notes 1 ~ 4
1	New Lucky Lines S.A.	Franbo Lohas S.A.	Other receivables due from related parties	Y	65,580	65,580	25,248	-	Short-term financing	-	Operating turnover	-	None	-	2,089,068	6,963,560	Notes 1 ~ 4
1	New Lucky Lines S.A.	Franbo Legion Ltd.	Other receivables due from related parties	Y	180,345	32,790	-	-	Short-term financing	-	Operating turnover	-	None	-	2,089,068	6,963,560	Notes 1 ~ 4
1	New Lucky Lines S.A.	Franbo Legacy Ltd.	Other receivables due from related parties	Y	32,790	-	-	-	Short-term financing	-	Operating turnover	-	None	-	2,089,068	6,963,560	Notes 1 ~ 4
1	New Lucky Lines S.A.	FB Pioneer Ltd.	Other receivables due from related parties	Y	65,580	-	-	-	Short-term financing	-	Operating turnover	-	None	-	2,089,068	6,963,560	Notes 1 ~ 4
1	New Lucky Lines S.A.	FB Navigation Ltd.	Other receivables due from related parties	Y	65,580	-	-	-	Short-term financing	-	Operating turnover	-	None	-	2,089,068	6,963,560	Notes 1 ~ 4
1	New Lucky Lines S.A.	Franbo Ocean Ltd.	Other receivables due from related parties	Y	295,110	295,110	151,490	-	Short-term financing	-	Operating turnover	-	None	-	2,089,068	6,963,560	Notes 1 ~ 4
1	New Lucky Lines S.A.	Franbo Bright Ltd.	Other receivables due from related parties	Y	262,320	131,160	34,430	-	Short-term financing	-	Operating turnover	-	None	-	2,089,068	6,963,560	Notes 1 ~ 4
1	New Lucky Lines S.A.	Franbo Ace Ltd.	Other receivables due from related parties	Y	131,160	131,160	49,185	-	Short-term financing	-	Operating turnover	-	None	-	2,089,068	6,963,560	Notes 1 ~ 4
1	New Lucky Lines S.A.	Franbo Art Ltd.	Other receivables due from related parties	Y	131,160	131,160	97,386	-	Short-term financing	-	Operating turnover	-	None	-	2,089,068	6,963,560	Notes 1 ~ 4
1	New Lucky Lines S.A.	Franbo Century Ltd.	Other receivables due from related parties	Y	623,010	262,320	162,966	-	Short-term financing	-	Operating turnover	-	None	-	2,089,068	6,963,560	Notes 1 ~ 4
1	New Lucky Lines S.A.	Franbo Brave Ltd.	Other receivables due from related parties	Y	754,170	327,900	49,185	-	Short-term financing	-	Operating turnover	-	None	-	2,089,068	6,963,560	Notes 1 ~ 4
1	New Lucky Lines S.A.	Franbo Bravo Ltd.	Other receivables due from related parties	Y	65,580	-	-	-	Short-term financing	-	Operating turnover	-	None	-	2,089,068	6,963,560	Notes 1 ~ 4
1	New Lucky Lines S.A.	BCTS Capital Inc.	Other receivables due from related parties	Y	65,580	-	-	-	Short-term financing	-	Operating turnover	-	None	-	2,089,068	6,963,560	Notes 1 ~ 4

Table 1

FRANBO LINES CORPORATION
Loans to others
Year ended December 31, 2024

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended	Balance at	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for Creditor Counterparty doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					December 31, 2024	December 31, 2024							Item	Value			
2	Uni-Morality Lines Ltd.	Franbo Lines Corporation	Other receivables due from related parties	Y	118,044	118,044	118,044	-	Short-term financing	-	Operating turnover	-	None	-	118,717	118,717	Notes 1 ~ 4
3	FWF Shipping Limited.	New Lucky Lines S.A.	Other receivables due from related parties	Y	229,530	131,160	73,778	-	Short-term financing	-	Operating turnover	-	None	-	594,292	594,292	Notes 1 ~ 4
3	FWF Shipping Limited.	Franbo Lines Corporation	Other receivables due from related parties	Y	196,740	98,370	84,270	-	Short-term financing	-	Operating turnover	-	None	-	594,292	594,292	Notes 1 ~ 4
4	Franbo Shipping S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	163,950	131,160	104,600	-	Short-term financing	-	Operating turnover	-	None	-	172,857	172,857	Notes 1 ~ 4
5	Franbo Transportation S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	180,345	180,345	125,914	-	Short-term financing	-	Operating turnover	-	None	-	188,489	188,489	Notes 1 ~ 4
6	TW Hornbill Lines S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	190,182	-	-	-	Short-term financing	-	Operating turnover	-	None	-	-	-	Notes 1 ~ 4
7	Franbo Logos S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	65,580	32,790	29,511	-	Short-term financing	-	Operating turnover	-	None	-	457,588	457,588	Notes 1 ~ 4
8	Franbo Logic S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	163,950	131,160	66,564	-	Short-term financing	-	Operating turnover	-	None	-	493,280	493,280	Notes 1 ~ 4
9	Franbo Lohas S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	65,580	-	-	-	Short-term financing	-	Operating turnover	-	None	-	400,918	400,918	Notes 1 ~ 4
10	Franbo Sagacity S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	88,533	65,580	65,580	-	Short-term financing	-	Operating turnover	-	None	-	69,063	69,063	Notes 1 ~ 4
11	Franbo Way Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	380,364	-	-	-	Short-term financing	-	Operating turnover	-	None	-	767,334	767,334	Notes 1 ~ 4
12	Franbo Ocean Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	65,580	-	-	-	Short-term financing	-	Operating turnover	-	None	-	325,070	325,070	Note 1 ~ 4
13	FB Pioneer Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	65,580	32,790	-	-	Short-term financing	-	Operating turnover	-	None	-	67,449	67,449	Notes 1 ~ 4
14	FB Navigation Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	100,010	-	-	-	Short-term financing	-	Operating turnover	-	None	-	-	-	Notes 1 ~ 4
15	Franbo Legacy Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	229,530	98,370	62,957	-	Short-term financing	-	Operating turnover	-	None	-	278,660	278,660	Notes 1 ~ 4
16	Franbo Ace Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	65,580	-	-	-	Short-term financing	-	Operating turnover	-	None	-	397,090	397,090	Notes 1 ~ 4
17	Franbo Art Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	65,580	-	-	-	Short-term financing	-	Operating turnover	-	None	-	368,034	368,034	Notes 1 ~ 4

Table 1

FRANBO LINES CORPORATION
Loans to others
Year ended December 31, 2024

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended	Balance at	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for Creditor Counterparty doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					December 31, 2024	December 31, 2024							Item	Value			
18	Franbo Cosmos Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	196,740	98,370	77,712	-	Short-term financing	-	Operating turnover	-	None	-	490,138	490,138	Notes 1 ~ 4
19	Franbo Brave Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	65,580	-	-	-	Short-term financing	-	Operating turnover	-	None	-	406,885	406,885	Notes 1 ~ 4
20	BCTS Capital Inc.	New Lucky Lines S.A.	Other receivables due from related parties	Y	160,671	95,091	84,270	-	Short-term financing	-	Operating turnover	-	None	-	97,104	97,104	Notes 1 ~ 4
21	Franbo Wind S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	32,790	32,790	20,002	-	Short-term financing	-	Operating turnover	-	None	-	229,028	229,028	Notes 1 ~ 4
22	Franbo Bravo Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	295,110	295,110	42,725	-	Short-term financing	-	Operating turnover	-	None	-	726,351	726,351	Notes 1 ~ 4
23	Franbo Century Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	49,185	49,185	-	-	Short-term financing	-	Operating turnover	-	None	-	437,211	437,211	Notes 1 ~ 4
24	Franbo Legion Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	65,580	65,580	17,051	-	Short-term financing	-	Operating turnover	-	None	-	335,326	335,326	Notes 1 ~ 4
25	Prevalent Creation Corp.	New Lucky Lines S.A.	Other receivables due from related parties	Y	5,902	5,902	5,574	-	Short-term financing	-	Operating turnover	-	None	-	6,105	6,105	Notes 1 ~ 4
26	Franbo Asset Management Co., Ltd.	FB Propriety Real Estate Development Co., Ltd.	Other receivables due from related parties	Y	30,000	-	-	-	Short-term financing	-	Operating turnover	-	None	-	592,345	592,345	Notes 1 ~ 3
26	Franbo Asset Management Co., Ltd.	FB Integrity Real Estate Development Co., Ltd.	Other receivables due from related parties	Y	60,000	-	-	-	Short-term financing	-	Operating turnover	-	None	-	592,345	592,345	Notes 1 ~ 3
27	FB Propriety Real Estate Development Co., Ltd.	Franbo Asset Management Co., Ltd.	Other receivables due from related parties	Y	30,000	-	-	-	Short-term financing	-	Operating turnover	-	None	-	216,433	216,433	Notes 1 ~ 3
28	Franbo Justice Buiding Development Co., Ltd	Franbo Asset Management Co., Ltd.	Other receivables due from related parties	Y	110,000	60,000	40,000	-	Short-term financing	-	Operating turnover	-	None	-	126,659	126,659	Notes 1 ~ 3

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

- (1)The Company is ‘0’.
- (2)The subsidiaries are numbered in order starting from ‘1’.

Note 2: According to the Company’s directions of loans to others, the limit of the Company’s loan to individuals could not exceed 10% of the Company’s net assets. Except for the limit of the Group’s subsidiary, New Lucky Lines S.A., loans to individuals could not exceed 30% of its net assets , other subsidiaries in the Group all could not exceed 100% of the subsidiary’s net assets.

Note 3: According to the Company’s directions of loans to others, the limit of total loans to others by the Company could not exceed 20% of the Company’s net assets, and the limit of total loans to others by the Group’s subsidiaries could not exceed 100% of the subsidiary’s net assets.

Note 4: The exchange rates of United States dollars were translated into New Taiwan dollars at the rate of 32.79 on the reporting date.

FRANBO LINES CORPORATION
Provision of endorsements and guarantees to others
Year ended December 31, 2024

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Endorser/guarantor	Party being endorsed/ guaranteed		Limit on endorsements/guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2024	Outstanding endorsement/ guarantee amount at December 31, 2024	Actual amount drawn down	Amount of endorsements /guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the Endorser/guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements /guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the counterparty											
0	Franbo Lines Corporation	Franbo Ace Ltd.	Note 2	\$ 7,478,681	\$ 565,628	\$ 565,628	\$ 565,628	\$ -	7.56%	\$ 37,393,405	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Art Ltd.	Note 2	7,478,681	565,628	565,628	565,628	-	7.56%	37,393,405	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Cosmos Ltd.	Note 2	7,478,681	608,255	583,662	583,662	-	7.80%	37,393,405	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Century Ltd.	Note 2	7,478,681	786,960	782,042	585,302	-	10.46%	37,393,405	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Brave Ltd.	Note 2	7,478,681	615,698	615,698	615,698	-	8.23%	37,393,405	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Bravo Ltd.	Note 2	7,478,681	615,698	615,698	615,698	-	8.23%	37,393,405	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Ocean Ltd.	Note 2	7,478,681	341,672	-	-	-	-	37,393,405	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Pioneer Ltd.	Note 2	7,478,681	78,696	-	-	-	-	37,393,405	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Legacy Ltd.	Note 2	7,478,681	196,740	-	-	-	-	37,393,405	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Wealth Shipping Ltd.	Note 2	7,478,681	440,239	440,239	440,239	-	5.89%	37,393,405	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Charity S.A.	Note 2	7,478,681	440,239	440,239	-	-	5.89%	37,393,405	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Monica Shipping Ltd.	Note 2	7,478,681	440,239	440,239	-	-	5.89%	37,393,405	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Sino Ltd.	Note 2	7,478,681	440,239	440,239	440,239	-	5.89%	37,393,405	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	TW Hornbill Line S.A.	Note 2	7,478,681	298,389	298,389	-	-	3.99%	37,393,405	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Way Limited	Note 2	7,478,681	298,389	298,389	-	-	3.99%	37,393,405	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	FB Navigation Limited	Note 2	7,478,681	275,436	275,436	-	-	3.68%	37,393,405	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	New Lucky Lines S.A.	Note 2	7,478,681	65,580	65,580	-	-	0.88%	37,393,405	Y	N	N	Notes 3, 4 and 5

FRANBO LINES CORPORATION
Provision of endorsements and guarantees to others
Year ended December 31, 2024

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Endorser/guarantor	Party being endorsed/ guaranteed		Limit on endorsements/guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2024	Outstanding endorsement/ guarantee amount at December 31, 2024	Actual amount drawn down	Amount of endorsements /guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the Endorser/guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements /guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the counterparty											
1	FB Propriety Real Estate Development Co., Ltd.	Franbo Lines Corporation	Note 2	216,433	210,000	210,000	210,000	-	97.03%	432,866	N	Y	N	Notes 3, 4 and 6

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Above 50% of equity interests with voting rights of this company were held by the parent company and subsidiaries.

Note 3: According to the Company's directions of endorsement and guarantees, the limit of total endorsed and guaranteed amounts to single affiliated company by the Company, New Lucky Lines S.A., Uni-Morality Lines Ltd., and Franbo Asset Management Co., Ltd. was 100% of that company's net assets, and other subsidiaries of the Group all could not exceed 400% of that company's net assets.

Note 4: According to the Company's directions of endorsement and guarantees, the total endorsed and guaranteed amount of the Company and the Group's subsidiaries, except for New Lucky Lines S.A., Uni-Morality Lines Ltd. and Franbo Asset Management Co., Ltd. could not exceed 200%, 300% and 200% of that company's net assets, the Company and other subsidiaries of the Group all could not exceed 500% of that company's net assets.

Note 5: The exchange rates of United States dollars were translated into New Taiwan dollars at the rate of 32.79 on the reporting date.

Note 6: The subsidiary provided land as a guarantee for the company to apply for financing from the bank

FRANBO LINES CORPORATION
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2024

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

				As of December 31, 2023				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares (unit)	Carrying amount	Ownership (%)	Fair value	Footnote
Franbo Lines Corporation	Corporate bonds with call option(Capable of being called by the issuer) corporate bonds	None	Financial assets at fair value through profit or loss - current	450	\$ 1,030	-	\$ 1,030	Notes 1 、 2
Franbo Lines Corporation	Allianz Global Investors Greater China Fund	None	Financial assets at fair value through profit or loss - current	42,088	848	-	848	Note 3
Franbo Lines Corporation	The 1st issuance of Senior Unsecured Callable Range Accrual Interest Rate Linked Financial Debentures Tranche A of Taiwan Cooperative Bank in 2023	None	Financial assets at fair value through profit or loss - current	500	1,586	-	1,586	Notes 1 、 2
Franbo Lines Corporation	Goldman Sachs US Dollar Credit Y Dis	None	Financial assets at fair value through profit or loss - current	95	997	-	997	Notes 1 、 3
FB Propriety Real Estate DevelopmentCo., Ltd	FSITC Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current	90,000	1,437	-	1,437	Note 3
Franbo Asset Management Co., Ltd.	YU DING JIANG Construction Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	300,000	2,996	14.93%	2,996	-

Note 1: The exchange rates of United States dollars were translated into New Taiwan dollars at the rate of 32.79 on the reporting date.
Note 2: The market price of the corporate bonds referred to referable redemption price at the balance sheet date.
Note 3: The market price of the open-end funds referred to the net value at the balance sheet date.

FRANBO LINES CORPORATION
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital
Year ended December 31, 2024

Table 4 Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the counterparty	Balance as at January 1, 2024		Addition		Disposal			Gain (loss) on disposal	Balance as at December 31, 2024	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value		Number of shares	Amount
Franbo Lines Corporation	New Lucky Lines S.A.	Investments accounted for using equity method	-	Subsidiaries	107,000,000	\$ 5,664,919	23,942,000	\$ 1,522,435 (Note 1)	(6,942,000)	\$ - (\$	223,794) (Note 1)	\$ -	124,000,000	\$ 6,963,560
New Lucky Lines S.A.	Franbo Bravo Ltd.	Investments accounted for using equity method	-	Subsidiaries	6,300,000	193,376	24,877,000	815,946 (Note 2)	(8,777,000)	- (\$	282,970) (Note 2)	-	22,400,000	726,352
New Lucky Lines S.A.	Franbo Wealth Shipping Ltd.	Investments accounted for using equity method	-	Subsidiaries	-	-	9,261,000	303,326 (Note 3)	-	-	-	-	9,261,000	303,326
New Lucky Lines S.A.	Franbo Way Ltd.	Investments accounted for using equity method	-	Subsidiaries	5,000,000	348,598	16,520,000	537,134 (Note 4)	(5,000,000)	- (\$	348,598) (Note 4)	-	16,520,000	537,134

Note 1: From December 31,2024 the Company newly invested \$764,107 and reduce invested \$223,794 in New Lucky Lines S.A., and the investment amount included the investment income (loss) and other comprehensive income recognised in the year.

Note 2: In 2024, New Lucky Lines S.A. newly invested \$795,587 and reduce invested \$282,970 in Franbo Bravo Ltd., and the investment amount included the investment income (loss) and other comprehensive income recog.

Note 3: In 2024, New Lucky Lines S.A. newly invested \$303,668 in Franbo Wealth Shipping Ltd., and the investment amount included the investment income (loss) and recognised in the year.

Note 4: In 2024, New Lucky Lines S.A. newly invested \$541,691 and reduce invested \$348,598 in Franbo Way Ltd., and the investment amount included the investment income (loss) and other comprehensive income recog.

FRANBO LINES CORPORATION

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more

December 31, 2024

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2024	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
New Lucky Lines S.A.	Franbo Ocean Ltd.	Subsidiaries	\$ 151,490	Not applicable	\$ -	\$ -	\$ -	\$ -
New Lucky Lines S.A.	Franbo Century Ltd.	Subsidiaries	162,966	Not applicable	-	-	-	-
Uni-Morality Lines Ltd.	Franbo Lines Corporation	Parent company	118,044	Not applicable	-	-	-	-
Franbo Shipping S.A.	New Lucky Lines S.A.	Parent company	104,600	Not applicable	-	-	-	-
Franbo Transportation S.A.	New Lucky Lines S.A.	Parent company	125,914	Not applicable	-	-	-	-

FRANBO LINES CORPORATION
Significant inter-company transactions during the reporting periods
Year ended December 31, 2024

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Transactions amount between the parent company and subsidiaries or inter-subsidiaries transactions reaching \$10 million were as follows:

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	Franbo Lines Corporation	Franbo Ace Ltd.	1	Endorsements and guarantees	\$ 565,628	Note 4	5%
0	Franbo Lines Corporation	Franbo Art Ltd.	1	Endorsements and guarantees	565,628	Note 4	5%
0	Franbo Lines Corporation	Franbo Cosmos Ltd.	1	Endorsements and guarantees	583,662	Note 4	5%
0	Franbo Lines Corporation	Franbo Century Ltd.	1	Endorsements and guarantees	585,302	Note 4	5%
0	Franbo Lines Corporation	Franbo Brave Ltd.	1	Endorsements and guarantees	615,698	Note 4	5%
0	Franbo Lines Corporation	Franbo Bravo Ltd.	1	Endorsements and guarantees	615,698	Note 4	5%
0	Franbo Lines Corporation	Franbo Wealth Shipping Ltd.	1	Endorsements and guarantees	440,239	Note 4	4%
0	Franbo Lines Corporation	Franbo Sino Ltd.	1	Endorsements and guarantees	440,239	Note 4	4%
0	Franbo Lines Corporation	Uni-Morality Lines Ltd.	1	Other payables	118,044	Notes 4, 6	1%
0	Franbo Lines Corporation	FWF Shipping Ltd.	1	Other payables	84,270	Notes 4, 6	1%
0	Franbo Lines Corporation	Franbo Asset Management Co., Ltd.	1	Other receivables	53,000	Note 6	0%
1	New Lucky Lines S.A.	Franbo Shipping S.A.	3	Other payables	104,600	Notes 4, 6	1%
1	New Lucky Lines S.A.	Franbo Transportation S.A.	3	Other payables	125,914	Notes 4, 6	1%
1	New Lucky Lines S.A.	Franbo Logos S.A.	3	Other payables	29,511	Notes 4, 6	0%
1	New Lucky Lines S.A.	Franbo Logic S.A.	3	Other payables	66,564	Notes 4, 6	1%
1	New Lucky Lines S.A.	Franbo Sagacity S.A.	3	Other payables	65,580	Notes 4, 6	1%
1	New Lucky Lines S.A.	Franbo Legacy Ltd.	3	Other payables	62,957	Notes 4, 6	1%
1	New Lucky Lines S.A.	Franbo Cosmos Ltd.	3	Other payables	77,712	Notes 4, 6	1%
1	New Lucky Lines S.A.	BCTS Capital Inc.	3	Other payables	84,270	Notes 4, 6	1%
1	New Lucky Lines S.A.	Franbo Wind S.A.	3	Other payables	20,002	Notes 4, 6	0%
1	New Lucky Lines S.A.	Franbo Bravo Ltd.	3	Other payables	42,725	Notes 4, 6	0%
1	New Lucky Lines S.A.	Franbo Legion S.A.	3	Other payables	17,051	Notes 4, 6	0%
1	New Lucky Lines S.A.	FWF Shipping Ltd.	3	Other payables	73,778	Notes 4, 6	1%
1	New Lucky Lines S.A.	Franbo Lohas S.A.	3	Other receivables	25,248	Notes 4, 6	0%
1	New Lucky Lines S.A.	Franbo Ocean Ltd.	3	Other receivables	151,490	Notes 4, 6	1%
1	New Lucky Lines S.A.	Franbo Bright Ltd.	3	Other receivables	34,430	Notes 4, 6	0%

FRANBO LINES CORPORATION
Significant inter-company transactions during the reporting periods
Year ended December 31, 2024

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Transactions amount between the parent company and subsidiaries or inter-subsidiaries transactions reaching \$10 million were as follows:

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	New Lucky Lines S.A.	Franbo Ace Ltd.	3	Other receivables	\$ 49,185	Notes 4, 6	0%
1	New Lucky Lines S.A.	Franbo Art Ltd.	3	Other receivables	97,386	Notes 4, 6	1%
1	New Lucky Lines S.A.	Franbo Century Ltd.	3	Other receivables	162,966	Notes 4, 6	1%
1	New Lucky Lines S.A.	Franbo Brave Ltd.	3	Other receivables	49,185	Notes 4, 6	0%
1	New Lucky Lines S.A.	Franbo Logos S.A.	3	Ship rental expenses	82,036	Note 5	5%
1	New Lucky Lines S.A.	Franbo Logic S.A.	3	Ship rental expenses	86,917	Note 5	5%
1	New Lucky Lines S.A.	Franbo Lohas S.A.	3	Ship rental expenses	87,648	Note 5	5%
1	New Lucky Lines S.A.	Franbo Legion Ltd.	3	Ship rental expenses	86,055	Note 5	5%
	New Lucky Lines S.A.	Franbo Bright Ltd.	3	Ship rental expenses	87,131	Note 5	5%
1	New Lucky Lines S.A.	Franbo Cosmos Ltd.	3	Ship rental expenses	104,140	Note 5	6%
1	New Lucky Lines S.A.	Franbo Century Ltd.	3	Ship rental expenses	103,507	Note 5	6%
1	New Lucky Lines S.A.	Franbo Brave Ltd.	3	Ship rental expenses	52,542	Note 5	3%
1	New Lucky Lines S.A.	Franbo Bravo Ltd.	3	Ship rental expenses	24,601	Note 5	1%
2	FWF Shipping Ltd.	Franbo Ace Ltd.	3	Ship rental expenses	107,215	Note 5	6%
2	FWF Shipping Ltd.	Franbo Art Ltd.	3	Ship rental expenses	107,215	Note 5	6%
3	Franbo Justice Buiding Development Co., Ltd.	Franbo Asset Management Co., Ltd.	3	Other receivables	40,000	Note 6	0%
4	FB Propriety Real Estate Development Co., Ltd.	Franbo Lines Corporation	3	Endorsements and guarantees	210,000	-	2%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1)Parent company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose repeatedly. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

Note 3: Regarding the percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on the ending balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the current year to consolidated total operating revenues for income statement accounts.

Note 4: The exchange rates of United States dollars were translated into New Taiwan dollars at the rate of 32.79 on the reporting date.

Note 5: The amount was converted into New Taiwan dollars using the average of the monthly buying and selling exchange rate of USD during the reporting period.

Note 6: It was a loan in nature.

FRANBO LINES CORPORATION
Information on investees
Year ended December 31, 2024

											Expressed in thousands of NTD (Except as otherwise indicated)
											Investment income (loss) recognised by the Company for the year ended
Investor	Name of investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024			Net income of investee as of December 31, 2024	December 31, 2024	Footnote
				December 31, 2024	December 31, 2023	Number of shares	Ownership (%)	Book value			
Franbo Lines Corporation	New Lucky Lines S.A.	Marshall	Investment in other area Note 5	\$ 3,849,661	\$ 3,309,348	124,000,000	100	\$ 6,963,560	\$ 350,110	\$ 350,110	Notes 1, 7 and 8
Franbo Lines Corporation	Uni-Morality Lines Ltd.	Hong Kong	Investment in other area	37,700	37,700	1,000,000	100	118,718 (	61) (	61)	Notes 1, 7 and 8
Franbo Lines Corporation	Franbo Asset Management Co., Ltd.	Taiwan	Note 6	620,000	450,000	62,000,000	100	592,346 (	5,240) (	5,240)	Notes 1, 6 and 8
Franbo Lines Corporation	BCTS Capital Inc.	Marshall	Investment in other area	24,879	57,409	1,000,000	100	97,104	53,438	53,438	Notes 1, 7 and 8
Franbo Lines Corporation	FWF Shipping Ltd.	Marshall	Investment in other area	62,452	159,682	2,000,000	100	594,292	211,273	211,273	Notes 1, 7 and 8
New Lucky Lines S.A.	Franbo Shipping S.A.	Panama	Note 5	196,740	196,740	6,000,000	100	172,857	12,707	12,707	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Logos S.A.	Panama	Note 5	311,505	311,505	9,500,000	100	457,589	17,128	17,128	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Logic S.A.	Panama	Note 5	311,505	311,505	9,500,000	100	493,281	17,084	17,084	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Lohas S.A.	Panama	Note 5	104,928	104,928	3,200,000	100	400,919	18,850	18,850	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Sagacity S.A.	Panama	Notes 4 and 5	65,580	65,580	2,000,000	100	69,064	15,232	15,232	Notes 2, 7 and 8
New Lucky Lines S.A.	Prevalent Creation Corp.	Marshall	Note 4	6,558	984	200,000	100	6,106	2	2	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Ocean Ltd.	Marshall	Note 5	163,950	163,950	5,000,000	100	325,071	58,814	58,814	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Legion Ltd.	Marshall	Note 5	278,715	278,715	8,500,000	100	335,326	12,525	12,525	Notes 2, 7 and 8
New Lucky Lines S.A.	FB Pioneer Ltd.	Marshall	Note 5	36,069	393,480	1,100,000	100	67,449	10,291	10,291	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Legacy Ltd.	Marshall	Note 5	131,160	131,160	4,000,000	100	278,660	12,162	12,162	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Ace Ltd.	Marshall	Note 5	393,480	393,480	12,000,000	100	397,091 (	24,337) (	24,337)	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Bright Ltd.	Marshall	Note 5	229,530	114,765	7,000,000	100	233,800	9,266	9,266	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Cosmos Ltd.	Marshall	Note 5	541,035	541,035	16,500,000	100	490,138 (	28,356) (	28,356)	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Art Ltd.	Marshall	Note 5	393,480	393,480	12,000,000	100	368,034 (	26,958) (	26,958)	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Century Ltd.	Marshall	Note 5	459,060	459,060	14,000,000	100	437,212 (	8,257) (	8,257)	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Brave Ltd.	Marshall	Note 5	426,270	256,910	13,000,000	100	406,886 (	19,314) (	19,314)	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Bravo Ltd.	Marshall	Note 5	734,496	206,577	22,400,000	100	726,352 (	7,874) (	7,874)	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Wealth Shipping Ltd.	Marshall	Note 5	303,668	-	9,261,000	70	303,326 (	479) (	335)	Notes 2, 7 and 8

FRANBO LINES CORPORATION
Information on investees
Year ended December 31, 2024

Table 7

										Expressed in thousands of NTD (Except as otherwise indicated)		
										Investment income (loss) recognised by the Company for the year ended		
Investor	Name of investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024				Net income of investee as of December 31, 2024	December 31, 2024	Footnote
				December 31, 2024	December 31, 2023	Number of shares	Ownership (%)	Book value				
New Lucky Lines S.A.	Franbo Charity S.A.	Marshall	Note 5	\$ 190,854	\$ -	5,820,500	70	\$ 190,822	(\$ 46)	(\$ 32)		Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Monica Shipping Ltd.	Marshall	Note 5	110,565	-	3,371,900	70	110,534	(43)	(30)		Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Sino Ltd.	Marshall	Note 5	117,451	-	3,581,900	70	117,460	13	9		Notes 2, 7 and 8
New Lucky Lines S.A.	TW Hornbill Line S.A.	Marshall	Note 5	53,710	135,597	1,638,000	70	53,675	4,458	4,473		Notes 2, 7, 8 and 9
New Lucky Lines S.A.	Franbo Way Ltd.	Marshall	Note 5	541,691	163,950	16,520,000	70	537,134	(5,070)	(3,158)		Notes 2, 7, 8 and 10
FWF Shipping Ltd.	Franbo Wind S.A.	Marshall	Note 5	196,740	196,740	6,000,000	100	229,028	24,180	24,180		Notes 2, 7 and 8
FWF Shipping Ltd.	Franbo Transportation S.A.	Panama	Note 5	176,956	-	5,396,654	100	188,490	11,294	11,294		Notes 2, 7 and 8
Franbo Asset Management Co., Ltd.	FB Propriety Real Estate Development Co., Ltd.	Taiwan	Note 6	230,000	120,000	23,000,000	100	216,433	326	326		Notes 2, 6 and 8
Franbo Asset Management Co., Ltd.	Franbo Justice Buiding Development Co., Ltd.	Taiwan	Note 6	130,000	130,000	13,000,000	100	126,660	(1,597)	(1,597)		Notes 2, 6 and 8
Franbo Asset Management Co., Ltd.	FB Integrity Real Estate Development Co., Ltd.	Taiwan	Note 6	70,000	70,000	7,000,000	100	68,845	(1,020)	(1,020)		Notes 2, 6 and 8
BCTS Capital Inc.	Franbo Courage S.A.	Panama	Note 5	-	13,657	-	-	-	4,209	2,078		Notes 3, 7, 8 and 11
BCTS Capital Inc.	BCI Loyalty Inc.	Marshall	Note 5	11,568	11,568	352,800	49	12,230	3,004	1,472		Notes 3, 7 and 8
BCTS Capital Inc.	FB Navigation Ltd.	Marshall	Note 5	-	-	-	100	-	49,796	49,796		Notes 2, 7, 8 and 10

Note 1: The relationship between this investee and the Company was subsidiary company.

Note 2: The relationship between this investee and the Company was second-tier subsidiary company.

Note 3: The relationship between this investee and the Company was investment accounted for using equity method.

Note 4: The main business activities was domestic and foreign management consulting service of steamship.

Note 5: The main business activities were domestic and foreign shipping business and ocean freight transportation forwarding services.

Note 6: The main business activities was property investment trading.

Note 7: The exchange rates of United States dollars were translated into New Taiwan dollars at the rate of 32.79 on the reporting date and at the average rate of 32.11 in the financial statements period.

Note 8: Valuations were based on each investee's financial statements which were attested by auditors.

Note 9: The invested company reduced its capital and returned the share capital in August 2024, and cancelled its registration in Panama and changed its registered office to Marshall Islands.

Note 10: The investment company handled the capital reduction in November 2024.

Note 11: The investment company handled the capital reduction in December 2024

FRANBO LINES CORPORATION

Major shareholders information

December 31, 2024

Table 8

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
Zhengzhan Investment Advisory Co., Ltd.	48,038,398	15.44