

FRANBO LINES CORPORATION
PARENT COMPANY ONLY 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.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Franbo Lines Corporation

Opinion

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

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

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

As of December 31, 2024, subsidiaries included in the balance of the Company's investments accounted for using equity method was NT\$8,366,020 thousand, which represented 98% of total assets of the Company. For the year ended December 31, 2024, the Company recognised gains on investments which represented 100% of the Company's profit before tax and had a significant impact on the Company's parent company only financial statements. Thus, we listed the subsidiary's key audit matter - the existence of revenue recognition and the impairment assessment of vessels and equipment into the Company's key audit matters.

Key audit matters for the Company's 2024 parent company only financial statements are stated as follows:

The existence of revenue recognition of newly top 10 unlisted customers

Description

Please refer to Note 4(23) for the accounting policies on revenue recognition, and Note 6(13) for details of operating revenue.

Operating revenue was the main indicator of managements' operating performance, and because the economic fluctuation of the 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 that 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(14) for accounting policies on the impairment of non-financial assets, and Note 5 for the uncertainty of accounting estimates and assumptions on the impairment assessment of investments accounted for using equity method.

The main business of the subsidiary held by the Company was ocean freight forwarder. Because of the external competitive environment of bulk shipments and the effect of the continuous fluctuations in the overall economic environment, 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 parent company only 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 competence and the objectiveness of the appraiser.
2. Examined the content of vessels appraisal report to understand and assess the reasonableness of the source of data, appraisal method and conclusions of the appraiser.

Responsibilities of management and those charged with governance for the parent company only financial statements

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

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

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

Auditors' responsibilities for the audit of the parent company only financial statements

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

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

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

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Wang, Kuo-Hua

Liao, A-Shen

For and on behalf of PricewaterhouseCoopers, Taiwan

March 11, 2025

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

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

FRANBO LINES CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 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)	\$ 75,921	1	\$ 31,541	1
1110	Financial assets at fair value through	6(2)				
	profit or loss - current		4,461	-	7,778	-
1180	Accounts receivable due from related	6(3) and 7				
	parties, net		14,562	-	19,052	-
1210	Other receivables due from related	7				
	parties		53,238	1	266,000	4
1410	Prepayments		304	-	346	-
1470	Other current assets		507	-	3	-
11XX	Current Assets		148,993	2	324,720	5
Non-current assets						
1510	Financial assets at fair value through	6(2)				
	profit or loss - non-current		87	-	397	-
1550	Investments accounted for using	6(4)				
	equity method		8,366,020	98	6,720,959	94
1600	Property, plant and equipment	6(5) and 8	49,082	-	49,403	1
1780	Intangible assets		366	-	513	-
1840	Deferred income tax assets	6(18)	2,754	-	664	-
1990	Other non-current assets, others	8	600	-	600	-
15XX	Non-current assets		8,418,909	98	6,772,536	95
1XXX	Total assets		\$ 8,567,902	100	\$ 7,097,256	100

(Continued)

FRANBO LINES CORPORATION
PARENT COMPANY ONLY 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						
2200	Other payables	6(6)	\$ 38,916	1	\$ 42,620	1
2220	Other payables to related parties	7	202,918	2	189,481	3
2230	Current income tax liabilities		24,671	-	80,338	1
2320	Long-term liabilities, current portion	6(7)	213,994	3	-	-
2399	Other current liabilities, others		292	-	264	-
21XX	Current Liabilities		480,791	6	312,703	5
Non-current liabilities						
2530	Bonds payable	6(7)	608,430	7	581,773	8
25XX	Non-current liabilities		608,430	7	581,773	8
2XXX	Total liabilities		1,089,221	13	894,476	13
Equity						
	Share capital	6(10)				
3110	Ordinary share		3,110,235	36	2,924,827	41
	Capital surplus	6(11)				
3200	Capital surplus		1,592,024	19	1,392,634	19
	Retained earnings	6(12)				
3310	Legal reserve		234,700	3	192,260	3
3350	Unappropriated retained earnings		1,997,934	23	1,604,259	23
	Other equity interest					
3400	Other equity interest		543,788	6	88,800	1
3XXX	Total equity		7,478,681	87	6,202,780	87
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 8,567,902	100	\$ 7,097,256	100

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

FRANBO LINES CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 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(13) and 7		\$ 119,060	100	\$ 131,335	100
5000 Operating costs	6(17)		(19,188)	(16)	(22,221)	(17)
5900 Gross profit from operations			99,872	84	109,114	83
Operating expenses	6(17)					
6100 Selling expenses			(11,993)	(10)	(11,315)	(9)
6200 Administrative expenses			(62,841)	(53)	(72,755)	(55)
6000 Total operating expenses			(74,834)	(63)	(84,070)	(64)
6900 Net operating profit			25,038	21	25,044	19
Non-operating income and expenses						
7100 Interest income			4,818	4	7,013	5
7010 Other income			62	-	82	-
7020 Other gains and losses	6(2)(14)	(	19,447)	(17)	(3,337)	(2)
7050 Finance costs	6(15)	(	12,182)	(10)	(14,398)	(11)
7070 Share of profit of associates and joint ventures accounted for using equity method	6(4)		609,520	512	504,627	384
7000 Total non-operating income and expenses			582,771	489	493,987	376
7900 Profit before income tax			607,809	510	519,031	395
7950 Income tax expense	6(18)	(	22,908)	(19)	(94,629)	(72)
8200 Profit for the year			\$ 584,901	491	\$ 424,402	323
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8330 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(4)		\$ -	- (\$ 4)	-	-
Components of other comprehensive income that will be reclassified to profit or loss						
8361 Exchange differences on translation	6(4)		454,988	382	(17,603)	(13)
8300 Other comprehensive income(loss) for the year			\$ 454,988	382	(\$ 17,607)	(13)
8500 Total comprehensive income for the year			\$ 1,039,889	873	\$ 406,795	310
Earnings per share						
9750 Basic earnings per share	6(19)		\$ 1.92		\$ 1.69	
9850 Diluted earnings per share			\$ 1.79		\$ 1.52	

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

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

		Capital surplus					Retained earnings			Other equity interest		
	Notes	Ordinary share	Share premium	Treasury share transactions	Stock options	Expired options	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity
<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
Profit for the year		-	-	-	-	-	-	-	424,402	-	-	424,402
Other comprehensive loss for the year	6(4)	-	-	-	-	-	-	-	-	(17,603)	(4)	(17,607)
Total comprehensive income (loss)		-	-	-	-	-	-	-	424,402	(17,603)	(4)	406,795
Appropriation and distribution of 2022 retained earnings:												
Legal reserve appropriated		-	-	-	-	-	127,992	-	(127,992)	-	-	-
Special reserve appropriated		-	-	-	-	-	-	(263,295)	263,295	-	-	-
Cash dividends	6(12)	-	-	-	-	-	-	-	(358,735)	-	-	(358,735)
Due to recognition of equity component of convertible bonds issued	6(7)	-	-	-	8,552	-	-	-	-	-	-	8,552
Issuance of shares	6(10)	300,000	125,000	-	-	-	-	-	-	-	-	425,000
Conversion of convertible bonds	6(7)(10)(20)	233,260	159,819	-	(12,112)	-	-	-	-	-	-	380,967
Share-based payments	6(9)	-	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>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
Profit for the year		-	-	-	-	-	-	-	584,901	-	-	584,901
Other comprehensive income for the year	6(4)	-	-	-	-	-	-	-	-	454,988	-	454,988
Total comprehensive income		-	-	-	-	-	-	-	584,901	454,988	-	1,039,889
Appropriation and distribution of 2023 retained earnings:												
Legal reserve appropriated		-	-	-	-	-	42,440	-	(42,440)	-	-	-
Cash dividends	6(12)	-	-	-	-	-	-	-	(148,786)	-	-	(148,786)
Due to recognition of equity component of convertible bonds issued	6(7)	-	-	-	68,014	-	-	-	-	-	-	68,014
Conversion of convertible bonds	6(7)(10)(20)	185,408	145,834	-	(14,458)	-	-	-	-	-	-	316,784
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>

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

FRANBO LINES CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 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		\$ 607,809	\$ 519,031
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(5)(16)	2,047	2,482
Amortisation expense		147	152
Net gains on financial assets at fair value through profit or loss	6(2)(14)	(168)	(1,398)
Interest expense	6(15)	12,182	14,398
Interest income		(4,818)	(7,013)
Share-based payments	6(9)	-	3,376
Share of profit of associates and joint ventures accounted for using equity method	6(4)	(609,520)	(504,627)
Changes in operating assets and liabilities			
Changes in operating assets			
Current financial assets at fair value through profit or loss		3,907	1,813
Accounts receivable due from related parties		4,490	(12,854)
Prepayments		42	782
Other current assets		(504)	510
Changes in operating liabilities			
Other payables		(3,704)	(4,331)
Other current liabilities, others		28	28
Cash inflow generated from operations		11,938	12,349
Interest received		4,818	7,013
Interest paid		(565)	(16,936)
Income taxes paid		(80,665)	(5,922)
Income taxes refunded		-	12
Net cash flows used in operating activities		(64,474)	(3,484)
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in current financial assets at amortised cost		-	242,302
Decrease (increase) in other receivables due from related parties		212,762	(266,000)
Acquisition of investments accounted for using equity method	6(4)	(934,106)	(1,343,556)
Proceeds from capital reduction of investments accounted for using equity method	6(4)	353,553	1,534,641
Proceeds from liquidation of investments accounted for using equity method	6(4)	-	26
Acquisition of property, plant and equipment	6(5)	(1,726)	-
Acquisition of intangible assets		-	(283)
Net cash flows (used in) from investing activities		(369,517)	167,130
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans	6(21)	410,000	510,000
Decrease in short-term loans	6(21)	(410,000)	(630,000)
Decrease in short-term notes and bills payable	6(21)	-	(30,000)
Increase (decrease) in other payable to related parties		13,437	(239,538)
Repayments of long-term debt	6(21)	-	(21,890)
Proceeds from issuance of bonds	6(21)	613,720	395,943
Repayments of bonds	6(21)	-	(400,000)
Proceeds from issuing shares (net of issuance cost)	6(10)	-	425,000
Cash dividends paid	6(12)	(148,786)	(358,735)
Net cash flows from (used in) financing activities		478,371	(349,220)
Net increase (decrease) in cash and cash equivalents		44,380	(185,574)
Cash and cash equivalents at beginning of year	6(1)	31,541	217,115
Cash and cash equivalents at end of year	6(1)	\$ 75,921	\$ 31,541

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

FRANBO LINES CORPORATION
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 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 Company’ shares are traded in the Taipei Exchange starting from October 9, 2014.

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

These parent company only financial statements were authorised for issuance by the Board of Directors on March 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 Company

New standards, interpretations and amendments endorsed by the FSC 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
Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments 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 Company's financial condition and financial performance based on the Company'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 parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(2) Basis of preparation

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

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

(3) Foreign currency translation

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

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

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;

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

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

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

(b) Liabilities arising mainly from trading activities;

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

(d) 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.

(5) Cash equivalents

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

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

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

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

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

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

(7) Financial assets at amortised cost

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

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

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

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

- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts receivable

- A. Accounts receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

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

(10) Derecognition of financial assets

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

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

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

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Company are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

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

(12) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

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

Buildings and structures	5 to 50 years
Transportation equipment	5 years
Office equipment	5 years

(13) Intangible assets

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

(14) Impairment of non-financial assets

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

(15) Borrowings

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

(16) Derecognition of financial liabilities

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

(17) Offsetting financial instruments

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

(18) Bonds payable

Ordinary corporate bonds issued by the Company are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(19) Convertible bonds payable

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

- A. The embedded call options and put options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.
- B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.

- C. The embedded conversion options which meet the definition of an equity instrument are initially recognised in ‘capital surplus—share options’ at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and ‘financial assets or financial liabilities at fair value through profit or loss’) shall be remeasured on the conversion date. The issuance cost of converted common shares is the total carrying amount of the abovementioned liability component and ‘capital surplus—share options’.

(20) Employee benefits

A. Salaries and other short-term employee benefits

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

B. Pensions

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

C. Employees’ compensation and directors’ remuneration

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

(21) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax

expense in the year the stockholders resolve to retain the earnings.

- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(22) Share capital

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

(23) Dividends

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

(24) Revenue recognition

A. Income from vessels management and freight

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

- B. The Company and 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 Company does not adjust the transaction price to reflect the time value of money. The Company provided charter service and vessels management, service revenue was recognised over time in the accounting period when the Company provided service to

customers.

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

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

Impairment assessment of investments accounted for using equity method

- (1) As for the impairment assessment of vessels and equipment of investments accounted for using equity method, the main business of the subsidiary held by the Company was ocean freight forwarder. When there were indications showing that the vessels and equipment of some subsidiaries might have been impaired, the appraiser who was appointed by the management measured the recoverable amount of vessels and equipment by using fair values less disposal costs. As the aforementioned estimates of recoverable amount primarily relied on the appraisal report of the appraiser, the data resources and assumptions by the appraiser might have significant influence on the result.
- (2) As of December 31, 2024, the Company did not recognise any impairment loss on the investments accounted for using equity method.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash:		
Cash on hand and petty cash	\$ 52	\$ 50
Checking accounts and demand deposits	28,426	31,491
Cash equivalents:		
Time deposits	7,443	-
Repurchase bonds	40,000	-
	<u>\$ 75,921</u>	<u>\$ 31,541</u>

- A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. The 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	\$ 1,959	\$ 5,635
Callable bonds	1,410	1,472
Foreign corporate bonds	1,119	1,177
Valuation adjustment	(27)	(506)
	<u>\$ 4,461</u>	<u>\$ 7,778</u>

Non-Current items:

Financial assets mandatorily measured at fair value through profit or loss

Derivative instruments	<u>\$ 87</u>	<u>\$ 397</u>
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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	\$ 342	\$ 1,568
Callable bonds	167	40
Foreign corporate bonds	81	167
Derivative instruments	(422)	(377)
	<u>\$ 168</u>	<u>\$ 1,398</u>

The amount of (loss) income was shown as “other gains and losses”, please refer to Note 6(14) for details.

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

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

D. The derivative instruments were the options embedded in convertible bonds, please refer to Note 6(7).

(3) Accounts receivable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts receivable	\$ 14,562	\$ 19,052
Less: Allowance for doubtful accounts	-	-
	<u>\$ 14,562</u>	<u>\$ 19,052</u>

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Up to 30 days	\$ 10,833	\$ 16,262
31 to 90 days	<u>3,729</u>	<u>2,790</u>
	<u>\$ 14,562</u>	<u>\$ 19,052</u>

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 (including related parties) from the Company's and customers contracts were \$14,562, \$19,052 and \$6,198, respectively.

C. The Company 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 \$14,562 and \$19,052, respectively.

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

(4) Investments accounted for using equity method

Changes in the year were as follows:

	2024	2023
At January 1	\$ 6,720,959	6,425,050
Addition of investments accounted for using equity method (Note 1, 2, 3)	934,106	1,343,556
Capital decrease in investments accounted for using equity method (Note 4)	(353,533)	(1,534,641)
Proceeds from liquidation of investments accounted for using equity method (Note 5)	-	(26)
Earnings distribution of investments accounted for using equity method	609,520	504,627
Share of profit of investments accounted for using equity method	-	-
Other equity-share of other comprehensive income accounted for using equity method	-	(4)
Other equity - exchange differences on translation of foreign financial statements	454,988	(17,603)
At December 31	\$ 8,366,020	\$ 6,720,959
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Subsidiaries (Note 6):		
New Lucky Lines S.A.	\$ 6,963,560	\$ 5,664,919
Uni-Morality Lines Ltd.	118,718	111,245
BCTS Capital Inc.	97,104	70,546
FWF Shipping Ltd.	594,292	446,663
Franbo Asset Management Co., Ltd.	592,346	427,586
	8,366,020	6,720,959
Associates:		
Taiwan Offshore Engineering Co., Ltd. (Note 5)	-	-
	\$ 8,366,020	\$ 6,720,959

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

As of December 31, 2024 and 2023, the carrying amount of the Company's individually immaterial associates amounted to \$0.

	Year ended December 31	
	2024	2023
Loss for the year from continuing operations	\$ -	(4)
Other comprehensive income, net of tax	-	-
Total comprehensive loss	\$ -	(\$ 4)

Note 1: For the years ended December 31, 2024 and 2023, the Company acquired 23,942 thousand shares and 31,827 thousand shares of the subsidiary, New Lucky Line S.A., through increasing its investment in the subsidiary amounting to USD 23,942 thousand and USD 31,827 thousand, respectively.

Note 2: For the year ended December 31, 2023, the Company increased capital of 6,000 thousand shares in the subsidiary, FWF Shipping Ltd., by USD 6,000 thousand.

Note 3: For the years ended December 31, 2024 and 2023, the Company acquired 17,000 thousand shares and 15,000 thousand shares of the subsidiary, Franbo Asset Management Co., Ltd., through increasing its investment in the subsidiary amounting to NTD 17,000 thousand and NTD 150,000 thousand, respectively.

Note 4: Capital reduction of subsidiaries:

- A. For the years ended December 31, 2024 and 2023, the subsidiary, New Lucky Line S.A., decreased its capital, and the Company collected the investment proceeds in the amounts of USD 6,942 thousand and USD 43,888 thousand, respectively.
- B. For the years ended December 31, 2024 and 2023, the subsidiary, FWF Shipping Ltd., decreased its capital, and the Company collected the investment proceeds in the amounts of USD 3,000 thousand and USD 1,010 thousand, respectively.
- C. For the year ended December 31, 2024, the subsidiary, BCTS Capital Inc., decreased its capital, and the Company collected the investment proceeds in the amount of USD 1,000 thousand.

Note 5: The Company invested in Taiwan Offshore Engineering Co., Ltd. and returned proceeds from liquidation of investments amounting to \$26 in December 2023. In addition, the liquidation was completed in January 2024.

Note 6: Please refer to Note 4(3)B in the consolidated financial statements for the year ended December 31, 2024 for the information regarding the Company's subsidiaries.

(5) Property, plant and equipment

A. The carrying amount information of property, plant and equipment were as follows:

	December 31, 2024	December 31, 2023
Land	\$ 19,247	\$ 19,247
Buildings and structures	26,124	26,809
Transportation equipment	1,406	2,209
Office equipment	2,305	1,138
	<u>\$ 49,082</u>	<u>\$ 49,403</u>

B. Changes of property, plant and equipment in the year were as follows:

Cost	2024			
Assets	January 1	Additions	Disposals	December 31
Land	\$ 19,247	\$ -	\$ -	\$ 19,247
Buildings and structures	42,193	-	-	42,193
Transportation equipment	7,748	-	-	7,748
Office equipment	4,700	1,726	(659)	5,767
	<u>\$ 73,888</u>	<u>\$ 1,726</u>	<u>(\$ 659)</u>	<u>\$ 74,955</u>
Accumulated depreciation	2024			
Assets	January 1	Depreciation charge	Disposals	December 31
Buildings and structures	\$ 15,384	\$ 685	\$ -	\$ 16,069
Transportation equipment	5,539	803	-	6,342
Office equipment	3,562	559	(659)	3,462
	<u>\$ 24,485</u>	<u>\$ 2,047</u>	<u>(\$ 659)</u>	<u>\$ 25,873</u>
Cost	2023			
Assets	January 1	Additions	Disposals	December 31
Land	\$ 19,247	\$ -	\$ -	\$ 19,247
Buildings and structures	42,193	-	-	42,193
Transportation equipment	7,748	-	-	7,748
Office equipment	4,700	-	-	4,700
	<u>\$ 73,888</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,888</u>
Accumulated depreciation	2023			
Assets	January 1	Depreciation charge	Disposals	December 31
Buildings and structures	\$ 14,653	\$ 731	\$ -	\$ 15,384
Transportation equipment	4,218	1,321	-	5,539
Office equipment	3,132	430	-	3,562
	<u>\$ 22,003</u>	<u>\$ 2,482</u>	<u>\$ -</u>	<u>\$ 24,485</u>

C. For the years ended December 31, 2024 and 2023, the Company had no borrowing costs capitalised as property, plant and equipment.

D. The significant components of buildings include main plants and decorative accessories, and are depreciated over 50 and 5 years, respectively.

E. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8, pledged assets.

(6) Other payables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Rewards payable	\$ 22,860	\$ 25,259
Employees' compensation and directors' remuneration payable	12,600	10,620
Others	<u>3,456</u>	<u>6,741</u>
	<u>\$ 38,916</u>	<u>\$ 42,620</u>

(7) Bonds payable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
The fifth domestic secured corporate 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 liability-current portion)	(213,994)	-
	<u>\$ 608,430</u>	<u>\$ 581,773</u>

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 \$213,516.

- (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 Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months (October 29, 2022) of the bonds issue to 40 days before the maturity date (June 18, 2025), or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months (October 29, 2022) of the bonds issue to 40 days before the maturity date (June 18, 2025).
 - (e) Under the terms of the bonds, all bonds redeemed, matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished. As of December 31, 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 sixth domestic secured convertible bonds and issued at 100% of the face value, as approved by the regulatory authority. The bonds mature 3 years from the issue date (August 23, 2023 ~ August 23, 2026), and bondholders' convertible bonds will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on August 23, 2023.

- (b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months (November 24, 2023) of the bonds issue to the maturity date (August 23, 2026), except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares. As of December 31, 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 Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months (October 29, 2022) of the bonds issue to 40 days before the maturity date (June 18, 2025), or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months (October 29, 2022) of the bonds issue to 40 days before the maturity date (June 18, 2025).
- (e) Under the terms of the bonds, all bonds redeemed, matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
- (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 NT\$22.7 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%.

(8) Pensions

- A. Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- B. The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2024 and 2023, were \$2,007 and \$1,843, respectively.

(9) Share-based payment

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

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

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

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

Type of arrangement	Grant date	Stock price (NTD)	Exercise price (NTD)	Expected price volatility (Note 1)	Expected option life	Expected dividends	Risk-free interest rate (Note 2)	Fair value per share (NTD)
Cash capital increase reserved for employee preemption	August 4, 2023	16.5	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 Company’s stock price between August 5, 2022 and August 4, 2023.

Note 2: Referred to Taiwan 1-Year 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.

(10) 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.

(11) 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.

(12) Retained earnings

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

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

B. In order to continually expand the scale of operation, increase competitiveness as well as cooperate with the Company's long-term development, future capital requirements and long-term financial plan, the 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 Company'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 the 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 June 1, 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 \$155,515 (NT\$0.5 per share).

(13) Operating revenue

	Year ended December 31	
	2024	2023
Revenue from contracts with customers	\$ 119,060	\$ 131,335
Disaggregation of revenue from contracts with customers		

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

	Transportation revenue	Vessels management revenue	Total
<u>Year ended December 31, 2024</u>			
Revenue from external customer contracts	\$ -	\$ 119,060	\$ 119,060
Timing of revenue-over time	\$ -	\$ 119,060	\$ 119,060
	Transportation revenue	Vessels management revenue	Total
<u>Year ended December 31, 2023</u>			
Revenue from external customer contracts	\$ 2,041	\$ 129,294	\$ 131,335
Timing of revenue-over time	\$ 2,041	\$ 129,294	\$ 131,335

Note: Refer to Note 7 for related information.

(14) Other gains and losses

	Year ended December 31	
	2024	2023
Foreign exchange losses, net	(\$ 19,011)	(\$ 4,734)
Net gains on financial assets at fair value through profit or loss	168	1,398
Gain on bond redemption	-	-
Others	(604)	(1)
	<u>(\$ 19,447)</u>	<u>(\$ 3,337)</u>

(15) Finance costs

	Year ended December 31	
	2024	2023
Interest expense:		
Bank borrowings	\$ 556	\$ 1,940
Bonds payable	11,617	12,146
Short-term notes and bills payable	9	312
	<u>\$ 12,182</u>	<u>\$ 14,398</u>

(16) Expenses by nature

	Year ended December 31	
	2024	2023
Employee benefit expense	\$ 70,226	\$ 65,799
Depreciation charges on property, plant and equipment	2,047	2,482
Other expenses	21,749	38,010
Total operating costs and operating expenses	<u>\$ 94,022</u>	<u>\$ 106,291</u>

(17) Employee benefit expense

	Year ended December 31	
	2024	2023
Wages and salaries	\$ 61,692	\$ 54,319
Share-based payment	-	3,376
Labour and health insurance fees	4,308	4,298
Pension costs	2,007	1,843
Other personnel expenses	2,219	1,963
	<u>\$ 70,226</u>	<u>\$ 65,799</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.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on certain percentages of distributable profit of current year as of the end of reporting period.

Employees' compensation amounting to \$5,310 and directors' remuneration amounting to \$5,310 of 2023 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2023 financial statements.

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.

(18) 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
Perior year income tax overestimation	(1,608)	-
Tax on undistributed earnings	11,659	52,824
Total current tax	24,998	80,990
Deferred tax:		
Origination and reversal of temporary differences	(2,090)	13,639
Income tax expense	\$ 22,908	\$ 94,629

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
Perior 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	\$ 22,908	\$ 94,629

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

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 Company'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 Company (CFC) system came into effect on January 1, 2023. The Company recognises investment income related to the CFC and accrued income tax in accordance with the relevant regulations.

(19) 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	<u>\$ 584,901</u>	<u>305,337</u>	<u>\$ 1.92</u>
<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	<u>\$ 596,940</u>	<u>332,959</u>	<u>\$ 1.79</u>

	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

(20) Supplemental cash flow information

Financing activities with no cash flow effects:

	Year ended December 31	
	2024	2023
Bonds payable, current portion	\$ 213,994	\$ -
Convertible bonds converted to share capital and capital surplus	\$ 316,784	\$ 380,967

(21) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Bonds payable	Liabilities from financing activities-gross
January 1, 2024	\$ -	\$ -	\$ -	\$ 581,773	\$ 581,773
Changes in cash flow from financing activities	-	-	-	613,720	613,720
Other non-cash changes	-	-	-	(373,069)	(373,069)
December 31, 2024	\$ -	\$ -	\$ -	\$ 822,424	\$ 822,424
	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Bonds payable	Liabilities from financing activities-gross
January 1, 2023	\$ 120,000	\$ 29,966	\$ 21,890	\$ 965,399	\$ 1,137,255
Changes in cash flow from financing activities	(120,000)	(30,000)	(21,890)	(4,057)	(175,947)
Other non-cash changes	-	34	-	(379,569)	(379,535)
December 31, 2023	\$ -	\$ -	\$ -	\$ 581,773	\$ 581,773

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>
New Lucky Lines S.A. (collectively referred to herein as the “NL”)	The Company’s subsidiary
FWF Shipping Ltd. (collectively referred to herein as the “FWF”)	The Company’s subsidiary
Uni-Morality Lines Ltd. (collectively referred to herein as the “Uni-Morality”)	The Company’s subsidiary
BCTS Capital Inc. (collectively referred to herein as the “BCTS”)	The Company’s subsidiary
Franbo Asset Management Co., Ltd. (collectively referred to herein as the “Franbo Asset Management”)	The Company’s subsidiary
Franbo Shipping S.A.	The Company’s second tier-subsiidiary (Note 1)
Franbo Logos S.A. (collectively referred to herein as the “Logos”)	The Company’s second tier-subsiidiary (Note 1)
Franbo Logic S.A. (collectively referred to herein as the “Logic”)	The Company’s second tier-subsiidiary (Note 1)
Franbo Lohas S.A. (collectively referred to herein as the “Lohas”)	The Company’s second tier-subsiidiary (Note 1)
Prevalent Creation Corp.	The Company’s second tier-subsiidiary (Note 1)
Franbo Sagacity S.A.	The Company’s second tier-subsiidiary (Note 1)
Franbo Uprightness Corp. (Note7)	The Company’s second tier-subsiidiary (Note 1)
Franbo Ocean Ltd.	The Company’s second tier-subsiidiary (Note 1)
Franbo Legion Ltd. (collectively referred to herein as the “Legion”)	The Company’s second tier-subsiidiary (Note 1)
FB Pioneer Ltd.	The Company’s second tier-subsiidiary (Note 1)
Franbo Legacy Ltd. (collectively referred to herein as the “Legacy”)	The Company’s second tier-subsiidiary (Note 1)
Franbo Bright Ltd. (collectively referred to herein as the “Bright”)	The Company’s second tier-subsiidiary (Note 1)
Franbo Ace Ltd. (collectively referred to herein as the “Ace”)	The Company’s second tier-subsiidiary (Note 1)

Names of related parties	Relationship with the Company
Franbo Cosmos Ltd. (collectively referred to herein as the “Cosmos”)	The Company’s second tier-subsiary (Note 1)
Franbo Art Ltd. (collectively referred to herein as the “Art”)	The Company’s second tier-subsiary (Note 1)
Franbo Century Ltd. (collectively referred to herein as the “Century”)	The Company’s second tier-subsiary (Note 1)
Franbo Brave Ltd. (collectively referred to herein as the “Brave”)	The Company’s second tier-subsiary (Note 1)
Franbo Bravo Ltd. (collectively referred to herein as the “Bravo”)	The Company’s second tier-subsiary (Note 1)
Franbo Wealth Shipping Ltd.	The Company’s second tier-subsiary (Note 2)
Franbo Charity S.A.	The Company’s second tier-subsiary (Note 2)
Franbo Monica Shipping Ltd.	The Company’s second tier-subsiary (Note 2)
Franbo Sino Ltd.	The Company’s second tier-subsiary (Note 2)
Franbo Way Ltd.	The Company’s second tier-subsiary (Note 2)
TW Hornbill Line S.A.	The Company’s second tier-subsiary (Note 2)
Dexin Shipping S.A.	The Company’s second tier-subsiary (Note 3)
Franbo Wind S.A.	The Company’s second tier-subsiary (Note 4)
Franbo Transportation S.A.	The Company’s second tier-subsiary (Note 4)
FB Navigation Ltd.	The Company’s second tier-subsiary (Note 5)
Due Feng Shipping Co., Ltd. (Note 4)	Investments accounted for using equity method of the Company’s subsidiary
BCI Loyalty Inc.	Investments accounted for using equity method of the Company’s subsidiary
Franbo Courage S.A.	Investments accounted for using equity method of the Company’s subsidiary
Franbo Propriety Building Development Co., Ltd.	The Company’s second tier-subsiary (Note 6)
Franbo Justice Building Development Co., Ltd.	The Company’s second tier-subsiary (Note 6)
FB Integrity Real Estate Development Co., Ltd.	The Company’s second tier-subsiary (Note 6)
TSAI,PANG-CHUAN 、 TSAI,CHING-CHUNG 、LO,CHUN-YU 、SHEN,I- WEN 、TAI,CHIH-TSUNG(Note 10) 、WU,TIEN- MING 、LIU,JUNG-CHIN 、YAN,SHU-YANG 、 LIN,SHIH-CHUAN	Directors

- Note 1: The Company reinvested in New Lucky Lines S.A. and indirectly held 100% equity interest in this company.
- Note 2: The Company reinvested in New Lucky Lines S.A. and indirectly held 70% equity interest in this company.
- Note 3: The Company reinvested in Uni-Morality Lines Ltd. and indirectly held 100% equity interest in this company.
- Note 4: The Company reinvested in FWF Shipping Ltd., and indirectly held 100% equity interest in this company.
- Note 5: The Company reinvested in BCTS Capital Inc., and indirectly held 100% equity interest in this company.
- Note 6: The Company reinvested in Franbo Asset Management Co., Ltd., and indirectly held 100% equity interest in this company.
- Note 7: The company has been dissolved on January 4, 2024.
- Note 8: The company was declared to be dissolved on September 15, 2023.
- Note 9: It was the Company's second-tier subsidiary which was established in May 2023, and the Company had completed the investment of capital in this company in May 2023.
- Note 10: Since the term of office of the company's directors expired on June 1, 2023, and the general re-election, he is no longer a related person of the company.

(2) Significant related party transactions

A. Operating revenue

(a) ISM vessels management revenue

	Year ended December 31	
	2024	2023
Logos	\$ 8,878	\$ 13,341
Logic	8,878	13,341
Lohas	8,878	13,341
Legion	8,878	13,341
Bright	8,878	12,884
Ace	8,878	12,709
Art	8,878	12,161
Legacy	4,165	5,603
	66,311	96,721
Other subsidiaries	32,099	18,447
Associates	665	672
	\$ 99,075	\$ 115,840

The Company signed the vessels management revenue with aforementioned related parties and provided assistance in relation of shipping agent.

(b) Vessels operation escrow revenue

	Year ended December 31	
	2024	2023
Bright	\$ 1,895	\$ 1,834
Logos	1,866	1,805
Logic	1,866	1,805
Lohas	1,866	1,805
Legion	1,866	1,805
Ace	2,167	1,758
Art	2,167	1,587
Cosmos	2,157	708
Century	2,157	347
	18,007	13,454
Other subsidiaries	1,978	-
	\$ 19,985	\$ 13,454

The Company signed vessels operation escrow agreement with aforementioned related parties, respectively, and provided services in relation to vessels operation escrow, and the Company charged vessels operation escrow revenue according to the registered tonnage of vessel.

B. Receivables from related parties

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts receivable:		
Ace	\$ 1,307	\$ 2,053
Art	1,307	2,053
Cosmos	1,304	2,050
Century	1,304	1,879
Brave	1,303	-
Bravo	1,303	-
Logos	1,230	1,981
Logic	1,230	1,981
Lohas	1,230	1,981
Legion	1,230	1,981
Bright	1,237	1,988
	<u>13,985</u>	<u>17,947</u>
Other subsidiaries	547	1,049
Associates	30	56
	<u>\$ 14,562</u>	<u>\$ 19,052</u>

C. Loans

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
(a) Loans from related parties:		
Other receivables		
Franbo Asset Management	\$ 53,000	\$ 158,000
Franbo Propriety Building Development	-	108,000
	<u>\$ 53,000</u>	<u>\$ 266,000</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
(b) Borrowings from related parties:		
Other receivables		
Uni-Morality	\$ 118,044	\$ 110,556
FWF	84,270	5,221
NL	-	73,704
	<u>\$ 202,314</u>	<u>\$ 189,481</u>

D. Interest income from loans to related parties(Shown as Other receivables due from related parties)

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Franbo Asset Management	<u>\$ 238</u>	<u>\$ -</u>

E. Handling fee expense for endorsements and guarantees provided by related parties(Shown as Other payables to related parties)

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Franbo Propriety Building Development	\$ 604	\$ -

F. Endorsements and guarantees

(a) The amount endorsed/guaranteed by the Company for related party is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Brave	\$ 615,698	\$ 576,642
Bravo	615,698	576,642
Cosmos	583,662	569,671
Ace	565,628	529,748
Art	565,628	529,748
Century	<u>782,042</u>	<u>552,780</u>
	3,728,356	3,335,231
Other subsidiaries	<u>2,698,750</u>	<u>577,962</u>
	<u>\$ 6,427,106</u>	<u>\$ 3,913,193</u>

Note 1: The exchange rates of United States dollars were translated into New Taiwan dollars at the rates of 32.79 and 30.71 on the reporting dates for the years ended December 31, 2024 and 2023.

Note 2: Aforementioned amounts endorsed/guaranteed by the Company for related party were actual facilities on the endorsement and guarantees contracts which were signed by the Company and banks.

Note 3: As of December 31, 2024 and 2023, the actual amounts drawn from the endorsements and guarantees for subsidiaries by the Company were \$4,412,094 and \$3,360,413, respectively.

(b) Endorsements and guarantees provided by related parties to the Company

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
TSAI,PANG-CHUAN	\$ 640,500	\$ 829,900
TSAI,CHING-CHUNG	400,000	829,900
Franbo Propriety Real Estate Development Co., Ltd.	<u>210,000</u>	<u>-</u>
	<u>\$ 1,250,500</u>	<u>\$ 1,659,800</u>

G. For the years ended December 31, 2024 and 2023, please refer to Note 6(5) for details of the Company's capital increase in the wholly owned subsidiaries, NL company and Franbo Asset Management Co., Ltd..

(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
Land	\$ 19,247	\$ 19,247	Short-term borrowings and long-term borrowings
Buildings and structures, net	26,124	26,809	Short-term borrowings and long-term borrowings
(shown as “other non-current assets, others”)	600	600	Port Bureau
	<u>\$ 45,971</u>	<u>\$ 46,656</u>	

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 Art Ltd., signed a credit facility agreement with EnTie 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 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, the 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%.

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(10) and 6(12) 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 Company's capital management objective was to secure the ability of going-concern in order to return to the shareholders and maintain optimal capital structure. Because the Company should maintain or adjust the capital structure, the Company's objectives when managing capital are to secure necessary financial resources and operating plans to meet the needs of operating funds for the next 12 months, capital expenditure, debt repayment and dividend payment.

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Total liabilities	\$ 1,089,221	\$ 894,476
Total assets	\$ 8,567,902	\$ 7,097,256
Debt to assets ratio	13%	13%

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 4,461	\$ 7,778
Financial assets at amortised cost/Loans and receivables		
Cash and cash equivalents	75,921	31,541
Accounts receivable due from related parties	14,562	19,052
Other receivables due from related parties	53,238	266,000
Guarantee deposits paid (Note 1)	600	600
	<u>\$ 148,782</u>	<u>\$ 324,971</u>

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Other payables (including related parties)	\$ 241,834	\$ 232,101
Corporate bonds payable (including current portion)	822,424	581,773
	<u>\$ 1,064,258</u>	<u>\$ 813,874</u>

Note 1: Shown as “other non-current assets - others”.

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

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

December 31, 2024			
(Foreign currency: functional currency)	Foreign currency amount		Carrying amount
	(In thousands)	Exchange rate	(New Taiwan dollar)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 840	32.79	\$ 27,544
<u>Non-monetary items</u>			
USD:NTD (Note)	237,075	32.79	7,773,674
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	6,170	32.79	202,314

Note: Investments accounted for using equity method.

December 31, 2023			
(Foreign currency: functional currency)	Foreign currency amount		Carrying amount
	(In thousands)	Exchange rate	(New Taiwan dollar)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 641	30.71	\$ 19,685
<u>Non-monetary items</u>			
USD:NTD (Note)	204,929	30.71	6,293,373
<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 gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2024 and 2023, amounted to (\$19,011) and (\$4,734), respectively.

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

Year ended December 31, 2024			
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%	\$ 275	\$ -
<u>Non-monetary items</u>			
USD:NTD	1%	-	77,737
<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%	\$ 197	\$ -
<u>Non-monetary items</u>			
USD:NTD	1%	-	62,934
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	1,895	-

Price risk

- i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- ii. The Company's investments in equity securities comprise domestic beneficiary certificates of equity instruments and foreign corporate bonds. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2024 and 2023 would have increased/decreased by \$45 and \$78, respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

The Company has no significant risk of interest rate changes.

(b) Credit risk

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

		Expected loss rate	
		31 days to 90 days past due	Over 90 days past due
December 31, 2024	Up to 30 days past due	0.17%	100%
		0.34%~0.51%	
		Expected loss rate	
		31 days to 90 days past due	Over 90 days past due
December 31, 2023	Up to 30 days past due	0.24%	100%
		0.49%~0.73%	

- vii. The beginning and ending balances for the years ended December 31, 2024 and 2023 of the Company'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 Company had no impairment loss or benefit of receivables which were generated contracting with customers.

(c) Liquidity risk

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

December 31, 2024			
	Within 1 year	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities:			
Other payables to related parties	\$ 241,834	\$ -	\$ -
Bonds payable (including current portion)	215,900	57,300	590,000

December 31, 2023			
	Within 1 year	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities:			
Short-term borrowings	\$ -	\$ -	\$ -
Other payables to related parties	232,101	-	-
Bonds payable (including current portion)	-	465,000	131,500

(3) Fair value information

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

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

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

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value:

(a) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, accounts receivable (including related parties), other receivables (including related parties), guarantee deposits paid (shown as "other non-current assets, others"), other payables (including related parties) received are approximate to their fair values.

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

	December 31, 2023			
	Carrying amount	Fair value		
		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 are 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	\$ 1,845	\$ -	\$ -	\$ 1,845
Callable bond	1,586	-	-	1,586
Foreign corporate bond	1,030	-	-	1,030
Option to convert embedded corporate bonds	-	-	87	87
Total	\$ 4,461	\$ -	\$ 87	\$ 4,548
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	\$ 5,291	\$ -	\$ -	\$ 5,291
Callable bond	1,480	-	-	1,480
Foreign corporate bond	1,007	-	-	1,007
Option to convert embedded corporate bonds	-	-	397	397
Total	\$ 7,778	\$ -	\$ 397	\$ 8,175

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

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

	<u>Open-end fund</u>	<u>Corporate bond</u>
Market quoted price	Net asset value	Referable redemption price

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

D. For the years ended December 31, 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:

	<u>2024</u>	<u>2023</u>
	<u>Derivative instruments</u>	<u>Derivative instruments</u>
January 1	\$ 397	\$ 880
Issued in the period	295	320
Gains and losses recognised in profit or loss (Note)	(422)	(377)
Conversion or repurchase in the period	(183)	(426)
December 31	<u>\$ 87</u>	<u>\$ 397</u>

Note: Accounted as other gains and losses.

F. Except for the content described in the item E, there was no transfer into or out from 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:

Hybrid instrument:	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Convertible bonds	\$ 87	The Binomial-Tree approach to convertible bonds	Stock price volatility	30.58%~36.01%	The higher the price volatility, the higher the fair value
Hybrid instrument:	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Convertible bonds	\$ 397	The Binomial-Tree approach to convertible bonds	Stock price volatility	27.46%~46.75%	The higher the price volatility, the higher the fair value

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

December 31, 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%	\$ -	\$ -	\$ -	\$ -
Derivative instruments	Stock price volatility	±5%	\$ 30	(\$ 20)	\$ -	\$ -
Derivative instruments	Stock price volatility	±5%	\$ 10	(\$ 10)	\$ -	\$ -
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)	\$ -	\$ -
Derivative instruments	Stock price volatility	±5%	\$ 100	(\$ 70)	\$ -	\$ -

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 Company's paid-in capital: Please refer to table 4.

E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 5.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to 6(2)、12(3).

J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: None.

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

(4) Major shareholders information

Major shareholders information: Please refer to table 8.

14. Segment Information

Not applicable.

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	FootNotes
					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	FootNotes
					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	Notes 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 December 31, 2024	Balance at December 31, 2024	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	FootNotes
													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	FootNotes
		Company name	Relationship with the counterparty											
0	Franbo Lines Corporation	Franbo Ace Ltd.	Notes 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.	Notes 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.	Notes 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.	Notes 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.	Notes 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.	Notes 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.	Notes 2	7,478,681	341,672	-	-	-	-	37,393,405	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Pioneer Ltd.	Notes 2	7,478,681	78,696	-	-	-	-	37,393,405	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Legacy Ltd.	Notes 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.	Notes 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.	Notes 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.	Notes 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.	Notes 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.	Notes 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	Notes 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	Notes 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.	Notes 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	FootNotes
		Company name	Relationship with the counterparty											
1	FB Propriety Real Estate Development Co., Ltd.	Franbo Lines Corporation	Notes 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			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
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	December 31, 2024	FootNotes
				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	\$ 3,849,661	\$ 3,309,348	124,000,000	100	\$ 6,963,560	\$ 350,110	\$ 350,110		Notes 1, 7 and 8
			Notes 5									
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	Notes 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	Notes 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	Notes 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	Notes 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	Notes 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	Notes 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	Notes 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	Notes 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	Notes 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	Notes 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	Notes 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	Notes 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	Notes 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	Notes 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	Notes 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	Notes 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	Notes 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	Notes 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

Initial investment amount

December 31,
2024

December 31,
2023

Shares held as at December 31, 2024

Number of shares

Ownership (%)

Book value

Net income of
investee as of
December 31,
2024

December 31,
2024

FootNotes

Investor	Name of investee	Location	Main business activities	December 31, 2024	December 31, 2023	Number of shares	Ownership (%)	Book value	Net income of investee as of December 31, 2024	December 31, 2024	FootNotes
New Lucky Lines S.A.	Franbo Charity S.A.	Marshall	Notes 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	Notes 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	Notes 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	Notes 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	Notes 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	Notes 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	Notes 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	Notes 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	Notes 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	Notes 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	Notes 5	-	13,657	-	-	-	4,209	2,078	Notes 3, 7, 8 and 11
BCTS Capital Inc.	BCI Loyalty Inc.	Marshall	Notes 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	Notes 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

FRANBO LINES CORPORATION
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2024

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

STATEMENT 1

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Cash:		
Cash on hand and petty cash		\$ 52
Cash in Bank:		
Chenking accounts		1
Demand deposits (NTD)		22,905
Foreign currency demand deposits	(USD 168 thousand, conversion rate: 32.7	5,520
Cash equivalents:		
Foreign currency demand deposits	(USD 227 thousand, conversion rate: 32.7	7,443
Bonds sold under repurchase agreement		40,000
		<u>\$ 75,921</u>

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FRANBO LINES CORPORATION
STATEMENT OF CHANGES ON INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 2

Name	Beginning balance		Addition		Decrease		Ending balance			Market value or net Assets value		
	Shares in thousand	Aomunt	Shares in thousand	Aomunt	Shares in thousand	Aomunt	Shares in thousand	Percentage of Ownership	Aomunt	Unit Price (in dollars)	Total amount	Collateral
New Lucky Lines S.A.	10,700	\$ 5,664,919	23,942	\$ 1,522,435	(6,942)	(\$ 223,794)	124,000	100%	\$ 6,963,560	\$ 56.16	\$ 6,963,560	None
Uni-Morality Lines Ltd.	1,000	111,245	-	7,473	-	-	1,000	100%	118,718	118.72	118,718	None
BCTS Capital Inc.	2,000	70,546	-	59,087	(1,000)	(32,529)	1,000	100%	97,104	97.10	97,104	None
FWF Shipping Ltd.	5,000	446,663	-	244,859	(3,000)	(97,230)	2,000	100%	594,292	297.15	594,292	None
Franbo Asset Management Co., Ltd.	45,000	427,586	17,000	170,000	-	(5,240)	62,000	100%	592,346	9.55	592,346	None
	<u>\$ 63,700</u>	<u>\$ 6,720,959</u>		<u>\$ 2,003,854</u>		<u>(\$ 358,793)</u>			<u>\$ 8,366,020</u>		<u>\$ 8,366,020</u>	

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FRANBO LINES CORPORATION
STATEMENT OF BONDS PAYABLE
DECEMBER 31, 2024

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

STATEMENT 3

Bonds Name	Trustee	Issuance Date	Interest	Coupon	Total Issuance	Amount	Amount	Enging Balance	Unamortised Premiums		Repayment		
			Payment Date	Rate	Amount	repurchased	conversion		(Discounts)	Carrying Amount	Term	Collateral	Note
The fifth domestic secured corporated bonds	Bank SinoPac	2022.7.28	-	Note	\$ 600,000	(\$ 1,600)	(\$ 382,500)	\$ 215,900	(\$ 1,906)	\$ 213,994	Note	None	
The sixth domestic unsecured convertible bonds	Bank SinoPac	2023.8.23	-	Note	400,000	-	(342,700)	\$ 57,300	(972)	56,328	Note	None	
The seventh domestic unsecured convertible bonds	Bank SinoPac	2024.7.26	-	Note	590,000	-	-	\$ 590,000	(37,898)	552,102	Note	None	
					<u>\$ 1,590,000</u>	<u>(\$ 1,600)</u>	<u>(\$ 725,200)</u>	<u>\$ 863,200</u>	<u>(\$ 40,776)</u>	<u>\$ 822,424</u>			
										Less: Current portion	(213,994)		
											\$ 608,430		

Note: Refer to Note 6(7) corporate bonds payable for details.

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FRANBO LINES CORPORATION
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

STATEMENT 4

Item	Amount
Vessels management cost	
Certificate inspection fee	\$ 532
Others (below 5%)	996
Indirect operating costs	
Indirect labor	14,304
Insurance expense	1,194
Others (below 5%)	2,162
Operating costs	<u>\$ 19,188</u>

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FRANBO LINES CORPORATION
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

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

STATEMENT 5

		Administrative		
Item	Selling Expenses	Expenses	Total	Note
Wages and salaries	\$ 9,463	\$ 37,925	\$ 47,388	
Entertainment expense	601	2,361	2,962	
Insurance expense	665	2,862	3,527	
Professional service expense	-	3,232	3,232	
Other expenses (each item not exceeding 5%)	1,264	16,461	17,725	
	<u>\$ 11,993</u>	<u>\$ 62,841</u>	<u>\$ 74,834</u>	

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FRANBO LINES CORPORATION
SUMMARY STATEMENT OF CURRENT EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTISATION EXPENSES BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2024

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

STATEMENT 6

Function Nature	Year ended December 31					
	2024			2023		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee Benefit Expense (Note)	\$ 16,598	\$ 53,628	\$ 70,226	\$ 16,583	49,216	\$ 65,799
Wages and salaries	14,304	39,870	54,174	14,568	36,697	51,265
Labour and health insurance fees	1,124	3,184	4,308	1,005	3,293	4,298
Pension costs	562	1,445	2,007	501	1,342	1,843
Directors' remuneration	-	7,518	7,518	-	6,430	6,430
Other personnel expenses	608	1,611	2,219	509	1,454	1,963
Depreciation Expense	-	2,047	2,047	-	2,482	2,482
Amortisation Expense	-	147	147	-	152	152

Note 1: For the years ended December 31, 2024 and 2023, the Company had 60 and 54 employees, excluding 5 non-employee directors for both years.

Note 2. (1) For the years ended December 31, 2024 and 2023, average employee benefit expense are \$1,140 and \$1,211, respectively. (Including salary expenses and share-based payments in the amount of \$0 and \$3,376, respectively)

(2) For the years ended December 31, 2024 and 2023, average employees' salary expenses are \$985 and \$1,046, respectively.(Including salary expenses and share-based payments in the amount of \$0 and \$3,376, respectively)

(3) Adjustments of average employees salaries: (5.83%).

(4) The Company has set up an audit committee to substitute supervisor and does not recognise supervisors' remuneration.

(5) The Company's compensation policy: According to the Article 19-1 of the Company's Articles of Incorporation, directors' remunerations should not be higher than 5%, in addition, taking into consideration the Company's operating result and directors' performance and contributions to the Company to grant reasonable remunerations. The remunerations for general manager, vice general manager and managers were based on the Company's salary payment standards, their academic background and operation performance. The Company's employees' salaries assessment standard was based on their academic background, skills, difficulty degree of jobs and Other environmental hazard. regulations were executed and based on the Company's "regulations of salary management" and "regulations of performance assessment management".

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