

**FRANBO LINES CORPORATION**  
**PARENT COMPANY ONLY FINANCIAL**  
**STATEMENTS AND INDEPENDENT AUDITORS’**  
**REPORT**  
**DECEMBER 31, 2025 AND 2024**

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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, 2025 and 2024, 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, 2025 and 2024, 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 2025 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, 2025, subsidiaries included in the balance of the Company's investments accounted for using equity method was NT\$9,028,355 thousand, which represented 96% of total assets of the Company. For the year ended December 31, 2025, the Company recognised gains on investments which represented 98% 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 as the Company's key audit matters.

Key audit matters for the Company's 2025 parent company only financial statements are stated as follows:

#### **Existence of revenue recognition of newly top 10 unlisted customers**

##### Description

Please refer to Note 4(26) for the accounting policies on revenue recognition, and Note 6(14) 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(17) 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.

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Wang, Chun-Kai

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Liao, A-Shen

For and on behalf of PricewaterhouseCoopers, Taiwan

March 5, 2026

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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, 2025 AND 2024**  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 45,921	1	\$ 75,921	1
1110	Financial assets at fair value through profit or loss - current	6(2)	5,086	-	4,461	-
1180	Accounts receivable due from related parties, net	6(3) and 7	13,502	-	14,562	-
1210	Other receivables due from related parties	7	111,017	1	53,238	1
1410	Prepayments		508	-	304	-
1470	Other current assets		13	-	507	-
11XX	<b>Current Assets</b>		<u>176,047</u>	<u>2</u>	<u>148,993</u>	<u>2</u>
<b>Non-current assets</b>						
1510	Non-current financial assets at fair value through profit or loss	6(2)	-	-	87	-
1550	Investments accounted for using equity method	6(4)	9,028,355	96	8,366,020	98
1600	Property, plant and equipment	6(5) and 8	46,910	-	49,082	-
1755	Right-of-use assets	6(6)	3,855	-	-	-
1760	Investment property, net	6(7)	167,082	2	-	-
1780	Intangible assets		219	-	366	-
1840	Deferred income tax assets	6(19)	-	-	2,754	-
1990	Other non-current assets, others	8	3,100	-	600	-
15XX	<b>Non-current assets</b>		<u>9,249,521</u>	<u>98</u>	<u>8,418,909</u>	<u>98</u>
1XXX	<b>Total assets</b>		<u>\$ 9,425,568</u>	<u>100</u>	<u>\$ 8,567,902</u>	<u>100</u>

(Continued)

**FRANBO LINES CORPORATION**  
**PARENT COMPANY ONLY BALANCE SHEETS**  
**DECEMBER 31, 2025 AND 2024**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2200	Other payables	6(8)	\$ 33,456	-	\$ 38,916	1
2220	Other payables to related parties	7	95,447	1	202,918	2
2230	Current income tax liabilities		18,543	-	24,671	-
2280	Current lease liabilities		947	-	-	-
2320	Long-term liabilities, current portion	6(9)	-	-	213,994	3
2399	Other current liabilities, others		394	-	292	-
21XX	<b>Current Liabilities</b>		<u>148,787</u>	<u>1</u>	<u>480,791</u>	<u>6</u>
<b>Non-current liabilities</b>						
2500	Non-current financial liabilities at fair value through profit or loss	6(2)	3,851	-	-	-
2530	Bonds payable	6(9)	1,199,539	13	608,430	7
2570	Deferred tax liabilities	6(19)	331	-	-	-
2580	Non-current lease liabilities		2,942	-	-	-
2645	Guarantee deposits received		200	-	-	-
25XX	<b>Non-current liabilities</b>		<u>1,206,863</u>	<u>13</u>	<u>608,430</u>	<u>7</u>
2XXX	<b>Total liabilities</b>		<u>1,355,650</u>	<u>14</u>	<u>1,089,221</u>	<u>13</u>
<b>Equity</b>						
	Share capital	6(11)				
3110	Ordinary share		3,303,130	35	3,110,235	36
	Capital surplus	6(12)				
3200	Capital surplus		1,807,337	20	1,592,024	19
	Retained earnings	6(13)				
3310	Legal reserve		293,190	3	234,700	3
3350	Unappropriated retained earnings		2,429,277	26	1,997,934	23
	Other equity interest					
3400	Other equity interest		236,984	2	543,788	6
3XXX	<b>Total equity</b>		<u>8,069,918</u>	<u>86</u>	<u>7,478,681</u>	<u>87</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 9,425,568</u>	<u>100</u>	<u>\$ 8,567,902</u>	<u>100</u>

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, 2025 AND 2024**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Year ended December 31				
		2025		2024		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(14) and 7	\$ 105,488	100	\$ 119,060	100
5000	Operating costs	6(17)(18)	( 22,422)	( 21)	( 19,188)	( 16)
5900	Gross profit from operations		<u>83,066</u>	<u>79</u>	<u>99,872</u>	<u>84</u>
	Operating expenses	6(17)(18)				
6100	Selling expenses		( 17,820)	( 17)	( 11,993)	( 10)
6200	Administrative expenses		( 66,851)	( 63)	( 62,841)	( 53)
6000	Total operating expenses		( 84,671)	( 80)	( 74,834)	( 63)
6900	Net operating (loss) profit		( 1,605)	( 1)	<u>25,038</u>	<u>21</u>
	Non-operating income and expenses					
7100	Interest income	7	1,951	2	4,818	4
7010	Other income		2,280	2	62	-
7020	Other gains and losses	6(2)(15)	31,674	30	( 19,447)	( 17)
7050	Finance costs	6(16)	( 23,767)	( 23)	( 12,182)	( 10)
7070	Share of profit of associates and joint ventures accounted for using equity method	6(4)	<u>661,115</u>	<u>627</u>	<u>609,520</u>	<u>512</u>
7000	Total non-operating income and expenses		<u>673,253</u>	<u>638</u>	<u>582,771</u>	<u>489</u>
7900	<b>Profit before income tax</b>		<u>671,648</u>	<u>637</u>	<u>607,809</u>	<u>510</u>
7950	Income tax expense	6(19)	( 25,544)	( 24)	( 22,908)	( 19)
8200	<b>Profit for the year</b>		<u>\$ 646,104</u>	<u>613</u>	<u>\$ 584,901</u>	<u>491</u>
	<b>Other comprehensive income</b>					
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Exchange differences on translation	6(4)	(\$ 306,804)	( 291)	\$ 454,988	382
8300	<b>Other comprehensive income(loss) for the year</b>		(\$ 306,804)	( 291)	\$ 454,988	382
8500	<b>Total comprehensive income for the year</b>		<u>\$ 339,300</u>	<u>322</u>	<u>\$ 1,039,889</u>	<u>873</u>
	Earnings per share	6(20)				
9750	Basic earnings per share		<u>\$ 2.01</u>		<u>\$ 1.92</u>	
9850	Diluted earnings per share		<u>\$ 1.84</u>		<u>\$ 1.79</u>	

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, 2025 AND 2024**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Capital surplus				Retained earnings		Other equity interest		Total equity	
		Ordinary share	Share premium	Treasury share transactions	Stock options	Expired options	Legal 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
<b>2024</b>											
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(13)	-	-	-	-	-	-	( 148,786)	-	-	( 148,786)
Due to recognition of equity component of convertible bonds issued	6(9)	-	-	-	68,014	-	-	-	-	-	68,014
Conversion of convertible bonds	6(9)(11)(21)	185,408	145,834	-	( 14,458)	-	-	-	-	-	316,784
Balance at December 31, 2024		\$3,110,235	\$1,505,651	\$ 5	\$ 80,395	\$ 5,973	\$ 234,700	\$1,997,934	\$ 543,792	(\$ 4)	\$7,478,681
<b>2025</b>											
Balance at January 1, 2025		\$3,110,235	\$1,505,651	\$ 5	\$ 80,395	\$ 5,973	\$ 234,700	\$1,997,934	\$ 543,792	(\$ 4)	\$7,478,681
Profit for the year		-	-	-	-	-	-	646,104	-	-	646,104
Other comprehensive loss for the year	6(4)	-	-	-	-	-	-	-	( 306,804)	-	( 306,804)
Total comprehensive income(loss)		-	-	-	-	-	-	646,104	( 306,804)	-	339,300
Appropriation and distribution of 2024 retained earnings:											
Legal reserve appropriated		-	-	-	-	-	58,490	( 58,490)	-	-	-
Cash dividends	6(13)	-	-	-	-	-	-	( 156,271)	-	-	( 156,271)
Due to recognition of equity component of convertible bonds issued	6(9)	-	-	-	82,854	-	-	-	-	-	82,854
Conversion of convertible bonds	6(9)(11)(21)	192,895	152,758	-	( 18,877)	-	-	-	-	-	326,776
Purchase of convertible bonds	6(9)	-	-	79	( 1,533)	-	-	-	-	-	( 1,454)
Redemption of convertible bonds	6(9)	-	-	-	( 26)	26	-	-	-	-	-
Exercise the right of disgorgement		-	-	-	-	32	-	-	-	-	32
Balance at December 31, 2025		\$3,303,130	\$1,658,409	\$ 84	\$ 142,813	\$ 6,031	\$ 293,190	\$2,429,277	\$ 236,988	(\$ 4)	\$8,069,918

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, 2025 AND 2024**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 671,648	\$ 607,809
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(5)(6)(7)(17)	3,159	2,047
Amortisation expense		147	147
Net gains on financial assets at fair value through profit or loss	6(2)(15)	( 2,114 )	( 168 )
Interest expense	6(16)	23,767	12,182
Interest income		( 1,951 )	( 4,818 )
Share of profit of associates and joint ventures accounted for using equity method	6(4)	( 661,115 )	( 609,520 )
Gain on bond redemption	6(15)	( 870 )	-
Changes in operating assets and liabilities			
Changes in operating assets			
Current financial assets at fair value through profit or loss		( 707 )	3,907
Accounts receivable due from related parties		1,060	4,490
Prepayments		( 204 )	42
Other current assets		494	( 504 )
Changes in operating liabilities			
Other payables		( 5,460 )	( 3,704 )
Other current liabilities, others		102	28
Cash inflow generated from operations		27,956	11,938
Interest received		1,951	4,818
Interest paid		( 1,464 )	( 565 )
Income taxes paid		( 28,588 )	( 80,665 )
Net cash flows used in operating activities		( 145 )	( 64,474 )
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Decrease (increase) in other receivables due from related parties		( 57,779 )	212,762
Acquisition of investments accounted for using equity method	6(4)	( 776,681 )	( 934,106 )
Proceeds from capital reduction of investments accounted for using equity method	6(4)	468,657	353,553
Acquisition of property, plant and equipment	6(5)	-	( 1,726 )
Acquisition of investment properties	6(7)	( 167,105 )	-
Increase in refundable deposits		( 2,500 )	-
Net cash flows used in investing activities		( 535,408 )	( 369,517 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in short-term loans	6(22)	522,010	410,000
Decrease in short-term loans	6(22)	( 522,010 )	( 410,000 )
Increase (decrease) in other payables to related parties	6(22)	( 107,471 )	13,437
Proceeds from issuance of bonds	6(22)	783,615	613,720
Repayments of bonds	6(22)	( 500 )	-
Purchase of convertible bonds	6(22)	( 13,122 )	-
Increase in guarantee deposits received	6(22)	200	-
Cash dividends paid	6(13)	( 156,271 )	( 148,786 )
Payments of lease liabilities	6(22)	( 930 )	-
Exercise the right of disgorgement		32	-
Net cash flows from financing activities		505,553	478,371
Net (decrease) increase in cash and cash equivalents		( 30,000 )	44,380
Cash and cash equivalents at beginning of year	6(1)	75,921	31,541
Cash and cash equivalents at end of year	6(1)	<u>\$ 45,921</u>	<u>\$ 75,921</u>

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, 2025 AND 2024

(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 5, 2026.

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<sup>®</sup>”) 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 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.

(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 2026 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
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
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027(Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a Hyperinflationary Presentation'	January 1, 2027

Note : The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

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 that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
  - (b) Assets that are held primarily for the purpose of trading;
  - (c) Assets that are expected to be realised within twelve months after the reporting period;
  - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.

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 in the normal operating cycle;
- (b) Liabilities that are held primarily for the purpose of trading;
- (c) Liabilities that are due to be settled within twelve months after the reporting period;
- (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) Leasing arrangements (lessor) – operating leases

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

(12) 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.

(13) 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

(14) Leasing arrangements (lessee) — right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the fixed payments, less any lease incentives receivable.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liability;
  - (b) Any lease payments made at or before the commencement date;
  - (c) Any initial direct costs incurred by the lessee; and
  - (d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(15) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 50 years.

(16) Intangible assets

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

(17) 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.

(18) 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.

(19) Derecognition of financial liabilities

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

(20) 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.

(21) 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'.

(22) 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.

## (23) 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.

(24) 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.

(25) 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.

(26) 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, 2025, 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, 2025</u>	<u>December 31, 2024</u>
Cash:		
Cash on hand and petty cash	\$ 30	\$ 52
Checking accounts and demand deposits	20,719	28,426
Cash equivalents:		
Time deposits	25,172	7,443
Repurchase bonds	-	40,000
	<u>\$ 45,921</u>	<u>\$ 75,921</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(liabilities) at fair value through profit or loss

<u>Items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Financial assets(liabilities) mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 4,964	\$ 1,959
Callable bonds	-	1,410
Foreign corporate bonds	-	1,119
Valuation adjustment	122	( 27)
	<u>\$ 5,086</u>	<u>\$ 4,461</u>
Non-Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Derivative instruments	<u>\$ -</u>	<u>\$ 87</u>
Financial liabilities mandatorily measured at fair value through profit or loss		
Derivative instruments	<u>(\$ 3,851)</u>	<u>\$ -</u>

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

	<u>Year ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Financial assets(liabilities) mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 32	\$ 342
Callable bonds	55	167
Foreign corporate bonds	( 169)	81
Derivative instruments	<u>2,196</u>	<u>( 422)</u>
	<u>\$ 2,114</u>	<u>\$ 168</u>

The amount of (loss) income was shown as “other gains and losses”, please refer to Note 6(15) 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(9).

(3) Accounts receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable	\$ 13,502	\$ 14,562
Less: Allowance for doubtful accounts	<u>-</u>	<u>-</u>
	<u>\$ 13,502</u>	<u>\$ 14,562</u>

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Up to 30 days	\$ 9,042	\$ 10,833
31 to 90 days	<u>4,460</u>	<u>3,729</u>
	<u>\$ 13,502</u>	<u>\$ 14,562</u>

The above ageing analysis was based on invoice date.

B. On December 31, 2025, December 31, 2024 and January 1, 2024, the balances of the receivables (including related parties) from the Company’s and customers contracts were \$13,502, \$14,562 and \$19,052, respectively.

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

D. As at December 31, 2025 and 2024, 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 \$13,502 and \$14,562, 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:

	<u>2025</u>	<u>2024</u>
At January 1	\$ 8,366,020	6,720,959
Addition of investments accounted for using equity method (Note 1, 2)	776,681	934,106
Capital decrease in investments accounted for using equity method (Note 3)	( 468,657)	( 353,533)
Earnings distribution of investments accounted for using equity method	661,115	609,520
Other equity - exchange differences on translation of foreign financial statements	( 306,804)	454,988
At December 31	<u>\$ 9,028,355</u>	<u>\$ 8,366,020</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Subsidiaries (Note 4):		
New Lucky Lines S.A.	\$ 7,425,237	\$ 6,963,560
Uni-Morality Lines Ltd.	113,618	118,718
BCTS Capital Inc.	93,826	97,104
FWF Shipping Ltd.	64,354	594,292
Franbo Asset Management Co., Ltd.	<u>752,140</u>	<u>592,346</u>
	<u>\$ 9,028,355</u>	<u>\$ 8,366,020</u>

Note 1: For the years ended December 31, 2025 and 2024, the Company acquired 21,452 thousand shares and 23,942 thousand shares of the subsidiary, New Lucky Line S.A., through increasing its investment in the subsidiary amounting to USD 21,452 thousand and USD 23,942 thousand, respectively.

Note 2: For the years ended December 31, 2025 and 2024, the Company acquired 13,000 thousand shares and 17,000 thousand shares of the subsidiary, Franbo Asset Management Co., Ltd., through increasing its investment in the subsidiary amounting to NTD 130,000 thousand and NTD 170,000 thousand, respectively.

Note 3: Capital reduction of subsidiaries:

- A. For the years ended December 31, 2025 and 2024, the subsidiary, New Lucky Line S.A., decreased its capital, and the Company collected the investment proceeds in the amounts of USD 14,452 thousand and USD 6,942 thousand, respectively.
- B. For the years ended December 31, 2025 and 2024, the subsidiary, FWF Shipping Ltd., decreased its capital, and the Company collected the investment proceeds in the amounts of USD 1,000 thousand and USD 3,000 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 4: Please refer to Note 4(3)B in the consolidated financial statements for the year ended December 31, 2025 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:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Land	\$ 19,247	\$ 19,247
Buildings and structures	25,439	26,124
Transportation equipment	603	1,406
Office equipment	1,621	2,305
	<u>\$ 46,910</u>	<u>\$ 49,082</u>

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

<u>Cost</u>	<u>2025</u>			
<u>Assets</u>	<u>January 1</u>	<u>Additions</u>	<u>Disposals</u>	<u>December 31</u>
Land	\$ 19,247	\$ -	\$ -	\$ 19,247
Buildings and structures	42,193	-	-	42,193
Transportation equipment	7,748	-	-	7,748
Office equipment	5,767	-	-	5,767
	<u>\$ 74,955</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,955</u>
<u>Accumulated depreciation</u>	<u>2025</u>			
<u>Assets</u>	<u>January 1</u>	<u>Depreciation charge</u>	<u>Disposals</u>	<u>December 31</u>
Buildings and structures	\$ 16,069	\$ 685	\$ -	\$ 16,754
Transportation equipment	6,342	803	-	7,145
Office equipment	3,462	684	-	4,146
	<u>\$ 25,873</u>	<u>\$ 2,172</u>	<u>\$ -</u>	<u>\$ 28,045</u>

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	<u>4,700</u>	<u>1,726</u>	<u>( 659)</u>	<u>5,767</u>
	<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	<u>3,562</u>	<u>559</u>	<u>( 659)</u>	<u>3,462</u>
	<u>\$ 24,485</u>	<u>\$ 2,047</u>	<u>(\$ 659)</u>	<u>\$ 25,873</u>

- C. For the years ended December 31, 2025 and 2024, 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) Leasing arrangements – lessee

- A. The Company leases business vehicles. Rental contracts are typically made for periods of 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets cannot be subleased, lent, sold or granted in any different form to third parties without the consent of the lessor.
- B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2025</u>
	<u>Carrying amount</u>
Transportation equipment (Business vehicles)	<u>\$ 3,855</u>
	<u>Year ended December 31, 2025</u>
	<u>Depreciation charge</u>
Transportation equipment (Business vehicles)	<u>\$ 964</u>

December 31, 2024: None.

C. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$4,819 and \$0, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Year ended December 31, 2025</u>
<u>Items affecting profit or loss</u>	
Interest expense on lease liabilities	<u>\$ 75</u>
December 31, 2024: None.	

F. For the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases were \$1,005 and \$0, respectively.

(7) Investment property

A. The carrying amount of investment property is as follows:

	<u>December 31, 2025</u>
Leased assets-land	\$ 165,374
Leased assets-buildings	<u>1,708</u>
	<u>\$ 167,082</u>

B. The movements of investment property of the Group during 2025 are as follows:

	<u>Year ended December 31, 2025</u>				
	Opening net book amount as at January 1	Additions	Decreases	Transfers	Closing net book amount as at December 31
<u>Cost</u>					
Leased assets-land	\$ -	\$ 165,374	\$ -	\$ -	165,374
Leased assets-buildings	-	1,731	-	-	1,731
	<u>\$ -</u>	<u>\$ 167,105</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,105</u>

	<u>Year ended December 31, 2025</u>				
	Opening net book amount as at January 1	Additions	Decreases	Transfers	Closing net book amount as at December 31
<u>Accumulated depreciation</u>					
Leased assets-buildings	\$ -	(\$ 23)	\$ -	\$ -	(\$ 23)

December 31, 2024: None.

C. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	<u>Year ended December 31, 2025</u>
Rental income from investment property (Note)	<u>\$ 900</u>
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 294</u>
Direct operating expenses arising from the investment property that did not generate rental income during the year	<u>\$ -</u>

Note: shown as “other income”  
December 31, 2024: None.

D. The fair value of the investment property held by the Company as at December 31, 2025 was \$248,315, which was valued based on the transaction prices of similar property in the neighboring areas. Valuations are categorised within Level 2 in the fair value hierarchy.

E. The Company does not have any investment property pledged as collateral.

(8) Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Rewards payable	\$ 15,278	\$ 22,860
Employees’ compensation and directors’ remuneration payable	13,800	12,600
Others	<u>4,378</u>	<u>3,456</u>
	<u>\$ 33,456</u>	<u>\$ 38,916</u>

(9) Bonds payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
The fifth domestic unsecured convertible bonds	\$ -	\$ 215,900
The sixth domestic unsecured convertible bonds	-	57,300
The seventh domestic unsecured convertible bonds	576,700	590,000
The eighth domestic unsecured convertible bonds	718,600	-
Less: Discount on bonds payable	( 95,761)	( 40,776)
	1,199,539	822,424
Less: current portion (Note)		
shown as (Long-term liability-current portion)	-	( 213,994)
	<u>\$ 1,199,539</u>	<u>\$ 608,430</u>

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

- (a) The bonds were issued at \$600,000, 0%. 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 July 28, 2025 (the maturity date), the bonds with a face value of \$597,900 had been converted into 33,814 thousand common shares and were transferred to 'ordinary share' of \$338,143.
- (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 July 28, 2025 (the maturity date), the conversion price of the convertible bonds was adjusted to NT\$17.07.
- (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 July 28, 2025 (the maturity date), 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 July 28, 2025 (the maturity date), after conversion, repurchase and writing off of corporate bonds, the balance of the aforementioned ‘capital surplus - share options’ was \$0. 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%.
  - (g) The aforementioned bonds payable matured on July 28, 2025, and the number of unexecuted conversions prior to the maturity date was 5 bonds. The Company has redeemed the bonds at the face value (\$100,000 per share (bond)) and paid the full amount in cash to the bondholders.
- B. The terms of the sixth domestic unsecured convertible bonds issued by the Company are as follows:
- (a) The bonds were issued at \$400,000, 0%. 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 October 20, 2025 (termination of stocks listing on the Taipei Exchange), the bonds with a face value of \$400,000 had been converted into 24,861 thousand common shares and were transferred to ‘ordinary share’ of \$246,815.
  - (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 October 20, 2025 (termination

of stocks listing on the Taipei Exchange), the conversion price of the convertible bonds was adjusted to NT\$15.58.

- (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 (November 24, 2023) of the bonds issue to 40 days before the maturity date (July 14, 2026), or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months (November 24, 2023) of the bonds issue to 40 days before the maturity date (July 14, 2026).
  - (e) Under the terms of the bonds, all bonds redeemed, matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
  - (f) Regarding the issuance of the aforementioned convertible bonds, the equity conversion options amounting to \$8,552 were separated from the liability component and were recognised in 'capital surplus—share options' in accordance with IAS 32. As of October 20, 2025 (termination of stocks listing on the Taipei Exchange), after conversion, repurchase and writing off of corporate bonds, the balance of the aforementioned 'capital surplus - share options' was \$0. 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%.
  - (g) In accordance with the terms of the issuance, as the outstanding balance of the convertible bonds was less than 10% of the total par value of issuance, the Company exercised its call option to redeem the bonds at 100% of face value during the period from September 18, 2025 to October 17, 2025. The record date for redemption of convertible bonds was set on October 17, 2025, and listing of the bonds on the Taipei Exchange was terminated on October 20, 2025.
- C. The terms of the seventh domestic unsecured convertible bonds issued by the Company are as follows:
- (a) The bonds were issued at \$590,000, 0%. 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. As of December 31, 2025, the conversion price of the convertible bonds was adjusted to NT\$22.15.
  - (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. As of December 31, 2025, the bonds totaling \$13,300 (face value) were repurchased by the Company from the Taipei Exchange.
  - (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%.
- D. The terms of the eighth domestic unsecured convertible bonds issued by the Company are as follows:
- (a) The bonds were issued at \$780,000, 0%. The bonds mature 5 years from the issue date (August 6, 2025 ~ August 6, 2030), 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 6, 2025.
  - (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 7, 2025) of the bonds issue to the maturity date (August 6, 2030), 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, 2025, the bonds with a face value of \$61,400 had been converted into 3,181

thousand common shares and were transferred to ‘ordinary share’ of \$31,813.

- (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\$19.3 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 (November 7, 2025) of the bonds issue to 40 days before the maturity date (June 27, 2030), or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months (November 7, 2025) of the bonds issue to 40 days before the maturity date (June 27, 2030).
- (e) The bonds have the date after three years from the issue date (August 6, 2028) as the put effective date for the bondholders to early put the bonds back to the Company. The bondholders have the right to require the Company to redeem their bonds in cash at the price of the bonds’ face value plus interests within 40 days before the put effective date via confirmation letters.
- (f) 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.
- (g) Regarding the issuance of the aforementioned convertible bonds, the equity conversion options amounting to \$82,854 were separated from the liability component and were recognised in ‘capital surplus—share options’ in accordance with IAS 32. As of December 31, 2025, after conversion, repurchase and writing off of corporate bonds, the balance of the aforementioned ‘capital surplus - share options’ was \$76,332. 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 2.35%.

#### (10) 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, 2025 and 2024, were \$2,308 and \$2,007, respectively.

(11) Share capital

A. As of December 31, 2025, the Company had authorised capital in the amount of \$6,000,000 and paid-in capital in the amount of \$3,303,130, which consisted of 330,313 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)

	<u>2025</u>	<u>2024</u>
At January 1	311,024	292,483
Conversion of convertible bonds (Note)	<u>19,289</u>	<u>18,541</u>
At December 31	<u><u>330,313</u></u>	<u><u>311,024</u></u>

Note: For the year ended December 31, 2025, the number of common stocks converted from convertible bonds was 19,289 thousand shares with a par value of \$10 (in dollars) per share. As of December 31, 2025, the number of shares of which the registration has not yet been completed amounted to 3,181 thousand shares. On March 5, 2026, 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, 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 registration has been completed.

(12) 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.

(13) 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 at least 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 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 May 30, 2024.

E. On March 11, 2025, the Board of the Directors of the Company resolved the appropriation of 2024 earnings, and the cash dividends was \$156,271 (NT\$0.5 per share), which was reported to shareholders on June 5, 2025.

F. On March 5, 2026, the Board of Directors of the Company resolved the appropriation of 2025 earnings, and the cash dividends amounted to \$165,167 (NT\$0.5 per share).

(14) Operating revenue

	Year ended December 31	
	2025	2024
Revenue from contracts with customers	\$ 105,488	\$ 119,060
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, 2025</u>			
Revenue from external customer contracts	\$ -	\$ 105,488	\$ 105,488
Timing of revenue-over time	\$ -	\$ 105,488	\$ 105,488
	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

(15) Other gains and losses

	<u>Year ended December 31</u>	
	2025	2024
Foreign exchange losses, net	\$ 30,182	(\$ 19,011)
Net gains on financial assets at fair value through profit or loss	2,114	168
Gain on bond redemption	870	-
Others	(1,492)	(604)
	<u>\$ 31,674</u>	<u>(\$ 19,447)</u>

(16) Finance costs

	<u>Year ended December 31</u>	
	2025	2024
Interest expense:		
Bank borrowings	\$ 1,350	\$ 556
Bonds payable	22,304	11,617
Short-term notes and bills payable	38	9
Lease liability	75	-
	<u>\$ 23,767</u>	<u>\$ 12,182</u>

(17) Expenses by nature

	Year ended December 31	
	2025	2024
Employee benefit expense	\$ 80,132	\$ 70,226
Depreciation charges on property, plant and equipment	2,172	2,047
Depreciation charge of right-of-use assets	964	
Depreciation charge of investment property	23	
Other expenses	23,802	21,749
Total operating costs and operating expenses	<u>\$ 107,093</u>	<u>\$ 94,022</u>

(18) Employee benefit expense

	Year ended December 31	
	2025	2024
Wages and salaries	\$ 70,393	\$ 61,692
Labour and health insurance fees	5,071	4,308
Pension costs	2,308	2,007
Other personnel expenses	2,360	2,219
	<u>\$ 80,132</u>	<u>\$ 70,226</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, 2025 and 2024, employees' compensation was accrued at \$6,900 and \$6,300, respectively; while directors' remuneration was accrued at \$6,900 and \$6,300 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 \$6,300 and directors' remuneration amounting to \$6,300 of 2024 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2024 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.

(19) Income tax

A. Income tax expense

Components of income tax expense:

	Year ended December 31	
	2025	2024
Current tax:		
Current tax on profits for the year	\$ 3,114	\$ 14,947
Perior year income tax overestimation	838	( 1,608)
Tax on undistributed earnings	18,507	11,659
Total current tax	<u>22,459</u>	<u>24,998</u>
Deferred tax:		
Origination and reversal of temporary differences	3,085	( 2,090)
Income tax expense	<u>\$ 25,544</u>	<u>\$ 22,908</u>

B. Reconciliation between income tax expense and accounting profit:

	Year ended December 31	
	2025	2024
Tax calculated based on profit before tax and statutory tax rate	\$ 134,330	\$ 121,562
Effects from items adjusted in accordance with tax regulation	( 2,015)	3,572
Perior year income tax overestimation	838	( 1,608)
Tax on undistributed surplus earnings	18,507	11,659
Temporary difference not recognised as deferred tax assets	-	-
Temporary difference not recognised as deferred tax liabilities	( 126,116)	( 112,277)
Change in assessment of realisation of deferred tax assets	-	-
Income tax expense	<u>\$ 25,544</u>	<u>\$ 22,908</u>

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

	2025		
	January 1	Recognised in profit or loss	December 31
Deferred income tax assets			
Temporary differences:			
Exchange losses	\$ 2,754	(\$ 2,754)	\$ -
Deferred income tax liabilities			
Temporary differences:			
Exchange gains	\$ -	(\$ 331)	(\$ 331)
		2024	
	January 1	Recognised in profit or loss	December 31
Deferred income tax assets			
Temporary differences:			
Exchange losses	\$ 664	\$ 2,090	\$ 2,754

D. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2025 and 2024, the amounts of temporary difference unrecognised as deferred tax liabilities were \$3,536,636 and \$2,906,059, respectively.

E. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority. As of the reporting date, the Company had no significant and pending tax administrative remedies.

(20) Earnings per share

	Year ended December 31, 2025		
	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	\$ 646,104	321,304	\$ 2.01
<u>Diluted earnings per share</u>			
Profit attributable to the parent	\$ 646,104	321,304	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	20,108	41,238	
Employees' compensation	-	394	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 666,212	362,936	\$ 1.84

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

(21) Supplemental cash flow information

Financing activities with no cash flow effects:

	Year ended December 31	
	2025	2024
Increase in right-of-use assets	\$ 4,819	\$ -
Less: increase in lease liabilities	(4,819)	-
	\$ -	\$ -
Bonds payable, current portion	\$ -	\$ 213,994
Convertible bonds converted to share capital and capital surplus	\$ 326,776	\$ 316,784

(22) Changes in liabilities from financing activities

	Short-term borrowings	Bonds payable	Other payables-related parties	Lease liability	Guarantee deposits received	Liabilities from financing activities-gross
January 1, 2025	\$ -	\$ 822,424	\$ 202,918	\$ -	\$ -	\$ 1,025,342
Changes in cash flow from financing activities	-	769,993	(107,471)	(930)	200	661,792
Impact of changes in foreign exchange rate	-	-	-	-	-	-
Other non-cash changes	-	(392,878)	-	4,819	-	(388,059)
December 31, 2025	\$ -	\$ 1,199,539	\$ 95,447	\$ 3,889	\$ 200	\$ 1,299,075

	Short-term borrowings	Bonds payable	Other payables-related parties	Liabilities from financing activities-gross
January 1, 2024	\$ -	\$ 581,773	\$ 189,481	\$ 771,254
Changes in cash flow from financing activities	-	613,720	13,437	627,157
Impact of changes in foreign exchange rate	-	-	-	-
Other non-cash changes	-	(373,069)	-	(373,069)
December 31, 2024	\$ -	\$ 822,424	\$ 202,918	\$ 1,025,342

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

Names of related parties	Relationship with the Company
New Lucky Lines S.A. (referred to herein as the “NL”)	The Company’s subsidiary
FWF Shipping Ltd. (referred to herein as the “FWF”)	The Company’s subsidiary
Uni-Morality Lines Ltd. (referred to herein as the “Uni-Morality”)	The Company’s subsidiary
BCTS Capital Inc. (referred to herein as the “BCTS”)	The Company’s subsidiary
Franbo Asset Management Co., Ltd. (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. (referred to herein as the “Logos”)	The Company’s second tier-subsiidiary (Note 1)
Franbo Logic S.A. (referred to herein as the “Logic”)	The Company’s second tier-subsiidiary (Note 1)
Franbo Lohas S.A. (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. (Note 7)	The Company’s second tier-subsiidiary (Note 1)
Franbo Ocean Ltd.	The Company’s second tier-subsiidiary (Note 1)
Franbo Legion Ltd. (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. (referred to herein as the “Legacy”)	The Company’s second tier-subsiidiary (Note 1)
Franbo Bright Ltd. (referred to herein as the “Bright”)	The Company’s second tier-subsiidiary (Note 1)

Names of related parties	Relationship with the Company
Franbo Ace Ltd. (referred to herein as the “Ace”)	The Company’s second tier-subsiary (Note 1)
Franbo Cosmos Ltd. (referred to herein as the “Cosmos”)	The Company’s second tier-subsiary (Note 1)
Franbo Art Ltd. (referred to herein as the “Art”)	The Company’s second tier-subsiary (Note 1)
Franbo Century Ltd. (referred to herein as the “Century”)	The Company’s second tier-subsiary (Note 1)
Franbo Brave Ltd. (referred to herein as the “Brave”)	The Company’s second tier-subsiary (Note 1)
Franbo Bravo Ltd. (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)
FB Navigation Ltd.(referred to herein as the “Navigation”)	The Company’s second tier-subsiary (Note 2)
Franbo Star Ltd.	The Company’s second tier-subsiary (Note 2)
Franbo Sunwise Ltd.	The Company’s second tier-subsiary (Note 2)
Franbo Sunrise Ltd.	The Company’s second tier-subsiary (Note 2)
Franbo Sunlight Ltd.	The Company’s second tier-subsiary (Note 2,3)
Franbo Sunshine Ltd.	The Company’s second tier-subsiary (Note 2,3)
Dexin Shipping S. A.	The Company’s second tier-subsiary (Note 4)
Franbo Wind S. A.	The Company’s second tier-subsiary (Note 5)
Franbo Transportation S. A.	The Company’s second tier-subsiary (Note 5)
BCI Loyalty Inc. (Note 8)	Investments accounted for using equity method of the Company’s subsidiary
Franbo Courage S.A. (Note 9)	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、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: On August 13, 2025, the Board of Directors of the Company resolved to indirectly invest in a second-tier subsidiary through the subsidiary, New Lucky Lines S.A. As of December 31, 2025, the capital injection has not yet been completed.

Note 4: The Company reinvested in Uni-Morality Lines Ltd. and indirectly held 100% equity interest in this company.

Note 5: The Company reinvested in FWF Shipping Ltd., 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 collected investment amounts in March 2025, and thus the entity was no longer a related party of the Company from March 2025.

Note 9: The Company collected investment amounts in December 2024, and thus the entity was no longer a related party of the Company from December 2024.

(2) Significant related party transactions

A. Operating revenue

(a) ISM vessels management revenue

	Year ended December 31	
	2025	2024
Logos	\$ 5,616	\$ 8,878
Logic	5,616	8,878
Lohas	4,212	8,878
Legion	5,616	8,878
Bright	5,616	8,878
Ace	5,616	8,878
Art	5,616	8,878
Cosmos	5,616	-
Century	5,616	-
Brave	5,616	-

	Year ended December 31	
	2025	2024
Bravo	5,616	-
Navigation	5,126	-
Legacy	157	4,165
	65,655	66,311
Other subsidiaries	13,562	32,099
Associates	30	665
	<u>\$ 79,247</u>	<u>\$ 99,075</u>

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	
	2025	2024
Bright	\$ 1,838	\$ 1,895
Logos	1,810	1,866
Logic	1,810	1,866
Lohas	1,357	1,866
Legion	1,810	1,866
Ace	2,102	2,167
Art	2,102	2,167
Cosmos	2,092	2,157
Century	2,092	2,157
Brave	2,087	-
Bravo	2,087	-
Navigation	2,024	-
Charity	1,692	-
	24,903	18,007
Other subsidiaries	948	1,978
	<u>\$ 25,851</u>	<u>\$ 19,985</u>

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.

(c) Management revenue

	Year ended December 31, 2025	Year ended December 31, 2024
Franbo Asset Management Co., Ltd.	\$ 390	\$ -

The Company provides administrative and operational support services to the aforementioned related parties and collects management fees in accordance with mutual agreement.

B. Receivables from related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable:		
Ace	\$ 1,001	\$ 1,307
Art	1,001	1,307
Cosmos	998	1,304
Century	998	1,304
Brave	997	1,303
Bravo	997	1,303
Logos	927	1,230
Logic	927	1,230
Lohas	-	1,230
Legion	927	1,230
Bright	934	1,237
Charity	1,050	-
Sino	1,050	-
Navigation	1,089	-
	<u>12,896</u>	<u>13,985</u>
Other subsidiaries	606	547
Associates	-	30
	<u>\$ 13,502</u>	<u>\$ 14,562</u>

C. Loans

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
(a) Loans from related parties:		
Other receivables		
Franbo Asset Management	\$ 110,000	\$ 53,000
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
(b) Borrowings from related parties:		
Other receivables		
Uni-Morality	\$ -	\$ 118,044
FWF	80,775	84,270
NL	12,572	-
	<u>\$ 93,347</u>	<u>\$ 202,314</u>
D. Interest income from loans to related parties(Shown as Other receivables due from related parties)		
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Franbo Asset Management	\$ 1,017	\$ 238
E. Handling fee expense for endorsements and guarantees provided by related parties(Shown as Other payables to related parties)		
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Franbo Propriety Building Development	\$ 2,100	\$ 604
F. Endorsements and guarantees		
(a) The amount endorsed/guaranteed by the Company for related party is as follows:		
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Brave	\$ 590,161	\$ 615,698
Bravo	590,161	615,698
Cosmos	559,454	583,662
Ace	542,168	565,628
Art	542,168	565,628
Century	561,026	782,042
Wealth	421,979	-
Charity	421,979	-
Sino	421,979	-
	<u>4,651,075</u>	<u>3,728,356</u>
Other subsidiaries	832,895	2,698,750
	<u>\$ 5,483,970</u>	<u>\$ 6,427,106</u>

Note 1: The exchange rates of United States dollars were translated into New Taiwan dollars at

the rates of 31.43 and 32.79 on the reporting dates for the years ended December 31, 2025 and 2024.

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, 2025 and 2024, the actual amounts drawn from the endorsements and guarantees for subsidiaries by the Company were \$5,483,970 and \$4,412,094, respectively.

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
TSAI,PANG-CHUAN	\$ 635,000	\$ 640,500
TSAI,CHING-CHUNG	400,000	400,000
Franbo Propriety Real Estate Development Co., Ltd.	<u>210,000</u>	<u>210,000</u>
	<u>\$ 1,245,000</u>	<u>\$ 1,250,500</u>

G. For the years ended December 31, 2025 and 2024, please refer to Note 6(4) 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

	<u>Year ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Salaries and other short-term employee benefits	\$ 21,532	\$ 19,961
Post-employment benefits	<u>365</u>	<u>346</u>
	<u>\$ 21,897</u>	<u>\$ 20,307</u>

8. Pledged Assets

<u>Assets</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>Purpose</u>
Land	\$ 19,247	\$ 19,247	Short-term borrowings and long-term borrowings
Buildings and structures, net	25,439	26,124	Short-term borrowings and
Guarantee deposits paid			Guarantees for Maritime
(shown as "other non-current assets, others")	<u>3,100</u>	<u>600</u>	Port Bureau
	<u>\$ 47,786</u>	<u>\$ 45,971</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:

- 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 Ace Ltd. by the joint guarantor of a juridical person, Franbo Lines Corporation, should not be lower than 100%. and its operational control over Franbo Ace Ltd should not be changed.
- (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 Cosmos 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 Brave Ltd., signed a credit facility agreement with Taiwan Cooperative Bank. The total amount of credit agreement was USD 18,777 thousand, the credit term was 7 years, and the Company and the related parties, TSAI,PANG-CHUAN and TSAI,CHING-CHUNG, were joint guarantors and should keep the commitments which were recorded on the credit agreements, the commitments were as follows:
- A. From the date of the first withdrawal, the collateral, vessels, should be appraised at least once a year by the appraisal company which was admitted by this bank, and the original of appraisal report should be provided to this bank.
- B. Since 2024, the LTV ratio is reviewed annually. If the LTV ratio exceeds 65%, the borrower should repay the certain excess amount of the borrowings or provide collateral approved by the bank to restore the LTV ratio to 65%.
- (5) On August 30, 2024, the Company's second-tier subsidiary, Franbo Bravo Ltd., signed a credit facility agreement with 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%.

(6) On January 16, 2025, the Company's second-tier subsidiary, TW Hornbill Line S.A., signed a credit facility agreement with EnTie Commercial Bank. The total amount of credit agreement was USD 13,000 thousand, the credit term was 5 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\$4 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 2025, the LTV ratio is reviewed annually. If the LTV ratio exceeds 60%, 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%.

(7) On September 10, 2024, the Company's second-tier subsidiary, Franbo Wealth Ltd., signed a credit facility agreement with Mega International Commercial Bank. The total amount of credit agreement was USD 19,180 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 2025, 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 Wealth Ltd. by the joint guarantor of a juridical person, Franbo Lines Corporation, should not be lower than 70%. and its operational control over Franbo Art Ltd should remain.
  - E. From the date of the first withdrawal, Franbo Wealth Ltd. shall maintain paid-in capital not lower than USD 12,800 thousand.
- (8) On February 21, 2025, the Company's second-tier subsidiary, Franbo Charity S.A., signed a credit facility agreement with Taipei Fubon Bank. The total amount of credit agreement was USD 19,180 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\$5.5 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 2025, 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.

(9) On November 22, 2024, the Company's second-tier subsidiary, Franbo Sino Ltd., signed a credit facility agreement with E.SUN BANK. The total amount of credit agreement was USD 19,180 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 delivery of the vessels, 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 2025, the LTV ratio is reviewed annually. If the LTV ratio exceeds 60%, 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%.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

A. On January 28, 2026, the Company's Board of Directors resolved to terminate the previously approved investments in five second-tier subsidiaries in the Marshall Islands (Franbo Star Ltd., Franbo Sunwise Ltd., Franbo Sunrise Ltd., Franbo Sunlight Ltd., and Franbo Sunshine Ltd.) and the construction of new vessels project, and authorised the chairman to handle all subsequent matters.

B. On January 28, 2025, the Company's Board of Directors resolved to invest in its Singapore subsidiary, Franbo Lines (Singapore) Pte. Ltd., in an amount not exceeding USD 39,500 thousand. Subsequently, Franbo Lines (Singapore) Pte. Ltd. indirectly invested in four second-tier subsidiaries (Franbo Sunwise Pte. Ltd., Franbo Sunrise Pte. Ltd., Franbo Sunlight Pte. Ltd. and Franbo Sunshine Pte. Ltd.) with other shareholders, for a construction of new vessels project, with Franbo Lines (Singapore) Pte. Ltd. holding a 70% equity interest in each. The total investment amount for the project shall not exceed USD 39,200 thousand, and the chairman was authorised to handle all subsequent matters.

C. On January 28, 2026, the Company's Board of Directors resolved that its second-tier subsidiary, Franbo Star Pte. Ltd., would acquire a 17,500-ton multipurpose (MPP) vessel from Franbo Star Ltd., a second-tier subsidiary in the Marshall Islands. The total investment amount shall not exceed USD 24,200 thousand, and the chairman was authorised to handle all subsequent matters.

- D. On January 28, 2026, the Company's Board of Directors resolved that the subsidiary, New Lucky Lines S.A., decrease its capital of USD 9,000 thousand, and the chairman was authorised to handle all subsequent matters.
- E. On January 28, 2026, the Company's Board of Directors resolved that Franbo Star Ltd., a second-tier subsidiary in the Marshall Islands, reduce its capital to offset accumulated deficits for the interim period, in an amount totaling USD 1,980,000 thousand, and authorised the chairman to handle all subsequent matters.
- F. The distribution of 2025 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 5, 2026. Refer to Notes 6(11) and 6(13) for more details.
- G. On March 5, 2026, the Company's Board of Directors resolved that the subsidiary, New Lucky Lines S.A., decrease its capital of USD 3,000 thousand, and the chairman was authorised to handle all subsequent matters.
- H. On March 5, 2026, the Company's Board of Directors resolved that the subsidiary, FWF Shipping Limited would acquire shares in Franbo Wealth Shipping Ltd., a second-tier subsidiary 70% indirectly owned by New Lucky Lines S.A. and authorised the chairman to handle all subsequent matters.
- I. On March 5, 2026, the Company's Board of Directors resolved that the second-tier subsidiary, Franbo Wealth Shipping Ltd., disposed of vessels at a price not lower than USD 34,800 thousand and increased capital of USD 17,000 thousand, and the chairman was authorised to handle all subsequent matters.
- J. On March 5, 2026, the Company's Board of Directors resolved that the second-tier subsidiary, Franbo Wealth Shipping Ltd., decrease its capital of USD 17,000 thousand, and the chairman was authorised to handle all subsequent matters.
- K. On March 5, 2026, the Company's Board of Directors resolved that the second-tier subsidiary, FB Navigation Ltd., decrease its capital of USD 1,060 thousand, and the chairman was authorised to handle all subsequent matters.

## 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, 2025, the Company's strategy was the same as that in 2024 and was dedicated to maintaining a stable debt to assets ratio. The Company's debt to assets ratios were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Total liabilities	\$ 1,355,650	\$ 1,089,221
Total assets	\$ 9,425,568	\$ 8,567,902
Debt to assets ratio	<u>14%</u>	<u>13%</u>

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2025</u>	<u>December 31, 2024</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	\$ 5,086	\$ 4,461
Financial assets at amortised cost/Loans and receivables		
Cash and cash equivalents	45,921	75,921
Accounts receivable due from related parties	13,502	14,562
Other receivables due from related parties	111,017	53,238
Guarantee deposits paid (Note 1)	3,100	600
	<u>\$ 178,626</u>	<u>\$ 148,782</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Other payables (including related parties)	\$ 128,903	\$ 241,834
Corporate bonds payable (including current portion)	1,199,539	822,424
Guarantee deposits received	200	-
	<u>\$ 1,328,642</u>	<u>\$ 1,064,258</u>
Lease liability (including current and non-current)	<u>\$ 3,889</u>	<u>\$ -</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:

(Foreign currency: functional currency)	December 31, 2025		Carrying amount (New Taiwan dollar)
	Foreign currency amount (In thousands)	Exchange rate	
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,259	31.43	\$ 39,570
<u>Non-monetary items</u>			
USD:NTD (Note)	263,322	31.43	8,276,215
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	2,979	31.43	93,630

Note: Investments accounted for using equity method.

December 31, 2024				
(Foreign currency: functional currency)	Foreign currency amount (In thousands)		Exchange rate	Carrying amount (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.

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, 2025 and 2024, amounted to \$30,182 and (\$19,011), respectively.

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

Year ended December 31, 2025			
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%	\$ 396	\$ -
<u>Non-monetary items</u>			
USD:NTD	1%	-	82,762
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	936	-

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		-

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, 2025 and 2024 would have increased/decreased by \$51 and \$45, 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, 2025 and 2024, the loss rate methodology is as follows:

<u>December 31, 2025</u>	<u>Up to 30 days past due</u>	<u>Expected loss rate</u>	
		<u>31 days to 90 days past due</u>	<u>Over 90 days past due</u>
	0.12%	0.24%~0.35%	100%
<u>December 31, 2024</u>	<u>Up to 30 days past due</u>	<u>Expected loss rate</u>	
		<u>31 days to 90 days past due</u>	<u>Over 90 days past due</u>
	0.17%	0.34%~0.51%	100%

- vii. The beginning and ending balances for the years ended December 31, 2025 and 2024 of the Company's application of the modified approach on loss allowance for accounts receivable were all \$0. For the years ended December 31, 2025 and 2024, 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:

	<u>December 31, 2025</u>		
	<u>Within 1 year</u>	<u>Between 1 and 2 years</u>	<u>Over 2 years</u>
Non-derivative financial liabilities:			
Other payables to related parties	\$ 128,903	\$ -	\$ -
Long-term borrowings (including current portion)	1,006	1,006	2,011
Bonds payable	-	576,700	718,600
Non-derivative financial liabilities:			
Options embedded in convertible bonds	-	-	3,851

	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

(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, 2025			
	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 1,199,539	\$ -	\$ -	\$ 1,207,715
		December 31, 2024		
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 822,424	\$ -	\$ -	\$ 827,622

(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, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 5,086	\$ -	\$ -	\$ 5,086
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Option to convert embedded corporate bonds	\$ -	\$ -	\$ 3,851	\$ 3,851
December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
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	<u>\$ 4,461</u>	<u>\$ -</u>	<u>\$ 87</u>	<u>\$ 4,548</u>

(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, 2025 and 2024, 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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
	<u>Derivative instruments</u>	<u>Derivative instruments</u>
January 1	\$ 87	\$ 397
Issued in the period	( 6,318)	295
Gains and losses recognised in profit or loss (Note)	2,196	( 422)
Conversion or repurchase in the period	<u>184</u>	<u>( 183)</u>
December 31	<u>(\$ 3,851)</u>	<u>\$ 87</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, 2025 and 2024.

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, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Convertible bonds	(\$ 3,851)	The Binomial-Tree approach to convertible bonds	Stock price volatility	30.16%~39.94%	The higher the price volatility, the higher the fair value

  

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

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, 2025					
		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%	\$ 10	(\$ 20)	\$ -	\$ -	
Financial liabilities							
Derivative instruments	Stock price volatility	±5%	\$ 40	(\$ 10)	\$ -	\$ -	

  

		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)	\$ -	\$ -	

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

### 13. Supplementary Disclosures

#### (1) Significant transactions information

According to the current regulatory requirements, the Company is only required to disclose the information for the year ended December 31, 2025, the required disclosure information of each investee was prepared according to the 2025 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 significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
- E. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 4.
- F. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 6.

(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.

14. Segment Information

Not applicable.

## FRANBO LINES CORPORATION

## Loans to others

Year ended December 31, 2025

Table 1

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, 2025	Balance at December 31, 2025	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			
0	Franbo Lines Corporation	Franbo Asset Management Co., Ltd.	Other receivables due from related parties	Y	\$ 310,000	\$ 160,000	\$ 110,000	-	Short-term financing	\$ -	Operating turnover	\$ -	None	-	\$ 806,992	\$ 1,613,984	Notes 1 ~ 3
0	Franbo Lines Corporation	FB Propriety Real Estate Development Co., Ltd.	Other receivables due from related parties	Y	20,000	-	-	-	Short-term financing	-	Operating turnover	-	None	-	806,992	1,613,984	Notes 1 ~ 3
0	Franbo Lines Corporation	FB Integrity Real Estate Development Co., Ltd.	Other receivables due from related parties	Y	20,000	-	-	-	Short-term financing	-	Operating turnover	-	None	-	806,992	1,613,984	Notes 1 ~ 3
1	New Lucky Lines S.A.	Franbo Lines Corporation	Other receivables due from related parties	Y	172,865	78,575	12,572	-	Short-term financing	-	Operating turnover	-	None	-	2,227,571	7,425,237	Notes 1 ~ 4
1	New Lucky Lines S.A.	Franbo Lohas S.A.	Other receivables due from related parties	Y	62,860	-	-	-	Short-term financing	-	Operating turnover	-	None	-	2,227,571	7,425,237	Notes 1 ~ 4
1	New Lucky Lines S.A.	Franbo Legion Ltd.	Other receivables due from related parties	Y	62,860	31,430	17,287	-	Short-term financing	-	Operating turnover	-	None	-	2,227,571	7,425,237	Notes 1 ~ 4
1	New Lucky Lines S.A.	Franbo Ocean Ltd.	Other receivables due from related parties	Y	282,870	-	-	-	Short-term financing	-	Operating turnover	-	None	-	2,227,571	7,425,237	Notes 1 ~ 4
1	New Lucky Lines S.A.	Franbo Bright Ltd.	Other receivables due from related parties	Y	125,720	-	-	-	Short-term financing	-	Operating turnover	-	None	-	2,227,571	7,425,237	Notes 1 ~ 4
1	New Lucky Lines S.A.	Franbo Ace Ltd.	Other receivables due from related parties	Y	220,010	188,580	92,719	-	Short-term financing	-	Operating turnover	-	None	-	2,227,571	7,425,237	Notes 1 ~ 4
1	New Lucky Lines S.A.	Franbo Art Ltd.	Other receivables due from related parties	Y	157,150	125,720	55,945	-	Short-term financing	-	Operating turnover	-	None	-	2,227,571	7,425,237	Notes 1 ~ 4
1	New Lucky Lines S.A.	Franbo Century Ltd.	Other receivables due from related parties	Y	282,870	62,860	38,030	-	Short-term financing	-	Operating turnover	-	None	-	2,227,571	7,425,237	Notes 1 ~ 4
1	New Lucky Lines S.A.	Franbo Brave Ltd.	Other receivables due from related parties	Y	345,730	78,575	39,288	-	Short-term financing	-	Operating turnover	-	None	-	2,227,571	7,425,237	Notes 1 ~ 4

## FRANBO LINES CORPORATION

## Loans to others

Year ended December 31, 2025

Table 1

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, 2025	Balance at December 31, 2025	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			
2	Uni-Morality Lines Ltd.	Franbo Lines Corporation	Other receivables due from related parties	Y	113,148	-	-	-	Short-term financing	-	Operating turnover	-	None	-	113,618	113,618	Notes 1 ~ 4
2	Uni-Morality Lines Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	113,148	113,148	113,148	-	Short-term financing	-	Operating turnover	-	None	-	113,618	113,618	Notes 1 ~ 4
3	FWF Shipping Limited.	New Lucky Lines S.A.	Other receivables due from related parties	Y	565,740	502,880	165,008	-	Short-term financing	-	Operating turnover	-	None	-	643,534	643,534	Notes 1 ~ 4
3	FWF Shipping Limited.	Franbo Lines Corporation	Other receivables due from related parties	Y	157,150	94,290	80,775	-	Short-term financing	-	Operating turnover	-	None	-	643,534	643,534	Notes 1 ~ 4
4	Franbo Shipping S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	157,150	62,860	21,372	-	Short-term financing	-	Operating turnover	-	None	-	81,970	81,970	Notes 1 ~ 4
5	Franbo Transportation S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	204,295	62,860	28,601	-	Short-term financing	-	Operating turnover	-	None	-	83,903	83,903	Notes 1 ~ 4
6	Franbo Logos S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	110,005	47,145	17,287	-	Short-term financing	-	Operating turnover	-	None	-	431,877	431,877	Notes 1 ~ 4
7	Franbo Logic S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	188,580	125,720	64,432	-	Short-term financing	-	Operating turnover	-	None	-	467,730	467,730	Notes 1 ~ 4
8	Franbo Lohas S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	421,162	421,162	411,733	-	Short-term financing	-	Operating turnover	-	None	-	413,390	413,390	Notes 1 ~ 5
9	Franbo Sagacity S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	128,863	66,003	64,432	-	Short-term financing	-	Operating turnover	-	None	-	67,779	67,779	Notes 1 ~ 4
10	Franbo Ocean Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	62,860	62,860	19,487	-	Short-term financing	-	Operating turnover	-	None	-	426,204	426,204	Notes 1 ~ 4
11	FB Pioneer Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	94,290	62,860	26,401	-	Short-term financing	-	Operating turnover	-	None	-	79,170	79,170	Notes 1 ~ 4
12	Franbo Legacy Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	267,155	229,439	227,553	-	Short-term financing	-	Operating turnover	-	None	-	230,642	230,642	Notes 1 ~ 4
13	Franbo Bright Limited	New Lucky Lines S.A.	Other receivables due from related parties	Y	47,145	47,145	18,858	-	Short-term financing	-	Operating turnover	-	None	-	255,872	255,872	Notes 1 ~ 4

## FRANBO LINES CORPORATION

## Loans to others

Year ended December 31, 2025

Table 1

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, 2025	Balance at December 31, 2025	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			
14	Franbo Cosmos Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	125,720	31,430	-	-	Short-term financing	-	Operating turnover	-	None	-	470,262	470,262	Notes 1 ~ 4
15	BCTS Capital Inc.	New Lucky Lines S.A.	Other receivables due from related parties	Y	96,176	93,033	93,033	-	Short-term financing	-	Operating turnover	-	None	-	93,826	93,826	Notes 1 ~ 4
16	Franbo Wind S.A.	New Lucky Lines S.A.	Other receivables due from related parties	Y	62,860	62,860	56,888	-	Short-term financing	-	Operating turnover	-	None	-	241,448	241,448	Notes 1 ~ 4
17	Franbo Bravo Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	345,730	94,290	37,716	-	Short-term financing	-	Operating turnover	-	None	-	709,201	709,201	Notes 1 ~ 4
18	Franbo Century Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	47,145	-	-	-	Short-term financing	-	Operating turnover	-	None	-	536,899	536,899	Notes 1 ~ 4
19	Franbo Legion Ltd.	New Lucky Lines S.A.	Other receivables due from related parties	Y	361,445	298,585	-	-	Short-term financing	-	Operating turnover	-	None	-	301,296	301,296	Notes 1 ~ 4
20	Prevalent Creation Corp.	New Lucky Lines S.A.	Other receivables due from related parties	Y	5,657	5,657	5,343	-	Short-term financing	-	Operating turnover	-	None	-	5,984	5,984	Notes 1 ~ 4
21	Franbo Asset Management Co., Ltd.	FB Propriety Real Estate Development Co., Ltd.	Other receivables due from related parties	Y	20,000	-	-	-	Short-term financing	-	Operating turnover	-	None	-	752,140	752,140	Notes 1 ~ 3
21	Franbo Asset Management Co., Ltd.	FB Integrity Real Estate Development Co., Ltd.	Other receivables due from related parties	Y	90,000	40,000	34,200	-	Short-term financing	-	Operating turnover	-	None	-	752,140	752,140	Notes 1 ~ 3
21	Franbo Asset Management Co., Ltd.	FB Integrity Real Estate Development Co., Ltd.	Other receivables due from related parties	Y	80,000	50,000	25,300	-	Short-term financing	-	Operating turnover	-	None	-	752,140	752,140	Notes 1 ~ 3
22	Franbo Justice Building Development Co., Ltd	Franbo Asset Management Co., Ltd.	Other receivables due from related parties	Y	120,000	-	-	-	Short-term financing	-	Operating turnover	-	None	-	125,760	125,760	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 31.43 on the reporting date.

Note 5: The Company has set an improvement plan regarding loans to others in excess of the prescribed limits; the plan was reviewed by the Audit Committee and resolved by the Board on March 5, 2026.

FRANBO LINES CORPORATION  
Provision of endorsements and guarantees to others  
Year ended December 31, 2025

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, 2025	Outstanding endorsement/ guarantee amount at December 31, 2025	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	\$ 8,069,918	\$ 542,168	\$ 542,168	\$ 542,168	\$ -	0.07%	\$ 40,349,590	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Art Ltd.	Notes 2	8,069,918	542,168	542,168	542,168	-	0.07%	40,349,590	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Cosmos Ltd.	Notes 2	8,069,918	559,454	559,454	559,454	-	0.07%	40,349,590	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Century Ltd.	Notes 2	8,069,918	749,606	561,026	561,026	-	0.07%	40,349,590	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Brave Ltd.	Notes 2	8,069,918	590,161	590,161	590,161	-	0.07%	40,349,590	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Bravo Ltd.	Notes 2	8,069,918	590,161	590,161	590,161	-	0.07%	40,349,590	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	New Lucky Lines S.A.	Notes 2	8,069,918	282,870	282,870	282,870	-	0.04%	40,349,590	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Wealth Shipping Ltd.	Notes 2	8,069,918	421,979	421,979	421,979	-	0.05%	40,349,590	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Charity S.A.	Notes 2	8,069,918	421,979	421,979	421,979	-	0.05%	40,349,590	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Monica Shipping Ltd.	Notes 2	8,069,918	421,979	-	-	-	0.00%	40,349,590	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Sino Ltd.	Notes 2	8,069,918	421,979	421,979	421,979	-	0.05%	40,349,590	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	TW Hornbill Line S.A.	Notes 2	8,069,918	286,013	286,013	286,013	-	0.04%	40,349,590	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Way Limited	Notes 2	8,069,918	286,013	-	-	-	0.00%	40,349,590	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	FB Navigation Limited	Notes 2	8,069,918	264,012	264,012	264,012	-	0.03%	40,349,590	Y	N	N	Notes 3, 4 and 5

FRANBO LINES CORPORATION  
Provision of endorsements and guarantees to others  
Year ended December 31, 2025

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, 2025	Outstanding endorsement/ guarantee amount at December 31, 2025	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
		Relationship with the counterparty	Company name											
1	FB Propriety Real Estate Development Co., Ltd.	Franbo Lines Corporation	Notes 2	217,693	210,000	210,000	210,000	-	0.96%	435,386	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 31.43 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, 2025

Table 3

Expressed in thousands of NTD  
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2025				
				Number of shares (unit)	Carrying amount	Ownership (%)	Fair value	Footnote
Franbo Lines Corporation	Goldman Sachs US Dollar Credit Y Dis	None	Financial assets at fair value through profit or loss - current	95	1,016	-	1,016	Notes 1 & 2
Franbo Lines Corporation	UPAMC Global Innovation Active ETF (00988A)	None	Financial assets at fair value through profit or loss - current	100,000	1,007	-	1,007	Note 2
Franbo Lines Corporation	Amundi MA Growth and Income Hedged	None	Financial assets at fair value through profit or loss - current	50,000	510	-	510	Note 2
Franbo Lines Corporation	Mega Dual Momentum Fund of Funds	None	Financial assets at fair value through profit or loss - current	150,000	1,553	-	1,553	Note 2
Franbo Lines Corporation	Fubon U.S. Umbrella Fund Fubon S&P 500 Index Fund	None	Financial assets at fair value through profit or loss - current	100,000	1,000	-	1,000	Note 2
Franbo Asset Management Co., Ltd.	FSITC Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current	92,870	1,505	-	1,505	Note 2
FB Propriety Real Estate Development Co., Ltd	FSITC Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current	90,000	1,459	-	1,459	Note 2
Franbo Asset Management Co., Ltd.	YU DING JIANG Construction Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	802,104	8,018	16.04%	8,018	-

Note 1: The exchange rates of United States dollars were translated into New Taiwan dollars at the rate of 31.43 on the reporting date.

Note 2: 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, 2025

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, 2025		Addition		Disposal			Balance as at December 31, 2025		
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	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, 2025

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2025	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Franbo Lohas S. A.	New Lucky Lines S.A.	Parent company	\$ 411,733	Not applicable	\$ -	\$ -	\$ -	\$ -
Franbo Legacy Ltd.	New Lucky Lines S.A.	Parent company	227,553	Not applicable	-	-	-	-
Franbo Lines Corporation	Franbo Asset Management Co., Ltd.	Subsidiaries	110,000	Not applicable	-	-	-	-
FWF Shipping Limited	New Lucky Lines S.A.	Associates	165,008	Not applicable	-	-	-	-
Uni-Morality Lines Ltd.	New Lucky Lines S.A.	Associates	113,148	Not applicable	-	-	-	-

FRANBO LINES CORPORATION  
Significant inter-company transactions during the reporting periods  
Year ended December 31, 2025

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	\$ 542,168	Note 4	4%
0	Franbo Lines Corporation	Franbo Art Ltd.	1	Endorsements and guarantees	542,168	Note 4	4%
0	Franbo Lines Corporation	Franbo Cosmos Ltd.	1	Endorsements and guarantees	559,454	Note 4	4%
0	Franbo Lines Corporation	Franbo Century Ltd.	1	Endorsements and guarantees	561,026	Note 4	4%
0	Franbo Lines Corporation	Franbo Brave Ltd.	1	Endorsements and guarantees	590,161	Note 4	4%
0	Franbo Lines Corporation	Franbo Bravo Ltd.	1	Endorsements and guarantees	590,161	Note 4	4%
0	Franbo Lines Corporation	Franbo Wealth Shipping Ltd.	1	Endorsements and guarantees	421,979	Note 4	3%
0	Franbo Lines Corporation	Franbo Charity S.A.	1	Endorsements and guarantees	421,979	Note 4	3%
0	Franbo Lines Corporation	Franbo Sino Ltd.	1	Endorsements and guarantees	421,979	Note 4	3%
0	Franbo Lines Corporation	TW Hornbill Line S. A.	1	Endorsements and guarantees	286,013	Note 4	2%
0	Franbo Lines Corporation	FB Navigation Limited	1	Endorsements and guarantees	264,012	Note 4	2%
0	Franbo Lines Corporation	New Lucky Lines S.A.	1	Endorsements and guarantees	282,870	Note 4	2%
0	Franbo Lines Corporation	FWF Shipping Ltd.	1	Other payables	80,775	Notes 4, 6	1%
0	Franbo Lines Corporation	New Lucky Lines S.A.	1	Other payables	12,572	Notes 4, 6	0%
0	Franbo Lines Corporation	Franbo Asset Management Co., Ltd.	1	Other receivables	110,000	Note 6	1%
1	New Lucky Lines S.A.	Franbo Shipping S.A.	3	Other payables	21,372	Notes 4, 6	0%
1	New Lucky Lines S.A.	Franbo Transportation S.A.	3	Other payables	28,601	Notes 4, 6	0%
1	New Lucky Lines S.A.	Franbo Logos S.A.	3	Other payables	17,287	Notes 4, 6	0%
1	New Lucky Lines S.A.	Franbo Logic S.A.	3	Other payables	64,432	Notes 4, 6	0%
1	New Lucky Lines S.A.	Franbo Lohas S.A.	3	Other payables	411,733	Notes 4, 6	3%
1	New Lucky Lines S.A.	Franbo Sagacity S.A.	3	Other payables	64,432	Notes 4, 6	0%
1	New Lucky Lines S.A.	Franbo Ocean Limited	3	Other payables	19,487	Notes 4, 6	0%
1	New Lucky Lines S.A.	FB Pioneer Ltd.	3	Other payables	26,401	Notes 4, 6	0%
1	New Lucky Lines S.A.	Franbo Legacy Ltd.	3	Other payables	227,553	Notes 4, 6	2%
1	New Lucky Lines S.A.	Franbo Bright Limited	3	Other payables	18,858	Notes 4, 6	0%
1	New Lucky Lines S.A.	Uni-Morality Lines Ltd.	3	Other payables	113,148	Notes 4, 6	1%
1	New Lucky Lines S.A.	Franbo Cosmos Ltd.	3	Other payables	-	Notes 4, 6	0%
1	New Lucky Lines S.A.	BCTS Capital Inc.	3	Other payables	93,033	Notes 4, 6	1%
1	New Lucky Lines S.A.	Franbo Wind S.A.	3	Other payables	56,888	Notes 4, 6	0%
1	New Lucky Lines S.A.	Franbo Bravo Ltd.	3	Other payables	37,716	Notes 4, 6	0%
1	New Lucky Lines S.A.	FWF Shipping Ltd.	3	Other payables	165,008	Notes 4, 6	1%
1	New Lucky Lines S.A.	Franbo Lohas S.A.	3	Other receivables	-	Notes 4, 6	0%
1	New Lucky Lines S.A.	Franbo Legion S.A.	3	Other receivables	17,287	Notes 4, 6	0%
1	New Lucky Lines S.A.	Franbo Ocean Ltd.	3	Other receivables	-	Notes 4, 6	0%
1	New Lucky Lines S.A.	Franbo Bright Ltd.	3	Other receivables	-	Notes 4, 6	0%

FRANBO LINES CORPORATION  
Significant inter-company transactions during the reporting periods  
Year ended December 31, 2025

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	\$ 92,719	Notes 4, 6	1%
1	New Lucky Lines S.A.	Franbo Art Ltd.	3	Other receivables	55,945	Notes 4, 6	0%
1	New Lucky Lines S.A.	Franbo Century Ltd.	3	Other receivables	38,030	Notes 4, 6	0%
1	New Lucky Lines S.A.	Franbo Brave Ltd.	3	Other receivables	39,288	Notes 4, 6	0%
1	New Lucky Lines S.A.	Franbo Logos S.A.	3	Ship rental expenses	71,789	Note 5	3%
1	New Lucky Lines S.A.	Franbo Logic S.A.	3	Ship rental expenses	68,913	Note 5	3%
1	New Lucky Lines S.A.	Franbo Lohas S.A.	3	Ship rental expenses	38,918	Note 5	2%
1	New Lucky Lines S.A.	Franbo Legion Ltd.	3	Ship rental expenses	53,551	Note 5	2%
1	New Lucky Lines S.A.	Franbo Bright Ltd.	3	Ship rental expenses	71,910	Note 5	3%
1	New Lucky Lines S.A.	Franbo Cosmos Ltd.	3	Ship rental expenses	120,885	Note 5	5%
1	New Lucky Lines S.A.	Franbo Century Ltd.	3	Ship rental expenses	120,885	Note 5	5%
1	New Lucky Lines S.A.	Franbo Brave Ltd.	3	Ship rental expenses	120,885	Note 5	5%
1	New Lucky Lines S.A.	Franbo Bravo Ltd.	3	Ship rental expenses	120,885	Note 5	5%
1	New Lucky Lines S.A.	Franbo Wealth Shipping Ltd.	3	Ship rental expenses	141,096	Note 5	6%
1	New Lucky Lines S.A.	FB Navigation Limited	3	Ship rental expenses	117,590	Note 5	5%
1	New Lucky Lines S.A.	Franbo Charity S.A.	3	Ship rental expenses	104,098	Note 5	4%
1	New Lucky Lines S.A.	Franbo Sino Limited	3	Ship rental expenses	61,776	Note 5	3%
1	New Lucky Lines S.A.	Franbo Art Ltd.	3	Ship rental expenses	1,445	Note 5	0%
2	FWF Shipping Ltd.	Franbo Ace Ltd.	3	Ship rental expenses	120,885	Note 5	5%
2	FWF Shipping Ltd.	Franbo Art Ltd.	3	Ship rental expenses	120,885	Note 5	5%
3	Uni-Morality Lines Ltd.	New Lucky Lines S. A.	3	Other receivables	113,148	Notes 4, 6	1%
4	Franbo Asset Management Co., Ltd.	FB Integrity Real Estate Development Co., Ltd.	3	Other receivables	34,200	Note 6	0%
4	Franbo Asset Management Co., Ltd.	Franbo Justice Building Development Co., Ltd.	3	Other receivables	25,300	Note 6	0%
4	Franbo Justice Building Development Co., Ltd.	Franbo Asset Management Co., Ltd.	3	Other receivables	-	Note 6	0%
4	FB Propriety Real Estate Development Co., Ltd.	Franbo Lines Corporation	2	Endorsements and guarantees	210,000	-	1%

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 31.43 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, 2025

Table 7

Investor	Name of investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net income of investee as of December 31, 2025	Investment income (loss) recognised by the Company for the year ended December 31, 2025	FootNotes
				December 31, 2025	December 31, 2024	Number of shares	Ownership (%)	Book value			
Franbo Lines Corporation	New Lucky Lines S.A.	Marshall	Investment in other area	\$ 4,059,175	\$ 3,849,661	131,000,000	100	\$ 7,425,237	\$ 520,837	\$ 520,837	Notes 1, 7, 8 and 11
			Notes 5								
Franbo Lines Corporation	Uni-Morality Lines Ltd.	Hong Kong	Investment in other area	37,700	37,700	1,000,000	100	113,618	( 174)	( 174)	Notes 1, 7 and 8
Franbo Lines Corporation	Franbo Asset Management Co., Ltd.	Taiwan	Notes 6	750,000	620,000	75,000,000	100	752,140	29,795	29,795	Notes 1, 6 and 8
Franbo Lines Corporation	BCTS Capital Inc.	Marshall	Investment in other area	24,879	24,879	1,000,000	100	93,826	743	743	Notes 1, 7 and 8
Franbo Lines Corporation	FWF Shipping Ltd.	Marshall	Investment in other area	30,962	62,452	1,000,000	100	643,534	109,914	109,914	Notes 1, 7, 8 and 12
New Lucky Lines S.A.	Franbo Shipping S.A.	Panama	Notes 5	94,290	188,580	3,000,000	100	81,970	10,488	10,488	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Logos S.A.	Panama	Notes 5	298,585	298,585	9,500,000	100	431,877	( 6,680)	( 6,680)	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Logic S.A.	Panama	Notes 5	298,585	298,585	9,500,000	100	467,730	( 5,051)	( 5,051)	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Lohas S.A.	Panama	Notes 5	100,576	100,576	3,200,000	100	413,390	28,869	28,869	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Sagacity S.A.	Panama	Notes 4 and 5	62,860	62,860	2,000,000	100	67,779	642	642	Notes 2, 7 and 8
New Lucky Lines S.A.	Prevalent Creation Corp.	Marshall	Notes 4	6,286	6,286	200,000	100	5,984	130	130	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Ocean Ltd.	Marshall	Notes 5	220,010	157,150	7,000,000	100	426,204	51,344	51,344	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Legion Ltd.	Marshall	Notes 5	267,155	267,155	8,500,000	100	301,296	( 19,962)	( 19,962)	Notes 2, 7 and 8
New Lucky Lines S.A.	FB Pioneer Ltd.	Marshall	Notes 5	34,573	34,573	1,100,000	100	79,170	12,158	12,158	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Legacy Ltd.	Marshall	Notes 5	125,720	125,720	4,000,000	100	230,642	( 5,925)	( 5,925)	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Ace Ltd.	Marshall	Notes 5	377,160	377,160	12,000,000	100	384,902	4,247	4,247	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Bright Ltd.	Marshall	Notes 5	267,155	220,010	8,500,000	100	255,872	( 15,254)	( 15,254)	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Cosmos Ltd.	Marshall	Notes 5	518,595	518,595	16,500,000	100	470,262	449	449	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Art Ltd.	Marshall	Notes 5	618,071	377,160	19,665,000	100	598,478	4,760	4,760	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Century Ltd.	Marshall	Notes 5	556,201	440,020	17,696,500	100	536,899	1,627	1,627	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Brave Ltd.	Marshall	Notes 5	639,915	408,590	20,360,000	100	624,667	3,306	3,306	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Bravo Ltd.	Marshall	Notes 5	704,032	704,032	22,400,000	100	709,201	12,872	12,872	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Wealth Shipping Ltd.	Marshall	Notes 5	295,473	291,073	9,401,000	70	306,163	22,474	15,732	Notes 2, 7 and 8

FRANBO LINES CORPORATION  
Information on investees  
Year ended December 31, 2025

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Name of investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net income of investee as of December 31, 2025	Investment income (loss) recognised by the Company for the year ended December 31, 2025	FootNotes
				December 31, 2025	December 31, 2024	Number of shares	Ownership (%)	Book value			
New Lucky Lines S.A.	Franbo Charity S.A.	Marshall	Notes 5	\$ 295,077	\$ 182,938	9,388,400	70	\$ 302,383	\$ 11,926	\$ 8,348	Notes 2, 7 and 8
New Lucky Lines S.A.	Franbo Monica Shipping Ltd.	Marshall	Notes 5	-	105,979	-	70	-	69,604	48,723	Notes 2, 7, 8 and 9
New Lucky Lines S.A.	Franbo Sino Ltd.	Marshall	Notes 5	292,877	112,579	9,318,400	70	296,352	4,909	3,436	Notes 2, 7 and 8
New Lucky Lines S.A.	TW Hornbill Line S.A.	Marshall	Notes 5	233,211	51,482	7,420,000	70	234,218	1,476	1,033	Notes 2, 7, and 8
New Lucky Lines S.A.	Franbo Way Ltd.	Marshall	Notes 5	228,810	519,482	7,420,000	70	232,970	12,085	8,460	Notes 2, 7, and 8
New Lucky Lines S.A.	FB Navigation Ltd.	Marshall	Notes 5	255,212	-	8,120,000	70	245,159	( 14,248)	( 9,974)	Notes 2, 7, and 8
New Lucky Lines S.A.	Franbo Star Ltd.	Marshall	Notes 5	43,562	-	1,386,000	70	43,521	( 57)	( 40)	Notes 2, 7, and 8
New Lucky Lines S.A.	Franbo Sunwise Ltd.	Marshall	Notes 5	43,562	-	1,386,000	70	43,521	( 57)	40	Notes 2, 7, and 8
New Lucky Lines S.A.	Franbo Sunrise Ltd.	Marshall	Notes 5	43,562	-	1,386,000	70	43,521	( 57)	40	Notes 2, 7, and 8
New Lucky Lines S.A.	Franbo Sunlight Ltd.	Marshall	Notes 5	-	-	-	-	-	-	-	Notes 2, 13
New Lucky Lines S.A.	Franbo Sunshine Ltd.	Marshall	Notes 5	-	-	-	-	-	-	-	Notes 2, 13
FWF Shipping Ltd.	Franbo Wind S.A.	Marshall	Notes 5	188,580	188,580	6,000,000	100	241,448	21,744	21,744	Notes 2, 7 and 8
FWF Shipping Ltd.	Franbo Transportation S.A.	Panama	Notes 5	63,649	169,617	2,025,119	100	83,903	9,126	9,126	Notes 2, 7 and 8
Franbo Asset Management Co., Ltd.	FB Propriety Real Estate Development Co., Ltd.	Taiwan	Notes 6	230,000	230,000	23,000,000	100	217,693	1,260	1,260	Notes 2, 6 and 8
Franbo Asset Management Co., Ltd.	Franbo Justice Building Development Co., Ltd.	Taiwan	Notes 6	130,000	130,000	13,000,000	100	125,760	( 900)	( 900)	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	67,591	( 1,254)	( 1,254)	Notes 2, 6 and 8
BCTS Capital Inc.	BCI Loyalty Inc.	Marshall	Notes 5	-	11,089	-	-	-	1,255	615	Notes 3, 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 31.43 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: In June 2025, the Company collected the investment proceeds.

Note 10: In March 2025, the Company collected the investment proceeds.

Note 11: For the year ended December 31, 2025, the Company reduced the capital of NEW LUCKY LINES S.A., amounting to USD 14,451,500 thousand.

Note 12: For the year ended December 31, 2025, the Company reduced the capital of FWF Shipping Ltd., amounting to USD 1,000,000 thousand.

Note 13: On August 13, 2025, the Board of Directors of the Company resolved to indirectly invest in a second-tier subsidiary through the subsidiary, New Lucky Lines S.A. As of December 31, 2025, the capital injection has not yet been completed.

FRANBO LINES CORPORATION

Major shareholders information

December 31, 2025

Table 8

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

FRANBO LINES CORPORATION  
STATEMENT OF CASH AND CASH EQUIVALENTS  
DECEMBER 31, 2025

(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		\$ 30
Cash in Bank:		
Checking accounts		1
Demand deposits (NTD)		19,840
Foreign currency demand deposits	(USD 28 thousand, conversion rate: 31.43)	878
Cash equivalents:		
Foreign currency demand deposits	(USD 801 thousand, conversion rate: 31.43)	<u>25,172</u>
		<u>\$ 45,921</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, 2025  
(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	Amount	Shares in thousand	Amount	Shares in thousand	Amount	Shares in thousand	Ownership	Amount	Unit Price (in dollars)	Total amount	Collateral
New Lucky Lines S.A.	124,000	\$ 6,963,560	21,452	\$ 893,132	( 14,452)	(\$ 431,455)	131,000	100%	\$ 7,425,237	\$ 56.68	\$ 7,425,237	None
Uni-Morality Lines Ltd.	1,000	118,718	-	-	-	( 5,100)	1,000	100%	113,618	113.62	113,618	None
BCTS Capital Inc.	1,000	97,104	-	-	-	( 3,278)	1,000	100%	93,826	93.83	93,826	None
FWF Shipping Ltd.	2,000	594,292	-	86,444	( 1,000)	( 37,202)	1,000	100%	643,534	643.53	643,534	None
Franbo Asset Management Co., Ltd.	62,000	<u>592,346</u>	13,000	<u>159,794</u>	-	<u>-</u>	75,000	100%	<u>752,140</u>	10.03	<u>752,140</u>	None
		<u>\$ 8,366,020</u>		<u>\$ 1,139,370</u>		<u>(\$ 477,035)</u>			<u>\$ 9,028,355</u>		<u>\$ 9,028,355</u>	

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FRANBO LINES CORPORATION  
STATEMENT OF BONDS PAYABLE  
DECEMBER 31, 2025

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

STATEMENT 3

Bonds Name	Trustee	Issuance Date	Interest Payment Date	Coupon Rate	Total Issuance Amount	Amount repurchased	Amount conversion	Enging Balance	Unamortised Premiums		Repayment		Note
									(Discounts)	Carrying Amount	Term	Collateral	
The fifth domestic secured corporated bonds	Bank SinoPac	2022.7.28	-	Note	\$ 600,000	(\$ 2,100)	(\$ 597,900)	\$ -	\$ -	\$ -	Note	None	
The sixth domestic unsecured convertible bonds	Bank SinoPac	2023.8.23	-	Note	400,000	-	( 400,000)	-	-	-	Note	None	
The seventh domestic unsecured convertible bonds	Bank SinoPac	2024.7.26	-	Note	590,000	( 13,300)	-	576,700	( 22,921)	553,779	Note	None	
The eighth domestic unsecured convertible bonds	Bank SinoPac	2025.8.6	-	Note	780,000	-	( 61,400)	718,600	( 72,840)	645,760	Note	None	
					<u>\$ 2,370,000</u>	<u>(\$ 15,400)</u>	<u>(\$ 1,059,300)</u>	<u>\$ 1,295,300</u>	<u>(\$ 95,761)</u>	<u>\$ 1,199,539</u>			
									Less: Current portion	-			
										<u>\$ 1,199,539</u>			

Note: Refer to Note 6(9) corporate bonds payable for details.

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FRANBO LINES CORPORATION  
STATEMENT OF OPERATING COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2025

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

STATEMENT 4

<u>Item</u>	<u>Amount</u>
Vessels management cost	
Certificate inspection fee	\$ 596
Others (below 5%)	591
Indirect operating costs	
Indirect labor	16,778
Insurance expense	1,427
Others (below 5%)	3,030
Operating costs	<u>\$ 22,422</u>

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FRANBO LINES CORPORATION  
STATEMENT OF OPERATING EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2025

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

STATEMENT 5

<u>Item</u>	<u>Selling Expenses</u>	<u>Administrative Expenses</u>	<u>Total</u>	<u>Note</u>
Wages and salaries	\$ 14,533	\$ 39,082	\$ 53,615	
Insurance expense	889	3,147	4,036	
Professional service expense	-	3,194	3,194	
Entertainment expense	752	1,930	2,682	
Traveling expense	617	1,900	2,517	
Other expenses (each item not exceeding 5%)	<u>1,029</u>	<u>17,598</u>	<u>18,627</u>	
	<u>\$ 17,820</u>	<u>\$ 66,851</u>	<u>\$ 84,671</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, 2025  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 6

Function Nature	Year ended December 31					
	2025			2024		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee Benefit Expense (Note)	\$ 19,523	\$ 60,609	\$ 80,132	\$ 16,598	53,628	\$ 70,226
Wages and salaries	16,778	45,605	62,383	14,304	39,870	54,174
Labour and health insurance fees	1,369	3,702	5,071	1,124	3,184	4,308
Pension costs	689	1,619	2,308	562	1,445	2,007
Directors' remuneration	-	8,010	8,010	-	7,518	7,518
Other personnel expenses	687	1,673	2,360	608	1,611	2,219
Depreciation Expense	-	3,159	3,159	-	2,047	2,047
Amortisation Expense	-	147	147	-	147	147

Note 1: For the years ended December 31, 2025 and 2024, the Company had 64 and 60 employees, excluding 6 and 5 non-employee directors for 2025 and 2024, respectively.

Note 2. (1) For the years ended December 31, 2025 and 2024, average employee benefit expense are \$1,243 and \$1,140, respectively. ( Including salary expenses and share-based payments in the amount of \$\_\_\_ and \$0, respectively)

(2) For the years ended December 31, 2025 and 2024, average employees' salary expenses are \$1,076 and \$985, respectively.

(3) Adjustments of average employees salaries: 9.24%.

(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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