

**FRANBO LINES CORPORATION AND
SUBSIDIARIES**

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

DECEMBER 31, 2025 AND 2024

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

FRANBO LINES CORPORATION AND SUBSIDIARIES

Declaration of Consolidated Financial Statements of Affiliated Enterprises

Year ended December 31, 2025, pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the entity that is required to be included in the consolidated financial statements of affiliates, is the same as the entity required to be included in the consolidated financial statements of parent and subsidiary companies under IFRS 10. Also, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

FRANBO LINES CORPORATION

TSAI,PANG-CHUAN

March 5, 2026

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Franbo Lines Corporation

Opinion

We have audited the accompanying consolidated balance sheets of Franbo Lines Corporation (the "Group") as at December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2025 consolidated financial statements are stated as follows:

Existence of revenue recognition of newly top 10 unlisted customers

Description

Please refer to Notes 4(27) and 4(32) for the accounting policies on revenue recognition, and Note 6(22) for details of operating revenue.

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

How our audit addressed the matter

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

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

Impairment assessment of vessels and equipment

Description

Please refer to Note 4(21) for accounting policies on the impairment of non-financial assets, and Note 5 for the uncertainty of accounting estimates and assumptions on the impairment assessment of investment accounted for using equity method.

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

How our audit addressed the matter

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

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

Other matter – Consolidated financial reports

We have audited and expressed an unmodified opinion on the consolidated financial statements of the Company as at and for the years ended December 31, 2025 and 2024.

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

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

Wang, Chun-Kai

Liao, A-Shen

For and on behalf of PricewaterhouseCoopers, Taiwan

March 5, 2026

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

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

FRANBO LINES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,121,106	7	\$ 475,521	4
1110	Financial assets at fair value through profit or loss - current	6(2)	8,050	-	5,898	-
1170	Accounts receivable, net	6(5) and 7	1,574	-	30	-
1197	Finance lease receivable, net	6(10)	93,348	1	130,889	1
1220	Current tax assets		10	-	24	-
130X	Inventories	6(6), 7 and 8	722,383	5	934,223	8
1410	Prepayments		102,217	1	70,474	-
1460	Non-current assets held for sale, net	5, 6(8)(12)	318,618	2	-	-
1479	Other current assets, others		31,920	-	19,894	-
11XX	Current Assets		<u>2,399,226</u>	<u>16</u>	<u>1,636,953</u>	<u>13</u>
Non-current assets						
1510	Non-current financial assets at fair value through profit or loss	6(2)	-	-	87	-
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	8,018	-	2,996	-
1535	Non-current financial assets at amortised cost	6(4) and 8	48,258	-	34,190	-
1550	Investments accounted for using equity method	6(7)	-	-	12,230	-
1600	Property, plant and equipment	5, 6(8) and 8	11,393,805	76	8,549,022	70
1755	Right-of-use assets	6(9)	3,855	-	-	-
1760	Investment property, net	6(11)	379,501	3	-	-
1780	Intangible assets		2,604	-	2,855	-
1840	Deferred tax assets		-	-	2,754	-
1915	Prepayments for business facilities		182,546	1	1,072,071	9
1930	Long-term notes and accounts receivable	6(10)	621,116	4	923,672	8
1990	Other non-current assets, others	8	3,120	-	725	-
15XX	Non-current assets		<u>12,642,823</u>	<u>84</u>	<u>10,600,602</u>	<u>87</u>
1XXX	Total assets		<u>\$ 15,042,049</u>	<u>100</u>	<u>\$ 12,237,555</u>	<u>100</u>

(Continued)

FRANBO LINES CORPORATION AND SUBSIDIARIES
CONSOLIDATED 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	%
	Current liabilities					
2100	Current borrowings	6(13) and 8	\$ 5,000	-	\$ 55,000	1
2130	Current contract liabilities		288	-	6,093	-
2170	Accounts payable		422	-	6,840	-
2200	Other payables	6(14) and 7	121,961	1	125,478	1
2230	Current tax liabilities		25,994	-	24,671	-
2280	Current lease liabilities		947	-	-	-
2320	Long-term liabilities, current portion	6(16)(17) and 8	451,618	3	462,519	4
2399	Other current liabilities, others	6(15)(22)	107,887	1	133,183	1
21XX	Current Liabilities		<u>714,117</u>	<u>5</u>	<u>813,784</u>	<u>7</u>
	Non-current liabilities					
2500	Financial liabilities at fair value through profit or loss - non-current	6(2)	3,851	-	-	-
2530	Bonds payable	6(16)	1,199,539	8	608,430	5
2540	Non-current portion of non-current borrowings	6(17) and 8	4,250,157	28	2,698,613	22
2570	Deferred tax liabilities		331	-	-	-
2580	Non-current lease liabilities		2,942	-	-	-
2645	Guarantee deposits received	7	52,134	-	68,377	-
2670	Other non-current liabilities, others	6(22)	-	-	6,978	-
25XX	Non-current liabilities		<u>5,508,954</u>	<u>36</u>	<u>3,382,398</u>	<u>27</u>
2XXX	Total Liabilities		<u>6,223,071</u>	<u>41</u>	<u>4,196,182</u>	<u>34</u>
	Equity					
	Equity attributable to owners of parent					
	Share capital	6(19)				
3110	Ordinary share		3,303,130	22	3,110,235	25
	Capital surplus	6(20)				
3200	Capital surplus		1,807,337	12	1,592,024	13
	Retained earnings	6(21)				
3310	Legal reserve		293,190	2	234,700	2
3350	Unappropriated retained earnings		2,429,277	16	1,997,934	16
	Other equity interest					
3400	Other equity interest		236,984	2	543,788	5
31XX	Equity attributable to owners of the parent		<u>8,069,918</u>	<u>54</u>	<u>7,478,681</u>	<u>61</u>
36XX	Non-controlling interests	4(3)	<u>749,060</u>	<u>5</u>	<u>562,692</u>	<u>5</u>
3XXX	Total equity		<u>8,818,978</u>	<u>59</u>	<u>8,041,373</u>	<u>66</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		<u>\$ 15,042,049</u>	<u>100</u>	<u>\$ 12,237,555</u>	<u>100</u>

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

FRANBO LINES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 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(22) and 7	\$ 2,367,772	100	\$ 1,654,400	100
5000 Operating costs	6(26)(27)	(1,383,495)	(58)	(892,410)	(54)
5900 Gross profit from operations		984,277	42	761,990	46
Operating expenses	6(26)(27) and 7				
6100 Selling expenses		(32,416)	(2)	(12,224)	(1)
6200 Administrative expenses		(101,317)	(4)	(73,697)	(4)
6000 Total operating expenses		(133,733)	(6)	(85,921)	(5)
6900 Net operating income		850,544	36	676,069	41
Non-operating income and expenses					
7100 Interest income		24,755	1	20,716	1
7010 Other income	6(23)	18,590	1	27,931	2
7020 Other gains and losses	6(2)(24)	113,854	5	39,258	2
7050 Finance costs	6(25) and 7	(296,836)	(13)	(161,809)	(10)
7060 Share of profit of associates and joint ventures accounted for using equity method	6(7)	615	-	3,550	-
7000 Total non-operating income and expenses		(139,022)	(6)	(70,354)	(5)
7900 Profit before income tax		711,522	30	605,715	36
7950 Income tax expense	6(28)	(33,001)	(1)	(22,908)	(1)
8200 Profit for the year		\$ 678,521	29	\$ 582,807	35
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Exchange differences on translation		(\$ 306,804)	(13)	\$ 454,988	28
8300 Other comprehensive income(loss) for the year		(\$ 306,804)	(13)	\$ 454,988	28
8500 Total comprehensive income for the year		\$ 371,717	16	\$ 1,037,795	63
Profit, attributable to:					
8610 Owners of the parent		\$ 646,104	27	\$ 584,901	35
8620 Non-controlling interests		32,417	2	(2,094)	-
		\$ 678,521	29	\$ 582,807	35
Comprehensive income attributable to:					
8710 Owners of the parent		\$ 339,300	15	\$ 1,039,889	63
8720 Non-controlling interests		32,417	1	(2,094)	-
		\$ 371,717	16	\$ 1,037,795	63
Earnings per share					
9750 Basic earnings per share	6(29)	\$ 2.01		\$ 1.92	
9850 Diluted earnings per share		\$ 1.84		\$ 1.79	

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

FRANBO LINES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent											Non-controlling interests	Total equity
	Capital surplus					Retained earnings			Other equity interest		Total		
	Notes	Ordinary share	Share premium	Treasury stock 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			
2024													
Balance at January 1, 2024		\$ 2,924,827	\$ 1,359,817	\$ 5	\$ 26,839	\$ 5,973	\$ 192,260	\$ 1,604,259	\$ 88,804	(\$ 4)	\$ 6,202,780	\$ -	\$ 6,202,780
Profit(loss) for the year		-	-	-	-	-	-	584,901	-	-	584,901	(2,094)	582,807
Other comprehensive income for the year		-	-	-	-	-	-	-	454,988	-	454,988	-	454,988
Total comprehensive income (loss)		-	-	-	-	-	-	584,901	454,988	-	1,039,889	(2,094)	1,037,795
Appropriation and distribution of 2023 retained earnings:													
Legal reserve appropriated		-	-	-	-	-	42,440	(42,440)	-	-	-	-	-
Cash dividends	6(21)	-	-	-	-	-	-	(148,786)	-	-	(148,786)	-	(148,786)
Due to recognition of equity component of convertible bonds issued	6(16)	-	-	-	68,014	-	-	-	-	-	68,014	-	68,014
Conversion of convertible bonds	6(16)(19)(30)	185,408	145,834	-	(14,458)	-	-	-	-	-	316,784	-	316,784
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	-	564,786	564,786
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	\$ 562,692	\$ 8,041,373
2025													
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	\$ 562,692	\$ 8,041,373
Profit for the year		-	-	-	-	-	-	646,104	-	-	646,104	32,417	678,521
Other comprehensive loss for the year		-	-	-	-	-	-	-	(306,804)	-	(306,804)	-	(306,804)
Total comprehensive income (loss)		-	-	-	-	-	-	646,104	(306,804)	-	339,300	32,417	371,717
Appropriation and distribution of 2024 retained earnings:													
Legal reserve appropriated		-	-	-	-	-	58,490	(58,490)	-	-	-	-	-
Cash dividends	6(21)	-	-	-	-	-	-	(156,271)	-	-	(156,271)	-	(156,271)
Due to recognition of equity component of convertible bonds issued	6(16)	-	-	-	82,854	-	-	-	-	-	82,854	-	82,854
Conversion of convertible bonds	6(16)(19)(30)	192,895	152,758	-	(18,877)	-	-	-	-	-	326,776	-	326,776
Purchase of convertible bonds	6(16)	-	-	79	(1,533)	-	-	-	-	-	(1,454)	-	(1,454)
Redemption of convertible bonds	6(16)	-	-	-	(26)	26	-	-	-	-	-	-	-
Exercise the right of disgorgement		-	-	-	-	32	-	-	-	-	32	-	32
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	-	153,951	153,951
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	\$ 749,060	\$ 8,818,978

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

FRANBO LINES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 711,522	\$ 605,715
Adjustments			
Income and expenses having no effect on cash flows			
Depreciation expense	6(8)(9)(11)(26)	524,962	326,696
Amortization expense		147	147
Net gains on financial assets at fair value through profit or loss	6(2)(24)	(2,141)	(251)
Interest income		(24,755)	(20,716)
Interest expense	6(25)	296,836	161,809
Share of profit of associates and joint ventures accounted for using equity method	6(7)	(615)	(3,550)
Gain on disposal of non-current assets classified as held for sale	6(24)	(5,728)	(61,861)
Gain on disposal of property, plant and equipment	6(24)	(75,455)	-
Gain on bond redemption	6(24)	(870)	-
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Current financial assets at fair value through profit or loss		(2,207)	3,578
Accounts receivable		(1,544)	26
Finance lease receivable		294,000	397,386
Inventories		(1,560)	(146,785)
Prepayments		(35,654)	(21,877)
Other current assets, others		(12,750)	(12,360)
Accounts payable		(6,019)	(2,590)
Other payables		(3,314)	(16,145)
Other current liabilities, others		(25,441)	18,269
Other non-current liabilities, others		(6,635)	(50,914)
Cash inflow generated from operations		1,622,779	1,176,577
Interest received		24,755	20,716
Dividends received	6(7)	1,313	4,631
Interest paid		(270,872)	(149,969)
Income taxes paid		(28,588)	(80,665)
Net cash flows from operating activities		1,349,387	971,290

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FRANBO LINES CORPORATION AND SUBSIDIARIES
CONSOLIDATED 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
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 5,022)	\$ -
Increase in non-current financial assets at amortised cost		(18,949)	(15,886)
Decrease in non-current financial assets at amortised cost		3,771	-
Proceeds from capital reduction of investments accounted for using equity method	6(7)	11,604	13,374
Acquisition of property, plant and equipment	6(8)	(4,401,749)	(2,373,709)
Proceeds from disposal of property and equipment for sale		1,060,120	-
Proceeds from disposal of non-current assets held for sale		429,870	239,232
Acquisition of investment properties	6(11)	(167,105)	-
Acquisition of intangible assets		-	(2,489)
Increase in prepayments for business facilities		(180,655)	(1,049,839)
Increase in guarantee deposits received		(2,395)	-
Net cash flows used in investing activities		(3,270,510)	(3,189,317)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans	6(31)	1,227,292	505,000
Decrease in short-term loans	6(31)	(1,277,292)	(450,000)
Proceeds from long-term debt	6(31)	3,176,155	1,709,920
Repayments of long-term debt	6(31)	(1,323,456)	(536,656)
Proceeds from issuing bonds	6(31)	783,615	613,720
Repayments of bonds	6(31)	(500)	-
Purchase of convertible bonds	6(31)	(13,122)	-
Increase in guarantee deposits received	6(31)	310	-
Decrease in guarantee deposits received	6(31)	(14,913)	(47,735)
Cash dividends paid	6(21)	(156,271)	(148,786)
Payments of lease liabilities	6(31)	(930)	-
Change in non-controlling interest		153,951	564,786
Exercise the right of disgorgement		32	-
Net cash flows from financing activities		2,554,871	2,210,249
Effect of exchange rate changes on cash and cash equivalents		11,837	34,584
Net increase in cash and cash equivalents		645,585	26,806
Cash and cash equivalents at beginning of year	6(1)	475,521	448,715
Cash and cash equivalents at end of year	6(1)	\$ 1,121,106	\$ 475,521

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

FRANBO LINES CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 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 main activities of the Company and its subsidiaries (collectively referred herein as the “Group”) are provided in Note 4(3).

(3) The Company’s shares are traded in the Taipei Exchange starting from October 9, 2014.

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

These consolidated financial statements were authorised for issuance by the Board of Directors on March 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[®]”) 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 Group’s financial condition and financial performance based on the Group’s assessment.

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

New standards, interpretations and amendments endorsed by the FSC 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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 Group’s financial condition and financial performance based on the Group’s assessment.

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 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 Currency’	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 Group's financial condition and financial performance based on the Group's assessment.

IFRS 18, ‘Presentation and disclosure in financial statements’

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

4. Summary of Material Accounting Policies

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

(1) Compliance statement

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

(2) Basis of preparation

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

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements

- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiaries	Main business activities	Ownership(%)		Description
			December 31 2025	December 31 2024	
Franbo Lines Corporation	New Lucky Lines S.A.	Notes 1、2	100	100	-
Franbo Lines Corporation	Uni-Morality Lines Ltd.	Note 1	100	100	-
Franbo Lines Corporation	BCTS Capital Inc.	Note 1	100	100	-
Franbo Lines Corporation	Franbo Asset Management Co., Ltd.	Note 3	100	100	-
Franbo Lines Corporation	FWF Shipping Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Shipping S.A.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Logos S.A.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Logic S.A.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Lohas S.A.	Note 2	100	100	-
New Lucky Lines S.A.	Prevalent Creation Corp.	Note 4	100	100	-
New Lucky Lines S.A.	Franbo Sagacity S.A.	Notes 2、4	100	100	-
New Lucky Lines S.A.	Franbo Ocean Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Legion Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	FB Pioneer Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Legacy Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Bright Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Ace Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Cosmos Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Art Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Century Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Brave Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Bravo Ltd.	Note 2	100	100	-
New Lucky Lines S.A.	Franbo Wealth Shipping Ltd.	Note 2	70	70	-
New Lucky Lines S.A.	Franbo Charity S.A.	Note 2	70	70	-
New Lucky Lines S.A.	Franbo Monica Shipping Ltd.	Note 2	70	70	Note 5
New Lucky Lines S.A.	Franbo Sino Ltd.	Note 2	70	70	-
New Lucky Lines S.A.	TW Hornbill Line S.A.	Note 2	70	70	Note 6
New Lucky Lines S.A.	Franbo Way ltd.	Note 2	70	70	Note 7
New Lucky Lines S.A.	FB Navigation Ltd.	Note 2	70	-	Note 8
New Lucky Lines S.A.	Franbo Star Ltd.	Note 2	70	-	Note 9
New Lucky Lines S.A.	Franbo Sunwise Ltd.	Note 2	70	-	Note 9
New Lucky Lines S.A.	Franbo Sunrise Ltd.	Note 2	70	-	Note 9
New Lucky Lines S.A.	Franbo Sunlight Ltd.	Note 2	-	-	Note 10

Name of investor	Name of subsidiaries	Main business activities	Ownership(%)		Description
			December 31 2025	December 31 2024	
New Lucky Lines S.A.	Franbo Sunshine Ltd.	Note 2	-	-	Note 10
BCTS Capital Inc.	FB Navigation Ltd.	Note 2	-	100	Note 8
Uni-Morality Lines Ltd.	Dexin Shipping S.A.	Note 2	100	100	-
FWF Shipping Ltd.	Franbo Wind S.A.	Note 2	100	100	-
FWF Shipping Ltd.	Franbo Transportation S.A.	Note 2	100	100	-
Franbo Asset Management Co., Ltd.	Franbo Propriety Buiding Development Co., Ltd.	Note 3	100	100	-
Franbo Asset Management Co., Ltd.	Franbo Justice Buiding Development Co., Ltd.	Note 3	100	100	-
Franbo Asset Management Co., Ltd.	FB Integrity Real Estate Development Co., Ltd.	Note 3	100	100	-

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

Note 2: The main business activities are domestic and foreign shipping business and ocean freight transportation forwarding services.

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

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

Note 5: The entity's vessels were disposed in June 2025, and the entity reduced the capital and returned shares to shareholders.

Note 6: In August 2024, the Board of Directors of the Company resolved that the subsidiary decrease its capital and settled the bank account. Subsequently, in November 2024, the Board of Directors resolved to change the investment structure for a joint venture with other shareholders, with the Group holding 70% of shares. The capital injection was completed in April 2024.

Note 7: In November 2024, the Board of Directors of the Group resolved that the subsidiary decrease its capital and settled the bank account. Subsequently, in November 2024, the Board of Directors resolved to change the investment structure for a joint venture with other shareholders, with the Group holding 70% of shares. The capital injection was completed in December 2024.

Note 8: In November 2024, the Board of Directors of the Company resolved that the subsidiary fully distribute the retained earnings and conducted its 100% capital reduction. Subsequently, in December 2024, the Board of Directors resolved that the original 100% owned BCTS Capital Inc. was adjusted to be held by New Lucky Lines. As of December 31, 2025, the capital injection has not yet been completed.

Note 9: In August 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. The Group jointly invested with other shareholders, with the Group holding 70% of shares.

Note 10: In August 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.

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

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

E. Significant restrictions: None.

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

As of December 31, 2025 and 2024, the non-controlling interest amounted to \$749,060 and \$562,692, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		December 31, 2025		December 31, 2024	
		Amount	Ownership (%)	Amount	Ownership (%)
Franbo Wealth Shipping Ltd.	Marshall	\$ 131,213	30	\$ 129,997	30
Franbo Charity S.A.	Marshall	129,593	30	81,780	30
Franbo Monica Shipping Ltd.	Marshall	-	30	47,372	30
Franbo Sino Ltd.	Marshall	127,007	30	50,340	30
Franbo Way Ltd.	Marshall	99,844	30	230,200	30
Tw Hornbill Line S.A.	Marshall	100,379	30	23,003	30
FB Navigation Ltd.	Marshall	105,068	30	-	-
Franbo Star Ltd.	Marshall	18,652	30	-	-
Franbo Sunwise Ltd.	Marshall	18,652	30	-	-
Franbo Sunrise Ltd.	Marshall	18,652	30	-	-
		<u>\$749,060</u>		<u>\$562,692</u>	

Summarised financial information of the subsidiaries:

Balance sheets

	<u>Franbo Wealth Shipping Ltd.</u>	
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current assets	\$ 21,302	\$ 14,533
Non-current assets	976,766	419,450
Current liabilities	(48,226)	(660)
Non-current liabilities	(512,466)	-
Total net assets	<u>\$ 437,376</u>	<u>\$ 433,323</u>
	<u>Franbo Charity S.A.</u>	
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current assets	\$ 21,498	\$ 10,446
Non-current assets	986,471	262,156
Current liabilities	(51,741)	-
Non-current liabilities	(524,252)	-
Total net assets	<u>\$ 431,976</u>	<u>\$ 272,602</u>
	<u>Franbo Monica Shipping Ltd.</u>	
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current assets	\$ -	\$ 612
Non-current assets	-	157,294
Current liabilities	-	-
Non-current liabilities	-	-
Total net assets	<u>\$ -</u>	<u>\$ 157,906</u>
	<u>Franbo Sino Ltd.</u>	
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current assets	\$ 28,378	\$ 10,506
Non-current assets	989,024	157,294
Current liabilities	(54,076)	-
Non-current liabilities	(539,967)	-
Total net assets	<u>\$ 423,359</u>	<u>\$ 167,800</u>

	<u>Franbo Way Ltd.</u>	
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current assets	\$ 17,998	\$ 18,424
Non-current assets	681,185	754,170
Current liabilities	(48,140)	(5,260)
Non-current liabilities	(318,229)	-
Total net assets	<u>\$ 332,814</u>	<u>\$ 767,334</u>

	<u>Tw Hornbill Line S.A.</u>	
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current assets	\$ 15,642	\$ 1,261
Non-current assets	689,155	75,417
Current liabilities	(48,042)	-
Non-current liabilities	(322,158)	-
Total net assets	<u>\$ 334,597</u>	<u>\$ 76,678</u>

	<u>FB Navigation Ltd.</u>	
	<u>December 31, 2025</u>	
Current assets	\$	46,705
Non-current assets		654,940
Current liabilities	(	56,762)
Non-current liabilities	(	294,656)
Total net assets	<u>\$</u>	<u>350,227</u>

December 31, 2024: None

	<u>Franbo Star Ltd.</u>	
	<u>December 31, 2025</u>	
Current assets	\$	1,325
Non-current assets		60,848
Current liabilities		-
Non-current liabilities		-
Total net assets	<u>\$</u>	<u>62,173</u>

December 31, 2024: None

	<u>Franbo Sunwise Ltd.</u>	
	<u>December 31, 2025</u>	
Current assets	\$	1,325
Non-current assets		60,848
Current liabilities		-
Non-current liabilities		-
Total net assets	\$	<u>62,173</u>
December 31, 2024: None		

	<u>Franbo Sunrise Ltd.</u>	
	<u>December 31, 2025</u>	
Current assets	\$	1,325
Non-current assets		60,848
Current liabilities		-
Non-current liabilities		-
Total net assets	\$	<u>62,173</u>
December 31, 2024: None		

Statements of comprehensive income

	<u>Franbo Wealth Shipping Ltd.</u>	
	<u>2025</u>	<u>2024</u>
Revenue	\$ 141,096	\$ -
Profit (loss) before income tax	22,474 (	479)
Income tax expense	-	-
Profit (loss) for the year	22,474 (	479)
Other comprehensive net income	-	-
Total comprehensive income (loss) for the year	<u>\$ 22,474</u>	<u>(\$ 479)</u>

Franbo Charity S.A.		
	2025	2024
Revenue	\$ 104,098	\$ -
Profit (loss) before income tax	11,926	(46)
Income tax expense	-	-
Profit (loss) for the year	11,926	(46)
Other comprehensive net income	-	-
Total comprehensive income (loss) for the year	\$ 11,926	(\$ 46)
Franbo Monica Shipping Ltd.		
	2025	2024
Revenue	\$ -	\$ -
Profit (loss) before income tax	69,604	(43)
Income tax expense	-	-
Profit (loss) for the year	69,604	(43)
Other comprehensive net income	-	-
Total comprehensive income (loss) for the year	\$ 69,604	(\$ 43)
Franbo Sino Ltd.		
	2025	2024
Revenue	\$ 61,776	\$ -
Profit before income tax	4,909	13
Income tax expense	-	-
Profit for the year	4,909	13
Other comprehensive net income	-	-
Total comprehensive income for the year	\$ 4,909	\$ 13
Franbo Way Ltd.		
	2025	2024
Revenue	\$ 76,072	\$ 1,461
Profit (loss) before income tax	12,085	(6,375)
Income tax expense	-	-
Profit (loss) for the year	12,085	(6,375)
Other comprehensive net income	-	-
Total comprehensive income (loss) for the year	\$ 12,085	(\$ 6,375)

	Tw Hornbill Line S.A.	
	2025	2024
Revenue	\$ 68,216	\$ -
Profit (loss) before income tax	1,476	(50)
Income tax expense	-	-
Profit (loss) for the year	1,476	(50)
Other comprehensive net income	-	-
Total comprehensive income (loss) for the year	\$ 1,476	(\$ 50)
		FB Navigation Ltd.
		2025
Revenue		\$ 117,590
Loss before income tax		(14,248)
Income tax expense		-
Loss for the year		(14,248)
Other comprehensive net income		-
Total comprehensive loss for the year		(\$ 14,248)
December 31, 2024: None		
		Franbo Star Ltd.
		2025
Revenue		\$ -
Loss before income tax		(57)
Income tax expense		-
Loss for the year		(57)
Other comprehensive net income		-
Total comprehensive loss for the year		(\$ 57)
December 31, 2024: None		

	<u>Franbo Sunwise Ltd.</u>	
	<u>2025</u>	
Revenue	\$	-
Loss before income tax	(	57)
Income tax expense		-
Loss for the year	(	57)
Other comprehensive net income		-
Total comprehensive loss for the year	(\$	57)
December 31, 2024: None		

	<u>Franbo Sunrise Ltd.</u>	
	<u>2025</u>	
Revenue	\$	-
Loss before income tax	(	57)
Income tax expense		-
Loss for the year	(	57)
Other comprehensive net income		-
Total comprehensive loss for the year	(\$	57)
December 31, 2024: None		

Statements of cash flows

	<u>Franbo Wealth Shipping Ltd.</u>	
	<u>2025</u>	<u>2024</u>
Net cash provided (used in) operating activities	\$ 53,873	(\$ 479)
Net cash used in investing activities	(605,297)	(410,751)
Net cash provided financing activities	554,995	426,495
Effect of exchange rates on cash and cash equivalents	(946)	(2,898)
Increase in cash and cash equivalents	2,625	12,367
Cash and cash equivalents, beginning of year	12,367	-
Cash and cash equivalents, end of year	\$ 14,992	\$ 12,367

	Franbo Charity S.A.	
	2025	2024
Net cash provided by (used in) operating activities	\$ 33,076	(\$ 46)
Net cash used in investing activities	(754,908)	(256,719)
Net cash provided by financing activities	732,773	269,155
Effect of exchange rates on cash and cash equivalents	(8,938)	(1,944)
Increase in cash and cash equivalents	2,003	10,446
Cash and cash equivalents, beginning of year	10,446	-
Cash and cash equivalents, end of year	<u>\$ 12,449</u>	<u>\$ 10,446</u>
	Franbo Monica Shipping Ltd.	
	2025	2024
Net cash used in operating activities	(\$ 21,441)	(\$ 43)
Net cash provided by (used in) investing activities	240,616	(154,032)
Net cash (used in) provided by financing activities	(219,756)	156,441
Effect of exchange rates on cash and cash equivalents	(31)	(1,754)
(Decrease) increase in cash and cash equivalents	(612)	612
Cash and cash equivalents, beginning of year	612	-
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ 612</u>
	Franbo Sino Ltd.	
	2025	2024
Net cash provided by operating activities	\$ 21,197	\$ 13
Net cash used in investing activities	(847,566)	(154,032)
Net cash provided by financing activities	837,806	165,963
Effect of exchange rates on cash and cash equivalents	(1,030)	(4,960)
Increase in cash and cash equivalents	10,407	6,984
Cash and cash equivalents, beginning of year	6,984	-
Cash and cash equivalents, end of year	<u>\$ 17,391</u>	<u>\$ 6,984</u>

	Franbo Way Ltd.	
	2025	2024
Net cash provided by (used in) operating activities	\$ 47,022	(\$ 6,375)
Net cash used in investing activities	-	(738,530)
Net cash (used in) provided by financing activities	(73,990)	767,236
Effect of exchange rates on cash and cash equivalents	24,100	(3,907)
(Decrease) increase in cash and cash equivalents	(2,868)	18,424
Cash and cash equivalents, beginning of year	18,424	-
Cash and cash equivalents, end of year	<u>\$ 15,556</u>	<u>\$ 18,424</u>

	Tw Hornbill Line S.A.	
	2025	2024
Net cash provided by (used in) operating activities	\$ 38,364	(\$ 50)
Net cash used in investing activities	(650,440)	(73,853)
Net cash provided by financing activities	636,666	76,588
Effect of exchange rates on cash and cash equivalents	(12,712)	(1,424)
Increase in cash and cash equivalents	11,878	1,261
Cash and cash equivalents, beginning of year	1,261	-
Cash and cash equivalents, end of year	<u>\$ 13,139</u>	<u>\$ 1,261</u>

	FB Navigation Ltd.	
	2025	
Net cash provided by operating activities	\$	20,305
Net cash used in investing activities	(	685,960)
Net cash provided by financing activities		717,324
Effect of exchange rates on cash and cash equivalents	(	16,272)
Increase in cash and cash equivalents		35,397
Cash and cash equivalents, beginning of year		-
Cash and cash equivalents, end of year	<u>\$</u>	<u>35,397</u>

December 31, 2024: None

	<u>Franbo Star Ltd.</u>	
	<u>2025</u>	
Net cash used in operating activities	(\$	57)
Net cash used in investing activities	(	60,364)
Net cash provided by financing activities		60,638
Effect of exchange rates on cash and cash equivalents		<u>1,108</u>
Increase in cash and cash equivalents		1,325
Cash and cash equivalents, beginning of year		<u>-</u>
Cash and cash equivalents, end of year	\$	<u><u>1,325</u></u>

December 31, 2024: None

	<u>Franbo Sunwise Ltd.</u>	
	<u>2025</u>	
Net cash used in operating activities	(\$	57)
Net cash used in investing activities	(	60,364)
Net cash provided by financing activities		60,638
Effect of exchange rates on cash and cash equivalents		<u>1,108</u>
Increase in cash and cash equivalents		1,325
Cash and cash equivalents, beginning of year		<u>-</u>
Cash and cash equivalents, end of year	\$	<u><u>1,325</u></u>

December 31, 2024: None

	<u>Franbo Sunrise Ltd.</u>	
	<u>2025</u>	
Net cash used in operating activities	(\$	57)
Net cash used in investing activities	(	60,364)
Net cash provided by financing activities		60,638
Effect of exchange rates on cash and cash equivalents		<u>1,108</u>
Increase in cash and cash equivalents		1,325
Cash and cash equivalents, beginning of year		<u>-</u>
Cash and cash equivalents, end of year	\$	<u><u>1,325</u></u>

December 31, 2024: None

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

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

B. Translation of foreign operations

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

(5) Classification of current and non-current items

- A. The classification of assets and liabilities in the Group's financial statements considers whether the assets and liabilities are related to the construction business, and the operating cycle is used as the classification of current and non-current items. If they are not related to the construction business, one year is still used as the standard for classification. For the Group's construction business, assets and liabilities classified using an operating cycle of more than one year were not material.

B. 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 realized, 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 pay off liabilities for at least twelve months after the reporting period.

C. 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 paid off in the normal operating cycle;
- (b) Liabilities that are held primarily for the purpose of trading;
- (c) Liabilities that are due to be paid off 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.

(6) Cash equivalents

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

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

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

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
 - (a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.
 - (b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts receivable

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

(11) Impairment of financial assets

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

(12) Derecognition of financial assets

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

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

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

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

(14) Inventories

A. Vessel oils

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

B. Land held for construction site and construction in progress

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

(15) Non-current assets held for sale

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

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

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

(17) Property, plant and equipment

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

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

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

(18) 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 Group. 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 fixed payments, less any lease incentives receivable.

The Group 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.

(19) 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.

(20) Intangible assets

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

(21) Impairment of non-financial assets

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

(22) 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.

(23) Accounts payable

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

(24) Derecognition of financial liabilities

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

(25) 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.

(26) Convertible bonds payable

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

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

(27) Operating leases (lessor)

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

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

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

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

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

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

(28) Employee benefits

A. Salaries and other short-term employee benefits

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

B. Pensions

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

C. Employees' compensation and directors' remuneration

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

(29) Income tax

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

F. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

G. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(30) 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.

(31) 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.

(32) Revenue recognition

A. Rent income

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

B. Income from vessels management

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

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

D. Land development and sales of buildings and land

The Group develops and sells residential properties. Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer.

The revenue is measured at an agreed upon amount under the contract. The consideration is due when legal title has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted because the contract does not include a significant financing component. If the period is longer than one year, the Group evaluates at the contract level whether there is a significant financing component and adjusts the transaction price for the time value of money using the discount rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception. The discount rate would reflect the credit characteristics of the party receiving financing in the contract, as well as any collateral or security provided by the customer.

(33) Operating segments

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

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

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

Impairment assessment of tangible assets

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

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash:		
Cash on hand and petty cash	\$ 9,304	\$ 13,353
Checking accounts and demand deposits	240,539	164,963
Cash equivalents:		
Time deposits	871,263	257,205
Repurchase bonds	-	40,000
	<u>\$ 1,121,106</u>	<u>\$ 475,521</u>

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

B. The Group's demand deposits had been transferred into "non-current financial assets at amortised cost" due to being pledged and restricted, please refer to Notes 6(4) and 8, pledged assets.

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

(2) Financial assets (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 mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 7,893	\$ 3,385
Callable bonds	-	1,410
Foreign corporate bonds	-	1,119
Valuation adjustment	157	(16)
	<u>\$ 8,050</u>	<u>\$ 5,898</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 and liabilities at fair value are listed below:

	Year ended December 31	
	2025	2024
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 59	\$ 425
Callable bonds	55	167
Foreign corporate bonds	(169)	81
Derivative instruments	2,196	(422)
	<u>\$ 2,141</u>	<u>\$ 251</u>

The amount of (loss) income was shown as “other gains and losses”, please refer to Note 6(24) for details.

- B. The Group has no financial assets at fair value through profit or loss pledged to others as collateral.
- C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).
- D. The derivative instruments were the options embedded in convertible bonds, please refer to Note 6(16).

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

Items	December 31, 2025	December 31, 2024
Non-current items:		
Equity instruments		
Unlisted stocks	<u>\$ 8,018</u>	<u>\$ 2,996</u>

- A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments were amounted to \$8,018 \$2,996 as at December 31, 2025 and 2024.
- B. The Group did not recognise any comprehensive income (loss) from financial assets at fair value through other comprehensive income for fair value change for the years ended December 31, 2025 and 2024.
- C. The Group has no financial assets at fair value through other comprehensive income pledged to others.

(4) Financial assets at amortised cost

Items	December 31, 2025	December 31, 2024
Non-current items:		
Trust for the pre-sale house	\$ -	\$ 3,771
Restricted bank deposits-Reserve account	48,258	30,419
	\$ 48,258	\$ 34,190

- A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. For the years ended December 31, 2025 and 2024, interest income from demand deposits and time deposits were recognised under interest income from bank deposits.
- C. Details of the Group financial assets at amortised cost pledged to others as collateral are provided in Note 8.

(5) Accounts receivable

	December 31, 2025	December 31, 2024
Accounts receivable	\$ 1,574	\$ 30
Less: Allowance for doubtful accounts	-	-
	\$ 1,574	\$ 30

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

	December 31, 2025	December 31, 2024
Up to 30 days	\$ 446	\$ 30
31 to 90 days	875	-
91 to 180 days	253	-
	\$ 1,574	\$ 30

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 from the Group and customers contracts were \$1,574, \$30 and \$56, respectively.
- C. The Group 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 \$1,574 and \$30, respectively.
- E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(6) Inventories

	December 31, 2025		
	Cost	Allowance for valuation loss	Book value
Fuels	\$ 30,955	\$ -	\$ 30,955
Buildings and land held for sale (Note)	166,740	-	166,740
Construction in progress (Note)	60,724	-	60,724
Land held for construction site (Note)	463,964	-	463,964
	<u>\$ 722,383</u>	<u>\$ -</u>	<u>\$ 722,383</u>

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

Note: It is a land development investment case which was obtained by the Company's subsidiary, Franbo Asset Management Co., Ltd., and the Company's second-tier subsidiaries, Franbo Propriety Buiding Development Co., Ltd., Franbo Justice Buiding Development Co., Ltd., and FB Integrity Real Estate Development Co., Ltd. Refer to Note 8 for details of pledges and collateral.

A. The cost of construction inventories recognised as expense for the years ended December 31, 2025 and 2024, was \$84,236 and \$0, respectively,

B. For the years ended December 31, 2025 and 2024, the interest capitalised on inventories amounted to \$1,415 and \$1,593, respectively. and the net interest rate of capitalised interest ranged between were 3% to 3.5% and 2.88% to 3%, respectively.

C. Details of construction inventories

(a) Buildings and land held for sale

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Lot No. 393 of Zhengyi section, Hunei District, Kaohsiung City(Zhengyi Diamond)	<u>\$ 166,740</u>	<u>\$ -</u>

(b) Construction in progress

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Lot No.393 of Zhengyi section, Hunei District, Kaohsiung City(Zhengyi Diamond)	\$ -	\$ 209,366
Lot No.1, etc. of Jiuhe section, Jiuru Township, Pingtung County	<u>60,724</u>	<u>-</u>
Total construction in progress	<u>\$ 60,724</u>	<u>\$ 209,366</u>

(c) Land used for construction

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Lots of Ren'ai St., Sanchong District, New Taipei City	\$ 90,626	\$ 90,626
Lot No.1, etc. of Jiuhe section, Jiuru Township, Pingtung County	-	27,892
Lots of Jiuhe section, Jiuru Township, Pingtung County	38,376	38,376
Lots of Yuhu/Bihu section, Hunei District, Kaohsiung City	93,691	93,656
Lots of Lingzhou section, Lingya District, Kaohsiung City (Note)	-	212,419
Lots of Ziqiang section, Hunei District, Kaohsiung City	139,259	134,994
Lots of Datong section, Luzhu District, Kaohsiung City	<u>102,012</u>	<u>101,906</u>
Total land used for construction not yet actively developed	<u>\$ 463,964</u>	<u>\$ 699,869</u>

Note: For the Group's investment in land development, there are no development plans for the land used for construction in the short term. The Group reclassified land used for construction as investment property to revitalize assets and generate stable income for the year ended December 31, 2025.

(7) Investments accounted for using equity method

Changes in the year were as follows:

	<u>2025</u>	<u>2024</u>
At January 1	\$ 12,230	\$ 25,278
Capital decrease in investments accounted for using equity method (Notes 1, 2) for using equity method (Notes 2, 3)	(11,604)	(13,374)
Share of profit of investments accounted for using equity method	615	3,550
Earnings distribution of investments accounted for using equity method	(1,313)	(4,631)
Other equity	<u>72</u>	<u>1,407</u>
At December 31	<u>\$ -</u>	<u>\$ 12,230</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Subsidiaries:		
BCI Loyalty Inc. (Note 1)	\$ -	\$ 12,230
Franbo Courage S. A.	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 12,230</u>

Note 1: In March 2025, the Group collected USD 353 thousand from its investment in BCI Loyalty Inc. As of March 31, 2025, the Group held no shares of BCI Loyalty Inc.

Note 2: In December 2024, the Group collected USD 417 thousand from its investment in Franbo Courage S.A. As of December 31, 2024, the Group held no shares of Franbo Courage S.A.

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

<u>Company name</u>	<u>Principal place of business</u>	<u>Shareholding ratio</u>		<u>Nature of relationship</u>	<u>Methods of measurement</u>
		<u>December 31, 2025</u>	<u>December 31, 2024</u>		
BCI Loyalty Inc.	Marshall	-	49%	-	Equity method

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

Balance sheets

December 31, 2025: None.

	<u>BCI Loyalty Inc.</u>
	<u>December 31, 2024</u>
Current assets	\$ 19,733
Non-current assets	38,792
Current liabilities	(18,056)
Non-current liabilities	(15,510)
Total assets	<u>\$ 24,959</u>
Share in associate's net assets	\$ 12,230
Goodwill	<u>-</u>
Carrying amount of the associate	<u>\$ 12,230</u>

Comprehensive income

	<u>Franbo Courage S.A.</u>	
	<u>2025</u>	<u>2024</u>
Revenue	\$ -	\$ 4,636
Profit for the year from continuing operations	\$ -	\$ 4,241
Total comprehensive income	<u>\$ -</u>	<u>\$ 4,241</u>
Dividends received from associates	<u>\$ -</u>	<u>\$ -</u>

	<u>BCI Loyalty Inc.</u>	
	<u>2025</u>	<u>2024</u>
Revenue	\$ 61	\$ 5,267
Profit for the year from continuing operations	\$ 1,255	\$ 3,004
Total comprehensive income	<u>\$ 1,255</u>	<u>\$ 3,004</u>
Dividends received from associates	<u>\$ -</u>	<u>\$ -</u>

(8) Property, plant and equipment

	<u>Land</u>	<u>Building and structures</u>	<u>Vessels equipment (Note 1)</u>	<u>Office equipment</u>	<u>Transportation equipment</u>	
	For own use	For own use	For lease	For own use	For own use	Total
January 1, 2025						
Cost	\$ 19,247	\$ 42,193	\$ 9,744,186	\$ 5,767	\$ 7,748	\$ 9,819,141
Accumulated depreciation and impairment	-	(16,069)	(1,244,246)	(3,462)	(6,342)	(1,270,119)
	<u>\$ 19,247</u>	<u>\$ 26,124</u>	<u>\$ 8,499,940</u>	<u>\$ 2,305</u>	<u>\$ 1,406</u>	<u>\$ 8,549,022</u>
<u>2025</u>						
January 1	\$ 19,247	\$ 26,124	\$ 8,499,940	\$ 2,305	\$ 1,406	\$ 8,549,022
Additions	-	-	4,401,749	-	-	4,401,749
Disposals	-	-	(1,408,807)	-	-	(1,408,807)
Reclassifications	-	-	700,376	-	-	700,376
Depreciation expense	-	(685)	(521,803)	(684)	(803)	(523,975)
Net exchange differences	-	-	(324,560)	-	-	(324,560)
December 31	<u>\$ 19,247</u>	<u>\$ 25,439</u>	<u>\$ 11,346,895</u>	<u>\$ 1,621</u>	<u>\$ 603</u>	<u>\$ 11,393,805</u>
December 31, 2025						
Cost	\$ 19,247	\$ 42,193	\$ 12,718,383	\$ 5,767	\$ 7,748	\$ 12,793,338
Accumulated depreciation and impairment	-	(16,754)	(1,371,488)	(4,146)	(7,145)	(1,399,533)
	<u>\$ 19,247</u>	<u>\$ 25,439</u>	<u>\$ 11,346,895</u>	<u>\$ 1,621</u>	<u>\$ 603</u>	<u>\$ 11,393,805</u>

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

Note 1: They were vessels owned by second-tier subsidiaries as follows: NORD owned by Franbo Logos S.A., Thorco Logic owned by Franbo Logic S.A., Thorco Lohas (Note 6) owned by Franbo Lohas S.A., STL HARVEST (was disposed in January 2024, Note 2) owned by Franbo Sagacity S.A., FAIRWIND LEGION (Note 4) owned by Franbo Legion S.A., SINOWAY LILY owned by FB Pioneer Ltd., CHRISTINA OCEAN (was disposed in July 2024, Note 3) owned by FB Navigation Ltd., IMARI owned by Franbo Bright Ltd., FRANBO ACE owned by Franbo Ace Ltd., MERGENSER owned by Franbo Art Ltd., NORVIC HOUSTON owned by Franbo Cosmos Ltd., NORVIC SINGAPORE owned by Franbo Century Ltd., FRANBO BRAVE owned by Franbo Brave Ltd., FRANBO BRAVO owned by Franbo Bravo Ltd., MANDARIN KAOHSIUNG owned by Franbo Way Ltd., MANDARIN GLORY owned by TW Hornbill Line S.A., WEALTH ATHENA owned by Franbo Wealth Shipping Ltd., MANDARIN PENGHU owned by FB Navigation Ltd., MFM JAZZ owned by Franbo Charity S.A., PACIFIC WEALTH (was disposed in June 2025, Note 5) owned by FRANBO MONICA SHIPPING Ltd. and HG HOUSTON owned by Franbo Sino Limited.

Note 2: In December 2023, the Group transferred vessel equipment into non-current assets held for sale. The vessel equipment was disposed in the January, 2024 and the delivery of the vessels was completed. Refer to Note 6(24) for details of the recognition of the related gain or loss on disposal.

Note 3: In April 2024, the Group transferred vessel equipment into non-current assets held for sale. The vessel equipment was disposed in July, 2024 and the delivery of the vessels was completed. Refer to Note 6(24) for details of the recognition of the related gain or loss on disposal.

Note 4: In April 2025, the Group reclassified vessels equipment as non-current assets. Refer to Note 6(12) for details.

Note 5: In June 2025, the Group disposed vessels equipment and completed the delivery of vessels. Refer to Note 6(24) for relevant recognition of gain and loss on the disposal

Note 6: In April 2025, the Group reclassified vessels equipment as non-current assets and the Group disposed vessels equipment and completed the delivery of vessels in September 2025. Refer to Note 6(24) for relevant recognition of gain and loss on the disposal.

- A. For the years ended December 31, 2025 and 2024, the Group had no borrowing cost capitalisation of property, plant and equipment.
- B. The significant components of buildings include main plants and decorated accessory equipment, which are depreciated over 50 and 5 years, respectively. The significant components of vessel equipment include vessels and dock repair equipment, which are depreciated over 25 and 2.5 ~ 5 years, respectively.
- C. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.
- D. Information about the Group's vessel equipment that were rented to non-related parties is provided in Note 9.

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(9) Leasing arrangements – lessee

- A. The Group 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	<u>\$ 3,855</u>
	<u>Year ended December 31</u>
	<u>2025</u>
	<u>Depreciation expense</u>
Transportation equipment	<u>\$ 964</u>

December 31, 2024: None.

- C. For the years ended December 31, 2025 and 2024, additions of right-of-use assets amounted to \$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</u>
	<u>2025</u>
<u>Items affecting profit or loss</u>	
Interest expense on lease liabilities	<u>\$ 75</u>

December 31, 2024: None.

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

(10) Leasing arrangements – lessor

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

	<u>2025</u>	<u>2024</u>
Finance income from the net investment in the finance lease	<u>\$ 97,069</u>	<u>\$ 128,441</u>

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

	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
In the next year	\$	180,489	In the next year	\$ 247,223
In the next two years		526,434	In the next two years	235,254
In the next three years		38,939	In the next three years	697,802
In the next four years		134,524	In the next four years	40,624
In the next five years		-	In the next five years	140,344
	<u>\$</u>	<u>880,386</u>		<u>\$ 1,361,247</u>

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

	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
Undiscounted lease payments	\$ 180,489	\$ 699,897	\$ 247,223	\$ 1,114,024
Unearned finance income	(87,141)	(78,781)	(116,334)	(190,352)
Net investment in the lease	<u>\$ 93,348</u>	<u>\$ 621,116</u>	<u>\$ 130,889</u>	<u>\$ 923,672</u>

- (a) In September 2023, the Group's second-tier subsidiary, Franbo Wind S.A., purchased the vessel, MV YONG JIN, and signed a finance lease contract with the lessee. Finance lease receivables total amounted to \$461,641 (USD 14,280 thousand).
- (b) In August 2022, the Group's second-tier subsidiary, Franbo Ocean Ltd., purchased the vessel, XIE HAI MARINER, and signed a finance lease contract with the lessee. Finance lease receivables total amounted to \$884,742 (USD 29,689 thousand).
- (c) In 2022, the Group's second-tier subsidiaries including Franbo Shipping S.A., Franbo Transportation S.A., Franbo Way Ltd. and Franbo Legacy Ltd., signed bareboat charter agreements of vessel equipment - FRANBO PROGRESS, FRANBO PROSPECT, MEDI BANGKOK and THORCO LEGACY, respectively. Finance lease receivables total amounted to \$1,470,808 (USD 49,356 thousand). Among them, the bareboat charter agreement of Franbo Way Ltd. was terminated in November 2024 as the lessee exercised the call option early; Among them, the bareboat charter agreement of Franbo Legacy Ltd. was terminated in February 2025 as the lessee exercised the call option early.
- E. For the years ended December 31, 2025 and 2024, the Group's lease payments receivable under finance lease did not have provisioned loss allowance arising from past due receivable. Refer to Note 12(2) for credit risk information of lease payments receivable.

F. Gain arising from operating lease agreements for the years ended December 31, 2025 and 2024 are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Rent income	\$ 2,123,427	\$ 1,494,355

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

	<u>December 31, 2025</u>		<u>December 31, 2024</u>
In the next year	\$ 1,028,317	In the next year	\$ 1,434,168
In the next two years	1,651,120	In the next two years	930,097
In the next three years	1,432,671	In the next three years	724,481
In the next four years	955,863	In the next four years	413,016
In the next five years	2,933,114	In the next five years	74,511
	<u>\$ 8,001,085</u>		<u>\$ 3,576,273</u>

(11) Investment property

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

	<u>December 31, 2025</u>
Leased assets-land	\$ 377,793
Leased assets-buildings	1,708
	<u>\$ 379,501</u>

December 31, 2024: None.

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

	<u>Year ended December 31, 2025</u>					
<u>Cost</u>	Opening net book amount as at January 1	Additions	Decreases	Transfers	Closing net book amount as at December 31	
Leased assets-land	\$ -	\$ 165,374	\$ -	\$ 212,419	\$ 377,793	
Leased assets-buildings	-	1,731	-	-	1,731	
	<u>\$ -</u>	<u>\$ 167,105</u>	<u>\$ -</u>	<u>\$ 212,419</u>	<u>\$ 379,524</u>	
	<u>Year ended December 31, 2025</u>					
<u>Accumulated depreciation</u>	Opening net book amount as at January 1	Additions	Decreases	Transfers	Closing net book amount as at December 31	
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</u>
	<u>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 Group as at December 31, 2025 was \$475,899, 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. Details of the Group’s investment property pledged to others as collateral are provided in Note 8.

(12) Non-current assets held for sale

A. The assets related to vessel equipment have been reclassified as disposal group held for sale following the approval of the Company’s Board of Directors on April 12, 2024 to sell vessel equipment-CRISTINA OCEAN. The Group entered into a memorandum of understanding with the buyer in April 2024. The completion date for the transaction is expected on July 31, 2024.

B. The assets related to vessel equipment have been reclassified as disposal group held for sale following the approval of the Company’s Board of Directors on March 11, 2025 to sell vessel equipment-Thorco Logic. The Group entered into a memorandum of understanding with the buyer in April 2025. The completion date for the transaction is expected on September 30, 2025.

C. The assets related to vessel equipment have been reclassified as disposal group held for sale following the approval of the Company’s Board of Directors on March 11, 2025 to sell vessel equipment-Thorco Logic. The Group entered into a memorandum of understanding with the buyer in April 2025. The assets and liabilities of the disposal group held for sale as at December 31, 2025 amounted to \$318,618 and \$0, respectively. The transaction is expected to be completed in the first quarter of 2026.

D. Assets of disposal group held for sale:

	<u>December 31, 2025</u>
Property, plant and equipment	
Vessels equipment-FAIRWIND LEGION	\$ <u>318,618</u>

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

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

G. December 31, 2024: None.

(13) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>Collateral</u>
Bank borrowings			
Secured bank borrowings	\$ <u>5,000</u>	\$ <u>55,000</u>	Land held for construction side
Interest rate range	<u>3.35%</u>	<u>3.2%</u>	

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

(14) Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Salaries and rewards payable	\$ 36,997	\$ 41,555
Interest payable	10,077	6,275
Employees' compensation and directors' remuneration payable	13,800	12,600
Premium payable	5,000	1,692
Payables on charterer's payment on behalf of the Group	12,377	17,164
Payable on maintenance and reimbursement fees	10,456	10,393
Payables on profit-sharing from disposals of vessels	13,047	13,611
Others	20,207	22,188
	<u>\$ 121,961</u>	<u>\$ 125,478</u>

Note: Others include payables to related parties, please refer to Note 7 for details.

(15) Other current liabilities-others

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Advance rent receipts	\$ 78,035	\$ 72,081
Compensation for rents (Note)	754	51,992
Others	5,445	1,580
Receipts under custody	23,653	7,530
	<u>\$ 107,887</u>	<u>\$ 133,183</u>

Note: Refer to Note 6(22) for details.

(16) 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 liabilities, current portion)	-	(213,994)
	<u>\$ 1,199,539</u>	<u>\$ 608,430</u>

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

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

- (a) The Company issued \$600,000, 0% the fifth domestic unsecured convertible bonds and issued at 101% of the face value, as approved by the regulatory authority. The bonds mature 3 years from the issue date (July 28, 2022 ~ July 28, 2025), and bondholders' convertible bonds will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on July 28, 2022.
- (b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months (October 29, 2022) of the bonds issue to the maturity date (July 28, 2025), except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares. As of July 28, 2025 (Expiry 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 (Expiry 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 (Expiry 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 (Expiry 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 Company issued \$400,000, 0% the fifth domestic unsecured convertible bonds and issued at 100% of the face value, as approved by the regulatory authority. The bonds mature 3 years from the issue date (August 23, 2023 ~ August 23, 2026), and bondholders' convertible bonds will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on August 23, 2023.

- (b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months (November 24, 2023) of the bonds issue to the maturity date (August 23, 2026), except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares. As of October 20, 2025 (Termination of stocks listing on the Taipei Exchange), the bonds with a face value of \$400,000 had been converted into 24,681 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 were 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 Company issued \$590,000, 0% the sixth domestic unsecured convertible bonds and issued at 104.8% of the face value, as approved by the regulatory authority. The bonds mature 3 years from the issue date (July 26, 2024 ~ July 26, 2027), and bondholders’ convertible bonds will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on July 26, 2024.
- (b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months (October 27, 2024) of the bonds issue to the maturity date (July 26, 2027), except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares. As of December 31, 2025, no convertible bonds had been converted.

- (c) The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model specified in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the reset conversion price, the conversion price will not be adjusted; the conversion price on issuance was NT22.70 per share. As of December 31, 2025, the conversion price was adjusted to NT\$22.15 (in dollars) per share.
- (d) The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months (October 27, 2024) of the bonds issue to 40 days before the maturity date (June 16, 2027), or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months (October 27, 2024) of the bonds issue to 40 days before the maturity date (June 16, 2027).
- (e) Under the terms of the bonds, all bonds redeemed, matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished. 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. As of December 31, 2025, the balance of 'capital surplus - share options' was \$66,481 due to conversions and repurchases of convertible bonds. 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 Company issued \$780,000, 0% the sixth domestic unsecured convertible bonds and issued at 100.5% of the face value, as approved by the regulatory authority. 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\$19.30 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 Group's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months (November 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 set 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%.

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(17) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Collateral	December 31, 2025
E.Sun Commercial Bank, Ltd.			
Secured borrowings	Borrowing period is from December 2023 to December 2030; principal and interest is payable monthly.	NORVIC HOUSTON-vessels equipment and demand deposits	\$ 402,304
Secured borrowings	Borrowing period is from July 2025 to July 2032; principal and interest is payable monthly.	HG HOUSTON-vessels equipment and demand deposits	587,112
Mega International Commercial Bank			
Secured borrowings	Borrowing period is from August 2023 to August 2030; principal and interest is payable monthly.	Franbo Ace-vessels equipment and demand deposits	355,473
Secured borrowings	Borrowing period is from November 2023 to November 2030; principal and interest is payable monthly.	MERGANSER-vessels equipment and demand deposits	182,451
Secured borrowings	Borrowing period is from January 2025 to January 2032; principal and interest is payable monthly.	WEALTH ATHENA-vessels equipment and demand deposits	559,611
Taichung Commercial Bank, Co., Ltd.			
Secured borrowings	Borrowing period is from April 2024 to August 2030; principal and interest is payable monthly.	NORVIC SINGAPORE-vessels equipment and demand deposits	303,300
Secured borrowings	Borrowing period is from January 2025 to December 2029; principal and interest is payable monthly.	MANDARIN KAOHSIUNG-vessels equipment and demand deposits	365,674
TAIWAN COOPERATIVE BANK			
Secured borrowings	Borrowing period is from June 2024 to June 2031; principal and interest is payable monthly.	FRANBO BRAVE-vessels equipment and demand deposits	301,634
Entie Bank, Ltd.			
Secured borrowings	Borrowing period is from October 2024 to October 2031; principal and interest is payable monthly.	FRANBO BRAVO-vessels equipment and demand deposits	297,014
Secured borrowings	Borrowing period is from February 2025 to February 2030; principal and interest is payable monthly.	MANDARIN GLORY-vessels equipment and demand deposits	369,303
Shin Kong Commercial Bank			
Secured borrowings	Borrowing period is from March 2025 to March 2030; principal and interest is payable monthly.	MANDAKIN PENGHU-vessels equipment and demand deposits	341,801
Taipei Fubon Bank			
Secured borrowings	Borrowing period is from April 2025 to April 2032; principal and interest is payable monthly.	MFM JAZZ-vessels equipment and demand deposits	571,398
The Kaohsiung Third Credit Cooperative			
Secured borrowings	Borrowing period is from January 2024 to January 2026; interest is payable monthly and the principal is payable at maturity.	Land held for construction site	60,000
Sunny Commercial Bank			
Secured borrowings	Borrowing period is from August 2025 to August 2028; interest is payable monthly and the principal is payable at maturity.	Construction in progress	5,000
			4,702,075
Less: Current portion			(451,618)
			\$ 4,250,157
Interest rate range			2.92%~5.36%

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

Note: The secured borrowings were repaid early in August 2025.

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

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

(18) Pensions

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

B. The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2025 and 2024, were \$2,416 and \$2,057, respectively.

(19) 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.

(20) 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.

(21) Retained earnings

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

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

- B. In order to continually expand the scale of operation, increase competitiveness as well as cooperate with the Group's long-term development, future capital requirements and long-term financial plan, the accumulative distributable earnings are distributed as shareholders' bonuses, which shall not be lower than 15% of the distributable earnings for the current year, and cash bonuses shall not be less than 10% of the total shareholders' bonuses.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. On March 7, 2024, the Board of Directors of the Company resolved the appropriation of 2023 earnings, and the cash dividends was \$148,786 (NT\$0.5 per share), which was reported to shareholders on May 30, 2024.
- E. On March 11, 2025, the Board of 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).

(22) Operating revenue

	Year ended December 31	
	2025	2024
Operating lease income (Note)	\$ 2,123,427	\$ 1,494,355
Revenue from sales of buildings and land	147,246	-
Finance lease income (Note)	97,069	128,441
Revenue from contracts with customers	30	31,604
	<u>\$ 2,367,772</u>	<u>\$ 1,654,400</u>

Note: Please refer to Note 6(10) for leasing arrangements – lessor.

A. Disaggregation of revenue from contracts with customers

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

	<u>Vessels management revenue</u>	<u>Revenue from sales of buildings and land</u>
<u>Year ended December 31, 2025</u>		
Revenue from external customer contracts	\$ 30	\$ 147,246
Timing of revenue recognition		
Timing of revenue-over time	\$ 30	\$ -
At a point in time	\$ -	\$ 147,246
	<u>Vessels management revenue</u>	<u>Revenue from sales of buildings and land</u>
<u>Year ended December 31, 2024</u>		
Revenue from external customer contracts	\$ 31,604	\$ 31,604
Timing of revenue recognition		
Timing of revenue-over time	\$ 31,604	\$ 31,604

B. On December 31, 2025 and 2024, due to the operating requirement of the lessee and the Group's financial plan, the rent compensation was generated from the conditionally earlier termination of the lease contract, and the rent compensation was accounted as 'other current liabilities, others' and 'other non-current liabilities, others' in the amounts of \$754, \$51,992, \$0 and \$6,978, respectively. For the years ended December 31, 2025 and 2024, the amounts of lease income were \$55,326 and \$56,411, respectively. As of December 31, 2025 and 2024, the amounts of income that were expected to be recognised in the next one year were \$754 and \$51,992, respectively. The residual was expected to be recognised as income before 2026.

(23) Other income

	<u>Year ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Satellite communication subsidy income	\$ 6,941	\$ 5,290
Insurance claim income	1,082	10,799
Others	10,567	11,842
	<u>\$ 18,590</u>	<u>\$ 27,931</u>

(24) Other gains and losses

	Year ended December 31	
	2025	2024
Gain on disposal of non-current assets classified as held for sale	\$ 5,728	\$ 61,861
Gain on disposal of property, plant and equipment (Note)	75,455	-
Foreign exchange losses, net	29,867	(21,536)
Net gains on financial assets at fair value through profit or loss	2,141	251
Gain on bond redemption	870	-
Others	(207)	(1,318)
	<u>\$ 113,854</u>	<u>\$ 39,258</u>

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

(25) Finance costs

	Year ended December 31	
	2025	2024
Interest expense:		
Bank borrowings	\$ 273,133	\$ 151,776
Bonds payable	22,304	11,617
Short-term notes and bills payable	38	9
Lease liability	75	-
Others(Note)	2,701	-
	<u>298,251</u>	<u>163,402</u>
Interest expense capitalised	(1,415)	(1,593)
	<u>\$ 296,836</u>	<u>\$ 161,809</u>

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

Note : Refer to Note 7(2) for details of other interest expenses paid to related parties.

(26) Expenses by nature

	Year ended December 31	
	2025	2024
Depreciation expense from property, plant and equipment	\$ 523,975	\$ 326,696
Depreciation charge of right-of-use assets	964	-
Depreciation charge of investment property	23	-
Employee benefit expense	448,913	379,194
Supplementary payments for vessels	104,928	59,232
Cost of sales of buildings and land	84,322	-
Insurance premiums	71,484	51,039
Commissions expense	55,953	46,041
Fuels used	36,615	20,742
Certificate inspection fee	18,203	15,339
Repairs and maintenance expense	32,839	10,559
Other expenses	139,009	69,489
Total operating costs and operating expenses	<u>\$ 1,517,228</u>	<u>\$ 978,331</u>

(27) Employee benefit expense

	Year ended December 31	
	2025	2024
Wages and salaries	\$ 364,111	\$ 301,690
Labour and health insurance fees	5,278	4,418
Pension costs	2,416	2,057
Other personnel expenses	77,108	71,029
	<u>\$ 448,913</u>	<u>\$ 379,194</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. The aforementioned employees' compensation shall be distributed no lower than 20% as non-managerial employees' compensation.
- 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. For 2024, the employees' compensation and directors' and supervisors' remuneration resolved by the Board of Directors amounted to \$6,300 and \$6,300, respectively. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(28) 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	\$ 10,571	\$ 14,947
Prior year income tax overestimation	838 (	1,608)
Tax on undistributed earnings	<u>18,507</u>	<u>11,659</u>
Total current tax	<u>29,916</u>	<u>24,998</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>3,085 (</u>	<u>2,090)</u>
Income tax expense	<u>\$ 33,001</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	\$ 141,601	\$ 121,562
Effects from items adjusted in accordance with tax regulation	(639)	3,572
Prior year income tax overestimation	838 (	1,608)
Tax on undistributed surplus earnings	18,507	11,659
Temporary difference not recognised as deferred tax liabilities	(126,116) (	112,277)
Change in assessment of realisation of deferred tax assets	(782)	-
Taxable loss not recognised as deferred tax assets	(408)	-
Income tax expense	<u>\$ 33,001</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)
	\$ 2,754	(\$ 3,085)	(\$ 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.

F. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2025						
Year incurred	Corporate name	Amount assessed/filed	Amount	Used amount	Unused amount	Expiry year
Associated:						
2023	Franbo Propriety Building Development Co.,Ltd.	Amount assessed	\$ 7,802	\$ 5,482	\$ 5,482	2033
December 31, 2024						
Year incurred	Corporate name	Amount assessed/filed	Amount	Used amount	Unused amount	Expiry year
Associated:						
2022	Franbo Asset Management Co.,Ltd.	Amount assessed	\$ 880	\$ 880	\$ 880	2032
2023	Franbo Asset Management Co.,Ltd.	Amount filed	\$ 1,158	\$ 1,158	\$ 1,158	2033
2024	Franbo Asset Management Co.,Ltd.	Amount expected to be filed	\$ 1,250	\$ 1,250	\$ 1,250	2034
2023	Franbo Propriety Building Development Co.,Ltd.	Amount filed	\$ 7,802	\$ 7,324	\$ 7,324	2033
2023	Franbo Justice Building Development Co.,Ltd.	Amount filed	\$ 125	\$ 125	\$ 125	2033
2024	Franbo Justice Building Development Co.,Ltd.	Amount expected to be filed	\$ 186	\$ 186	\$ 186	2034

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

(30) Supplemental cash flow information

Financing activities with no cash flow effects

	Year ended December 31,	
	2025	2024
Inventories reclassified to investment property-land	\$ 212,419	\$ -
Property, plant and equipment transferred to non-current assets held for sale	\$ 318,618	\$ 103,092
Prepayments for facilities transferred to property, plant and equipment	\$ 1,018,994	\$ 401,952
Increase in right-of-use assets	\$ 4,819	\$ -
Less: increase in lease liabilities	(\$ 4,819)	\$ -
Non-current assets held for sale	\$ -	\$ -
Bonds payable, current portion	\$ -	\$ 213,994
Long-term borrowings, current portion	\$ 451,618	\$ 248,525
Convertible bonds share converted to capital and capital surplus	\$ 326,776	\$ 316,784

(31) Changes in liabilities from financing activities

	Changes in cash flow		Impact of changes in foreign exchange rate	Other non-cash changes	December 31, 2025
	January 1, 2025	from financing activities			
Short-term borrowings	\$ 55,000	(\$ 50,000)	\$ -	\$ -	\$ 5,000
Long-term borrowings	2,947,138	1,852,699	(98,062)	-	4,701,775
Bonds payable	822,424	769,993	-	(392,878)	1,199,539
Lease liabilities	-	(930)	-	4,819	3,889
Guarantee deposits received	68,377	(14,603)	(1,640)	-	52,134
Liabilities from financing activities-gross	\$ 3,892,939	\$ 2,557,159	(\$ 99,702)	(\$ 388,059)	\$ 5,962,337

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

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

Note 1: The Group collected investment amounts in March 2025, and thus the entity was no longer a related party of the Group from March 2025. Refer to Note 6(7) for details.

Note 2: The Group collected investment amounts in December 2024, and thus the entity was no longer a related party of the Group from December 2024. Refer to Note 6(7) for details.

(2) Significant related party transactions

A. Endorsements and guarantees by related parties

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

	December 31, 2025	December 31, 2024
TSAI,PANG-CHUAN	\$ 7,464,879	\$ 5,884,503
TSAI,CHING-CHUNG	6,688,429	5,564,453
	<u>\$ 14,153,308</u>	<u>\$ 11,448,956</u>

Note: The aforementioned related parties provided endorsements and guarantees to the Company and subsidiaries using United States dollars and New Taiwan dollars. The exchange rates of United States dollars translated into New Taiwan dollars were 31.43 and 32.79 on the financial reporting date on December 31, 2025 and 2024, respectively.

B. Other

- (a) For the year ended December 31, 2024, the Company received vessels management and consulting revenue from Franbo Courage S.A. S.A. (Franbo Courage S.A. was no longer a related party of the Group from December 2024.) in the amount of \$318. As of December 31, 2024, there was no accounts receivable arising from the transaction.

(b) For the years ended December 31, 2025 and 2024, the Company received vessels management and consulting revenue from BCI Loyalty Inc. Inc. (BCI Loyalty Inc. was no longer a related party of the Group from March 2025.) in the amounts of \$30 and \$347, respectively. As of December 31, 2025 and 2024, the balances of accounts receivable arising from the transaction were \$0 and \$30, respectively.

(c) In September 2022, the property development of the Company's subsidiary, Franbo Asset Management Co., Ltd., appointed Shenglin Construction Co., Ltd., to be responsible for land development analysis, architectural layout, construction and planning and after sales services. Details of various service expenses paid are as follows:

i. Total amount for development, architectural layout and design, and construction amounted to \$18,800 (including tax) and \$17,905 (excluding tax).

For the years ended December 31, 2025 and 2024, expenses were \$3,581 and \$0, respectively. As of December 31, 2025 and 2024, the cumulative payments were \$17,905 and \$14,324, respectively. which was accounted as 'inventory - land held for construction site' on December 31, 2024. In 2025, the amounts were reclassified to inventories—properties held for sale upon completion of the buildings.

As of December 31, 2025 and 2024, balance of account payables was both \$0.

ii. Selling expenses (including reception center, salespersons' salaries, advertising design, and advertising) and after-sales service fees.

The expenses amounted to \$14,208 (shown as "selling expenses") for the year ended December 31, 2025, there was no such transaction for the year ended December 31, 2024.

As of December 31, 2025, the abovementioned payables amounted to \$1,785 (shown as "other payables").

iii. As of December 31, 2025 and 2024, guarantee deposits received amounted to \$21,111 and \$30,000, respectively.

The imputed interest expense on guarantee deposits received amounted to \$2,701 for the year ended December 31, 2025. As of December 31, 2025, unpaid interest expenses was \$117 (shown as "other payables").

(d) In June 2022, the property development of the Company's second-tier subsidiary, Franbo Justice Construction and Development Co., Ltd., appointed Shenglin Construction Co., Ltd., to execute the purchase of land services.

i. Expenses paid in relation to service of land development:

(i). For the years ended December 31, 2025 and 2024, expenses was both \$0, as of December 31, 2025 and 2024, the accumulated payment was both \$3,609, which were accounted as 'inventory - land held for construction site'.

(ii). As of December 31, 2025 and 2024, there was no other payables.

(e) In July 2023, FB Integrity building development of the Company's second-tier subsidiary, Franbo Justice Construction and Development Co., Ltd., appointed Shenglin Construction Co., Ltd., to execute the purchase of land services.

i. Expenses paid in relation to service of land development:

(i). For the years ended December 31, 2025 and 2024, expenses were both \$0, as of December 31, 2025 and 2024, the accumulated payment was both \$3,729, which were accounted as 'inventory - land held for construction site'.

(ii) As of December 31, 2025 and 2024, balance of other payables was both \$0.

(3) Key management compensation

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

8. Pledged Assets

Assets	December 31, 2025	December 31, 2024	Purpose
Construction in progress	\$ 60,724	\$ 209,366	Long-term borrowings
Land held for construction site	361,952	487,450	Long-term borrowings and short-term borrowing
Land	19,247	19,247	short-term borrowings
Buildings and structures, net	25,439	26,124	short-term borrowings
Vessels equipment, net	10,217,267	5,716,273	Long-term borrowings
Investment property-land	212,419	-	Long-term borrowings
Restricted assets - demand deposits (Note 2)	48,258	30,419	Long-term borrowings
Restricted assets - demand deposits (Note 2) (shown as "non-current financial assets at amortised cost")	-	3,771	Trust fund for pre-sale construction
Guarantee deposits paid (shown as "other non-current assets, others")	3,120	725	Guarantees from the Maritime and Port Bureau for freight forwarders, guarantees for industrial plumbing system and security deposits for leasing business vehicles
	<u>\$ 10,948,426</u>	<u>\$ 6,493,375</u>	

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

Note 2: Restricted assets on December 31, 2025 and 2024 - current deposits are listed in " Non-current financial assets at amortised cost "

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

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

- 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 Art Ltd., signed a credit facility agreement with E.SUN BANK. The total amount of credit agreement was USD 17,800 thousand, the credit term was 7 years, and the Company and the related parties, TSAI,PANG-CHUAN and TSAI,CHING-CHUNG, were joint guarantors and should keep the commitments which were recorded on the credit agreements, the commitments were as follows:

- A. From the date of the first withdrawal, the collateral, vessels, should be appraised at least once a year by the appraisal company which was admitted by this bank, and the original of appraisal report should be provided to this bank.
- B. Since 2023, the LTV ratio is reviewed annually. If the LTV ratio exceeds 80%, the borrower should repay the certain excess amount of the borrowings or provide collateral approved by the bank to restore the LTV ratio to 60%.

- (4) On March 31, 2022, the Company's second-tier subsidiary, Franbo Art Ltd., signed a credit facility agreement with Taiwan Cooperative Bank. The total amount of credit agreement was USD 18,777 thousand, the credit term was 7 years, and the Company and the related parties, TSAI,PANG-CHUAN and TSAI,CHING-CHUNG, were joint guarantors and should keep the commitments which were recorded on the credit agreements, the commitments were as follows:
- A. From the date of the first withdrawal, the collateral, vessels, should be appraised at least once a year by the appraisal company which was admitted by this bank, and the original of appraisal report should be provided to this bank.
 - B. Since 2024, the LTV ratio is reviewed annually. If the LTV ratio exceeds 65%, the borrower should repay the certain excess amount of the borrowings or provide collateral approved by the bank to restore the LTV ratio to 65%.
- (5) On August 30, 2024, the Company's second-tier subsidiary, Franbo Bravo Ltd., signed a credit facility agreement with Mega International Commercial Bank. The total amount of credit agreement was USD 18,777 thousand, the credit term was 7 years, and the Company and the related parties, TSAI,PANG-CHUAN and TSAI,CHING-CHUNG, were joint guarantors and should keep the commitments which were recorded on the credit agreements, the commitments were as follows:
- A. Based on the consolidated financial statements which were annually attested by auditors of the joint guarantor of a juridical person, Franbo Lines Corporation, and the second quarter consolidated financial statements which were annually reviewed by auditors as the calculation basis and would be verified every half-year. The interest coverage ratio could not be lower than three times (earnings before interest and taxes + interest expenses + depreciation and amortisation/ interest expenses). The net tangible assets value (net assets reduce intangible assets): Not be lower than NT\$1 billion. If any of the abovementioned financial ratios cannot be met, the credit interest rate will be increased by 0.25% per annum from the next period. If there are consecutive violations of the above requirements for two times, the credit interest rate will be further increased by 0.5% per annum from the next period, and the credit terms will be renegotiated.
 - B. From the date of the first withdrawal, the collateral, vessels, should be appraised at least once a year by the appraisal company which was admitted by this bank, and the original of appraisal report should be provided to this bank.
 - C. Since 2024, LTV ratio is reviewed annually, if the LTV ratio exceeds 70%, the borrower should repay the certain excess amount of the borrowings or provide collateral approved by the bank to restore the LTV ratio to 70%.

(6) 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) Capital expenditures contracted but not yet incurred

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Ship equipment	\$ 3,571,925	\$ 4,585,649

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

Renters	Vessel Equipment	Charterers	Lease Period	Rent Calculation	Main Terms
Franbo Logos S.A.	NORD LOGOS	Non-relative	From January 2026 to January 2030, 4 years	Note 1	Note 3,4
Franbo Logic S.A.	THORCO LOGIC	Non-relative	From January 2026 to January 2030, 4 years	Note 1	Note 3,4
Franbo Legion Ltd	FAIRWIND LEGION (Note 5)	Non-relative	From May 2021 to February 2026, 4.75 years	Note 1	Note 3,4
FB Pioneer Ltd.	SINOWAY LILY	Non-relative	From January 2026 to January 2028, 2 years	Note 2	-
Franbo Bright Ltd.	IMARI	Non-relative	From December 2021 to December 2025, 4 years	Note 2	Note 3,4
Franbo Ace Ltd.	FRANBO ACE	Non-relative	From March 2023 to March 2028, 5 years	Note 2	Note 3,4
Franbo Art Ltd.	MERGANSER	Non-relative	From April 2023 to April 2028, 5 years	Note 1	Note 3,4
Franbo Cosmos Ltd.	NORVIC HOUSTION	Non-relative	From September 2023 to September 2028, 5 years	Note 2	Note 3,4
Franbo Century Ltd.	NORVIC SINGAPORE	Non-relative	From November 2023 to November 2028, 5 years	Note 2	Note 3,4
Franbo Brave Ltd.	FRANBO BRAVE	Non-relative	From June 2024 to June 2026, 2 years	Note 2	Note 3,4
Franbo Bravo Ltd.	FRANBO BRAVO	Non-relative	From September 2024 to September 2026, 2 years	Note 2	Note 3,4
Franbo Way Ltd.	MANDARIN KAOHSIUNG	Non-relative	From December 2024 to December 2029, 5 years	Note 2	-
TW Hornbill Line S.A.	MANDARIN GLORY	Non-relative	From February 2025 to February 2030, 5 years	Note 2	-
Franbo Wealth Shipping Ltd.	WEALTH ATHENA	Non-relative	From January 2025 to January 2035, 10 years	Note 1	Note 3,4
FB Navigation Ltd.	MANDARIN PENGHU	Non-relative	From March 2025 to November 2026, 1.67 years	Note 1	Note 3,4
Franbo Charity S. A.	MFM JAZZ	Non-relative	From April 2025 to April 2035, 10 years	Note 1	Note 3,4
Franbo Sino Limited	HG HOUSTON	Non-relative	From August 2025 to August 2035, 10 years	Note 1	Note 3,4

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

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

- Note 3: The lessor shall afford all of employees' board expenses, wages and consular fees when embarkation and disembarkation, as well as insurance expense of vessels and materials for all cabins, deck, engine room and other necessary materials, which including freshwater for boiler and normal freshwater. The lessor shall maintain the ship class and keep the hull, ship engine and equipment in sufficiently effective status during the lease period.
- Note 4: The lessee shall pay for fuels (except otherwise regulated), terminal handling charge, pilotage fee, agency fee, commissions, consular fees (except consular fees for sailors) and regular necessary expenses other than the aforementioned expenses. However, if the current vessel entering port for the reason of its own responsibilities, the owner of the vessel shall pay for all incurring expenses.
- Note 5: The Group reclassified vessels equipment as non-current assets held for sale in April 2025. Refer to Note 6(12) for details.

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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 invest 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 unsecured convertible bonds were resolved by the Company's Board of Directors on March 5, 2026. Refer to Notes 6(19) and 6(21) for more details.
- G. The distribution of 2025 earnings and the effective date of the conversion and issuance of the unsecured convertible bonds were resolved by the Company's Board of Directors on March 5, 2026. Refer to Notes 6(19) and 6(21) for more details.
- 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 Group's capital management objective was to secure the ability of going-concern in order to return to the shareholders and maintain optimal capital structure. Because the Group should maintain or adjust the capital structure, the Group's objectives when managing capital are to secure necessary financial resources and operating plans to meet the needs of operating funds for the next 12 months, capital expenditure, debt repayment and dividend payment.

For the year ended December 31, 2025, the Group's strategy was the same as that in 2024 and was dedicated to maintaining a stable debt to assets ratio. The Group's debt to assets ratios were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Total liabilities	\$ 6,223,071	\$ 4,196,182
Total assets	\$ 15,042,049	\$ 12,237,555
Debt to assets ratio	<u>41%</u>	<u>34%</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 (Note 1)	\$ 8,050	\$ 5,898
Financial assets at fair value through other comprehensive income that are designation of equity instrument	8,018	2,996
Financial assets at amortised cost/Loans and receivables		
Cash and cash equivalents	1,121,106	475,521
Accounts receivable	1,574	30
Finance lease receivables	714,464	1,054,561
Guarantee deposits paid (Note 2)	3,120	725
Other financial assets (Note 3)	48,258	34,190
	<u>\$ 1,904,590</u>	<u>\$ 1,573,921</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 5,000	\$ 55,000
Accounts payable	422	6,840
Other payables	121,961	125,478
Other current liabilities, others	754	51,992
Corporate bonds payable (including current portion)	1,199,539	822,424
Long-term borrowings (including current portion and liabilities directly related to non-current assets held or sale)	4,701,775	2,947,138
Guarantee deposits received	52,134	68,377
Other non-current liabilities, others	-	6,978
	<u>\$ 6,081,585</u>	<u>\$ 4,084,227</u>
Lease liability (including current and non-current)	<u>\$ 3,889</u>	<u>\$ -</u>

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

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

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

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

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

(Foreign currency: functional currency)	December 31, 2025		
	Foreign currency amount (In thousands)	Exchange rate	Carrying amount (New Taiwan dollar)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 829	31.43	\$ 26,055
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	2,979	31.43	93,630

Note: Investments accounted for using equity method.

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

Note: Investments accounted for using equity method.

iii. Total exchange gains (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2025 and 2024, amounted to \$29,867 and (\$21,536), 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%	\$ 261	\$	-
<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%	\$ 130	\$	-
<u>Non-monetary items</u>				
USD:NTD	1%	-		122
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	2,023		-

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise domestic beneficiary certificates and unlisted stocks of equity instruments and foreign corporate bonds. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held

constant, post-tax profit for the years ended December 31, 2025 and 2024 would have increased/decreased by \$81 and \$59, respective as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other comprehensive profit or loss for the years ended December 31, 2025 and 2024 would have increased/decreased by \$80 and \$30, as a result of gains/losses on equity instruments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 2025 and 2024, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars and US Dollars.
- ii. The Group's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- iii. If the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the years ended December 31, 2025 and 2024 would have decreased/increased by \$11,722 and \$7,268, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

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

vi. The Group used the forecastability of adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2025 and 2024, the loss rate methodology is as follows:

<u>December 31, 2025</u>	<u>Expected loss rate</u>		
	<u>Up to 30 days past due</u>	<u>31 days to 90 days past due</u>	<u>Over 90 days past due</u>
	0%~0.12%	0.24%~0.35%	100%
<u>December 31, 2024</u>	<u>Expected loss rate</u>		
	<u>Not past due</u>	<u>31 days to 90 days past due</u>	<u>Over 90 days past due</u>
	0%~0.17%	0.34%~0.51%	100%

vii. The beginning and ending balances for the years ended December 31, 2025 and 2024 of the Group'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 Group had no impairment loss or benefit of receivables which were generated contracting with customers.

(c) Liquidity risk

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

	<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:			
Short-term borrowings	\$ 5,156	\$ -	\$ -
Account payable	422	-	-
Other payables	121,961	-	-
Other current liabilities, others	754	-	-
Long-term borrowings (including current portion)	692,338	742,946	4,230,931
Lease liability (including current and non-current)	1,006	1,006	2,011
Bonds payable (including current portion)	-	576,700	718,600
Other non-current liabilities, others	-	-	-
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:			
Short-term borrowings	\$ 56,443	\$ -	\$ -
Account payable	6,840	\$ -	\$ -
Other payables	125,478	-	-
Other current liabilities, others	51,992	-	-
Long-term borrowings (including current portion)	420,625	606,602	2,663,225
Bonds payable (including current portion)	215,900	57,300	590,000
Other non-current liabilities, others	-	6,978	-

Derivative financial liabilities :

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

(3) Fair value information

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

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

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

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value:

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

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

	December 31, 2024			
	<u>Carrying amount</u>	<u>Fair value</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
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 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	\$ 8,050	\$ -	\$ -	\$ 8,050
Callable Bonds	-	-	-	-
Foreign corporate bond	-	-	-	-
Option to convert embedded corporate bonds	-	-	-	-
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	8,018	8,018
<u>Non-recurring fair value measurements</u>				
Non-current assets classified as held for sale	-	-	318,618	318,618
	<u>\$ 8,050</u>	<u>\$ -</u>	<u>\$ 326,636</u>	<u>\$ 334,686</u>
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	\$ 3,282	\$ -	\$ -	\$ 3,282
Callable Bonds	1,586	-	-	1,586
Foreign corporate bond	1,030	-	-	1,030
Option to convert embedded corporate bonds	-	-	87	87
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	2,996	2,996
	<u>\$ 5,898</u>	<u>\$ -</u>	<u>\$ 3,083</u>	<u>\$ 8,981</u>

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

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

	<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 Group must make reasonable estimates based on its assumptions.
- iii. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- iv. Due to the lack of sufficient or appropriate observable market information and equity instruments of comparable counterparties, the Group adopted the net asset value method to value equity instruments without active market (such as: unlisted stocks) to approximate the current profitability of the investment target

D. For the years ended December 31, 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>Derivative instruments</u>	<u>Non-derivative instruments</u>
January 1	\$ 87	\$ 2,996
Gains and losses recognised in profit or loss (Note 1)	2,196	-
Purchased in the year	-	5,022
Issued in the period	(6,318)	-
Conversion or repurchase in the period	184	-
December 31	<u>(\$ 3,851)</u>	<u>\$ 8,018</u>

	2024	
	Derivative instruments	Non-derivative instruments
January 1	\$ 397	\$ 2,966
Gains and losses recognised in profit or loss (Note 1) (	422)	-
Issued in the period	295	-
Conversion or repurchase in the period	(183)	-
December 31	<u>\$ 87</u>	<u>\$ 2,966</u>

Note 1: Accounted as other gains and losses.

F. The following chart is the movement of 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:

	Fair value at	Valuation	Significant	Range	Relationship of
Hybrid instrument:	December 31, 2025	technique	unobservable input	(weighted average)	inputs to fair value
Convertible bonds	(\$ 3,851)	The Binomial-Tree approach to convertible bonds	Stock price volatility	__%~__%	The higher the price volatility, the higher the fair value
Non-derivative equity instrument:					
Unlisted stocks	\$ 8,018	Net asset value	Not applicable.	Not applicable.	Not applicable.
Non-current assets held for sale:					
Vessels equipment	\$ 392,875	Market approach	Not applicable.	Not applicable.	Not applicable.
	Fair value at	Valuation	Significant	Range	Relationship of
Hybrid instrument:	December 31, 2024	technique	unobservable input	(weighted average)	inputs to fair value
Convertible bonds	\$ 87	The Binomial-Tree approach to convertible bonds	Stock price volatility	31.02%~36.01%	The higher the price volatility, the higher the fair value
Non-derivative equity instrument:					
Unlisted stocks	\$ 2,996	Net asset value	Not applicable.	Not applicable.	Not applicable.

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

		December 31, 2025			
		Recognised in profit or loss		Recognised in other comprehensive income	
Input	Change	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)	\$ - \$ -

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

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

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

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

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. Segment performance is measured using operating profit (loss), which serves as the basis for performance evaluation. The Group manages its operations by business, and its primary operating segments are ocean freight and construction.

(2) Segment information

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

2025

	Ocean freight segment	Construction segment	Total
Revenue from external customers	\$ 2, 220, 526	\$ 147, 246	\$ 2, 367, 772
Inter-segment revenue	—	—	—
Total segment revenue	2, 220, 526	147, 246	2, 367, 772
Cost and expenses	(1, 413, 468)	(103, 760)	(1, 517, 228)
Segment profit	807, 058	43, 486	850, 544
Interest income			24, 755
Other revenue			18, 590
Other gains and losses			113, 854
Interest expense			(296, 836)
Share of (loss)/profit of associates and joint ventures accounted for under equity method			615
Reportable segments income before tax			711, 522
Income tax expense			(33, 001)
Profit for the year	\$ 648, 726	\$ 29, 795	\$ 678, 521
Segment assets	\$ 14, 075, 785	\$ 966, 264	\$ 15, 042, 049
Depreciation and amortisation	\$ 525, 109	\$ —	\$ 525, 109
Segment capital expenditure	\$ 4, 749, 509	\$ —	\$ 4, 749, 509
Segment liabilities	\$ 6, 121, 121	\$ 101, 950	\$ 6, 223, 071

For the year ended December 31, 2024, the Group had only one reportable segment, ocean freight, as follows:

	<u>Year ended December 31</u>	
	2024	
Revenue from external customers	\$	1,654,400
Inter-segment revenue		-
Interest income		20,716
Interest expense		161,809
Depreciation and amortisation		326,843
Reportable segments income before tax		605,715
Assets of reportable segments		12,237,555
Capital expenditure of non-current assets of reportable segment		3,423,548
Liabilities of reportable segments		4,196,182

(3) Reconciliation for segment income (loss)

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

(4) Information on products and services

	<u>Year ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Income from lease and management of vessels	\$ 2,220,526	\$ 1,654,400
Revenue from sales of buildings and land	147,246	-
	<u>\$ 2,367,772</u>	<u>\$ 1,654,400</u>

(5) Geographical information

Geographical information for the years ended December 31, 2025 and 2024 is as follows:

	Year ended December 31, 2025		Year ended December 31, 2024	
	Revenue (Note 1)	Non-current assets (Note 2)	Revenue (Note 1)	Non-current assets (Note 2)
Japan	\$ 596,239	\$ -	\$ 463,921	\$ -
China	129,893	-	163,531	-
Denmark	534,251	-	460,822	-
Singapore	784,631	-	384,652	-
Canada	175,092	-	180,809	-
Ireland	-	-	-	-
Taiwan	147,636	430,485	-	49,448
Panama	-	1,078,366	318	1,916,997
Marshall	30	11,074,576	347	8,581,175
	<u>\$ 2,367,772</u>	<u>\$ 12,583,427</u>	<u>\$ 1,654,400</u>	<u>\$ 10,547,620</u>

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

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

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2025 and 2024 is as follows:

	Year ended December 31, 2025		Year ended December 31, 2024	
	Revenue	Segment	Revenue	Segment
A	\$ 534,251	All companies and subsidiaries	\$ 441,956	All companies and subsidiaries
B	317,863	All companies and subsidiaries	327,815	All companies and subsidiaries
C	397,985	All companies and subsidiaries	222,365	All companies and subsidiaries
D	142,929	All companies and subsidiaries	185,146	All companies and subsidiaries
E	175,092	All companies and subsidiaries	180,809	All companies and subsidiaries
F	321,920	All companies and subsidiaries	55,376	All companies and subsidiaries

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	Footnote
													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	Footnote
													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	Note 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	Footnote
													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.	Franbo Justice Buiding 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 Buiding Development Co., Ltd	Uni-Morality Lines 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	
		Company name	Relationship with the counterparty										China	Footnote
0	Franbo Lines Corporation	Franbo Ace Ltd.	Note 2	\$ 8,069,918	\$ 542,168	\$ 542,168	\$ 542,168	\$ -	6.72%	\$ 40,349,590	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Art Ltd.	Note 2	8,069,918	542,168	542,168	542,168	-	6.72%	40,349,590	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Cosmos Ltd.	Note 2	8,069,918	559,454	559,454	559,454	-	6.93%	40,349,590	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Century Ltd.	Note 2	8,069,918	749,606	561,026	561,026	-	6.95%	40,349,590	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Brave Ltd.	Note 2	8,069,918	590,161	590,161	590,161	-	7.31%	40,349,590	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Bravo Ltd.	Note 2	8,069,918	590,161	590,161	590,161	-	7.31%	40,349,590	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	New Lucky Lines S.A.	Note 2	8,069,918	282,870	282,870	282,870	-	3.51%	40,349,590	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Wealth Shipping Ltd.	Note 2	8,069,918	421,979	421,979	421,979	-	5.23%	40,349,590	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Charity S.A.	Note 2	8,069,918	421,979	421,979	421,979	-	5.23%	40,349,590	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Monica Shipping Ltd.	Note 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.	Note 2	8,069,918	421,979	421,979	421,979	-	5.23%	40,349,590	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	TW Hornbill Line S.A.	Note 2	8,069,918	286,013	286,013	286,013	-	3.54%	40,349,590	Y	N	N	Notes 3, 4 and 5
0	Franbo Lines Corporation	Franbo Way Limited	Note 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	Note 2	8,069,918	264,012	264,012	264,012	-	3.27%	40,349,590	Y	N	N	Notes 3, 4 and 5
1	FB Propriety Real Estate Development	Franbo Lines Corporation	Note 2	217,693	210,000	210,000	210,000	-	96.47%	435,386	Y	N	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 other comprehensive	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

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

December 31, 2025

Table 4

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 5

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	
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%

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

Table 5

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 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%
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 S.A.	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%

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

Table 5

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	
4	Franbo Asset Management Co., Ltd.	Franbo Justice Buiding Development Co., Ltd.	3	Other receivables	\$ 25,300	Note 6	0%
4	Franbo Justice Buiding 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 6

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		Footnote
				December 31, 2025	December 31, 2024	Number of shares	Ownership (%)	Book value		2025	2025	
Franbo Lines Corporation	New Lucky Lines S.A.	Marshall	Investment in other area Note 5	\$ 4,059,175	\$ 3,849,661	131,000,000	100	\$ 7,425,237	\$ 520,837	\$ 520,837	Notes 1, 7, 8 and 11	
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	Note 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	Note 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	Note 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	Note 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	Note 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	Note 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	Note 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	Note 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	Note 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	Note 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	Note 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	Note 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	Note 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	Note 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	Note 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	Note 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	Note 5	295,473	291,073	9,401,000	70	306,163	22,474	15,732	Notes 2, 7 and 8	
New Lucky Lines S.A.	Franbo Charity S.A.	Marshall	Note 5	295,077	182,938	9,388,400	70	302,383	11,926	8,348	Notes 2, 7 and 8	

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

Table 6

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		Footnote
				December 31, 2025	December 31, 2024	Number of shares	Ownership (%)	Book value		December 31, 2025	December 31, 2025	
New Lucky Lines S.A.	Franbo Monica Shipping Ltd.	Marshall	Note 5	\$ -	\$ 105,979	-	70	\$ -	\$ 69,604	\$ 48,723	Notes 2, 7, 8 and 9	
New Lucky Lines S.A.	Franbo Sino Ltd.	Marshall	Note 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	Note 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	Note 5	228,810	519,224	7,280,000	70	232,970	12,085	8,460	Notes 2, 7 and 8	
New Lucky Lines S.A.	FB Navigation Ltd.	Marshall	Note 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	Note 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	Note 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	Note 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	Note 5	-	-	-	-	-	-	-	Notes 2 and 13	
New Lucky Lines S.A.	Franbo Sunshine Ltd.	Marshall	Note 5	-	-	-	-	-	-	-	Notes 2 and 13	
FWF Shipping Ltd.	Franbo Wind S.A.	Marshall	Note 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	Note 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	Note 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 Buiding Development Co., Ltd	Taiwan	Note 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	Note 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	Note 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 31.18 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 Group collected the investment proceeds.

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

Note 11: For the year ended December 31, 2025, the Group 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 Group 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.