

Stock Code:2601

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**FIRST STEAMSHIP COMPANY LTD.
AND SUBSIDIARIES**

**Consolidated Financial Statements and
Independent Auditors' Report**

For the Years Ended December 31, 2024 and 2023

Address: 14F., No.237, Sec. 2, Fuxing S. Rd., Da'an Dist., Taipei City 106, Taiwan
(R.O.C.)

Telephone: (02)2706-9911

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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Representation Letter

The entities that are required to be included in the combined financial statements of First Steamship Company Ltd. as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, First Steamship Company Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Company name: First Steamship Company Ltd.

Chairman: Jen-Hao Kuo

March 28, 2025

Independent Auditors’ Report

To the Board of Directors of First Steamship Company Ltd.:

Opinion

We have audited the consolidated financial statements of First Steamship Company Ltd. and its subsidiaries (“the Group”), which comprise the consolidated balance sheet as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the audit reports of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“ IASs ”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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 Group 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. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024 of the Group. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Impairment of goodwill and trademark

Please refer to Note 4(n) “Impairment of non-financial assets” to the consolidated financial statements for the accounting policies on recognition, 5(b) for accounting assumptions and estimation uncertainties, and 6(j) “Intangible assets” for further details, respectively.

Description of key audit matter:

As of December 31, 2024, the Group’s intangible assets, whose primary components were goodwill and trademark obtained upon acquisition of GORG in 2006, constituted approximately 5% of the Group’s total assets. In recent years, the department store industry has been influenced by the COVID 19 pandemic and the impact of slowing economic growth in mainland China, which the declined profits of the industry have not returned to the pre-epidemic level, making it a tough challenge to maintain revenues and profitability. Therefore, the Group concerned if the carrying amounts of the impacted goodwill, trademark and operating assets that obtained upon the acquisition had exceeded the recoverable amounts thereof. In accordance with IAS 36 “Impairment of Assets”, the Group’s management estimated the present value of the Department Store Segment’s discounted future cash flows, in order to determine the recoverable amounts of the aforementioned assets. As the high degree of estimation uncertainty regarding the recoverable amounts involved management’s subjective judgment, there was risk of overestimation with respect to the carrying amounts of the goodwill, trademark, and operating assets. Therefore, we determined the assessment of impairment of the aforementioned assets to be a key audit matter.

How the matter was addressed in our audit:

We obtained the model and related assumptions that the Group’s management adopted to evaluate impairment of assets, in order to ascertain whether management had identified all the cash generating units (“CGU”) which might had been impaired and whether all the assets requiring impairment tests had been included in the valuation. In addition, we reviewed each financial assumption adopted by management and the supporting documents related to recoverable amounts, so as to verify both the reasonableness of management’s assumptions and the accuracy of calculation based on available relevant information. Also, we assessed whether historical financial performance was in accordance with management’s previous forecasts, with a view to verifying the accuracy of the forecasts made by management. Apart from that, we examined the appropriateness of the Group’s disclosure of the aforementioned assets.

2. Impairment of assets

Please refer to 4(n) “Impairment of non-financial assets” to the consolidated financial statements for the accounting policies on recognition. Please refer to 5(a) “Impairment assessment for property, plant, equipment, and right-of-use assets” to the consolidated financial statements for accounting assumptions and estimation uncertainties regarding the impairment, and 6(h) “Property, plant, and equipment” and (i) “Right-of-use assets” for further details, respectively.

Description of key audit matter:

As of December 31, 2024, the Group's property, plant, equipment and right of use assets, whose primary components were operating assets of both the Department Store Segment and the Marine Transportation Segment, constituted approximately 69% of the Group's total assets. In recent years, the mainland region has been influenced by COVID-19. The decreased profits of the department store industry have not yet returned to the pre-epidemic level. The decline in consumer spending has led to deflation, which has also caused changes in real estate value in the mainland region. This further raised the concern over whether the carrying amounts of the above-mentioned assets used in the operations of Group's Department Store Segment exceeded their recoverable amounts. In accordance with IAS 36 "Impairment of Assets", the Group's management estimated the present values of the Department Store Segment's discounted future cash flows, in order to determine the recoverable amounts of the aforementioned assets. As the high degree of estimation uncertainty regarding recoverable amounts involved management's subjective judgment, there was risk of overestimation with respect to the carrying amounts of operating assets. Therefore, we considered the assessment of impairment of the aforementioned assets to be a key audit matter.

How the matter was addressed in our audit

We obtained the model and related assumptions that the Group's management adopted to assess impairment of assets, so as to examine whether management had identified all the cash generating units ("CGU") which might have been impaired and whether all the assets requiring impairment tests had been included in the assessment. In addition, we reviewed each financial assumption adopted by management and the supporting documents related to recoverable amounts, so as to verify both the reasonableness of management's assumptions and the accuracy of calculation based on available relevant information. Also, we assessed whether historical financial performance was in accordance with management's previous forecasts, with a view to verifying the accuracy of the forecasts made by management. Furthermore, we looked into the Group's disclosure of the impairment of the aforementioned assets to ascertain the appropriateness.

Other Matter

We did not audit the financial statements of Mariner Finance Ltd., a subsidiary of the Group. Those statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Mariner Finance Ltd., is based solely on the audit report of another auditor. The total assets of Mariner Finance Ltd. constituted 1% and 1% of the total consolidated assets as of December 31, 2024 and 2023, respectively, and both its net operating revenues constituted 1% and 0% of net consolidated operating revenues for both years then ended.

We did not audit the financial statements of certain associates of the Group, which represented the investments in other entities accounted for using the equity method. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those associates, is based solely on the audit reports of other auditors. As of December 31, 2024 and 2023, the Group accounted for certain associates using the equity method, and the investments in those associates constituted 2% and 1% of total consolidated assets, respectively. As of December 31, 2024 and 2023, the share of profits or losses of equity-accounted associates constituted (6)% and 8% of the consolidated net losses before tax, respectively.

First Steamship Co., Ltd has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unqualified opinion with other matter paragraphs.

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 with the IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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 or supervisors) are responsible for overseeing the Group's financial reporting process.

Auditor's 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 auditor's 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 auditor 's 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 auditor 's 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 and 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 auditor' s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chang, Shu-Ying and Pan, Chun-Ming.

KPMG

Taipei, Taiwan (Republic of China)
March 28, 2025

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES**Consolidated Balance Sheets****December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

Assets		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Current assets:					
1100	Cash and cash equivalents (Note 6(a))	\$ 1,123,799	3	1,834,232	5
1110	Current financial assets at fair value through profit or loss (Notes 6(b) and 7)	141,680	-	167,661	-
1170	Accounts receivable, net (Notes 6(c), 7 and 9)	246,944	1	353,770	2
1200	Other receivables, net (Notes 6(b), (d), (f), (w) and 7)	77,536	-	134,141	-
1300	Inventories, net	251,546	1	203,576	1
1320	Inventories (for construction business), net (Notes 6(e), 8 and 9)	1,773,733	5	1,748,420	5
1476	Other current financial assets (Notes 6(k), (w), 7, 8 and 9)	637,647	2	526,454	1
1479	Other current assets, others (Notes 7 and 9)	297,474	1	319,069	1
1480	Current assets recognised as incremental costs to obtain contract with customers	13,782	-	-	-
		<u>4,564,141</u>	<u>13</u>	<u>5,287,323</u>	<u>15</u>
Non-current assets:					
1535	Non-current financial assets at amortised cost (Note 7)	-	-	59,900	-
1550	Investments accounted for using equity method (Note 6(f) and 7)	746,960	2	481,510	1
1600	Property, plant and equipment (Notes 6(h) and 8)	12,207,724	35	12,305,871	35
1755	Right-of-use assets (Notes 6(i) , 7and 8)	11,751,521	34	11,501,840	33
1760	Investment property, net (Not 8)	139,143	-	140,116	-
1780	Intangible assets (Note 6(j))	1,752,654	5	1,691,118	5
1840	Deferred tax assets (Note 6(q))	2,847,072	8	2,782,429	8
1935	Long-term lease payments receivable(Notes 6(c) and 7)	295	-	6,684	-
1975	Net defined benefit asset, non-current	4,478	-	2,975	-
1980	Other non-current financial assets (Notes 6(k), (w), 7, 8 and 9)	578,129	2	818,884	2
1990	Other non-current assets (Notes 6(f), (r) and 7)	301,316	1	290,303	1
		<u>30,329,292</u>	<u>87</u>	<u>30,081,630</u>	<u>85</u>
Total assets		\$ 34,893,433	100	35,368,953	100

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Current liabilities:					
2100	Short-term borrowings (Notes 6(l))	\$ 3,682,065	11	3,657,193	10
2110	Short-term notes and bills payable	99,840	-	-	-
2151	Current contract liabilities (Notes 9)	27,262	-	-	-
2170	Accounts payable (Note 6(n))	1,069,446	3	1,272,029	4
2200	Other payables (Notes 6(n), 7 and 9)	1,010,327	3	1,232,947	4
2230	Current tax liabilities	54,223	-	41,489	-
2280	Current lease liabilities (Notes 6(o), 7 and 9)	827,918	2	838,426	3
2322	Long-term borrowings, current portion (Note 6(m))	2,776,284	8	1,018,680	3
2399	Other current liabilities (Notes 6(w), 7 and 9)	70,930	-	81,677	-
		<u>9,618,295</u>	<u>27</u>	<u>8,142,441</u>	<u>24</u>
Non-Current liabilities:					
2500	Non-current financial liabilities at fair value through profit or loss (Note 6(b))	31,389	-	27,813	-
2540	Long-term borrowings (Note 6(m))	1,395,929	4	4,020,116	11
2570	Deferred tax liabilities (Note 6(q))	2,281,354	7	2,227,375	6
2580	Non-current lease liabilities (Notes 6(o), 7 and 9)	9,873,207	28	9,431,523	27
2645	Guarantee deposits	592,120	2	573,039	2
		<u>14,173,999</u>	<u>41</u>	<u>16,279,866</u>	<u>46</u>
		<u>23,792,294</u>	<u>68</u>	<u>24,422,307</u>	<u>70</u>
Equity attributable to owners of parent(Notes 6(f) and (r)):					
3100	Capital stock	8,247,761	24	8,247,761	23
3200	Capital surplus	836,382	2	1,932,221	5
3300	Retained earnings	(288,220)	(1)	(1,095,839)	(3)
3400	Other equity interest	224,418	1	(354,024)	(1)
		<u>9,020,341</u>	<u>26</u>	<u>8,730,119</u>	<u>24</u>
Total equity attributable to owners of parent:					
36XX	Non-controlling interests (Notes 6(g) and (r))	2,080,798	6	2,216,527	6
		<u>11,101,139</u>	<u>32</u>	<u>10,946,646</u>	<u>30</u>
Total equity					
Total liabilities and equity		<u>\$ 34,893,433</u>	<u>100</u>	<u>35,368,953</u>	<u>100</u>

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenues (Notes 6(p), (t) and 7)	\$ 4,849,992	100	5,501,923	100
5000	Operating costs (Notes 6(p) and (v))	1,758,916	36	1,893,928	34
	Gross profit from operations	3,091,076	64	3,607,995	66
	Operating expenses:				
6000	Operating expenses (Notes 6(o), 7 and 9)	3,032,669	63	3,658,570	66
6450	Expected credit impairment loss (Notes 6(c) and 7)	65,935	1	200,234	4
6300		3,098,604	64	3,858,804	70
	Net operating income	(7,528)	-	(250,809)	(4)
	Non-operating income and expenses:				
7100	Interest income (Notes 6(v) and 7)	71,625	1	67,243	1
7010	Other income (Notes 6(v))	17,531	-	15,779	-
7020	Other gains and losses, net (Notes 6(f), (h), (i), (j), (v), 7 and 9)	278,711	6	(823,342)	(15)
7050	Finance costs (Notes 6(o), (v) and 7)	(857,114)	(18)	(922,705)	(17)
7055	Expected credit impairment reversal income (loss) (Notes 6(d), (w) and 7)	17,069	-	(102,298)	(2)
7060	Share of profit (loss) of associates accounted for using equity method, net (Notes 6(f))	26,298	1	(288,744)	(5)
		(445,880)	(10)	(2,054,067)	(38)
7900	Profit (loss) from continuing operations before tax	(453,408)	(10)	(2,304,876)	(42)
7950	Less: Tax expense (Note 6(q))	64,363	1	227,531	4
	Loss	(517,771)	(11)	(2,532,407)	(46)
8300	Other comprehensive income (loss) after tax:				
8310	Items that may not be reclassified subsequently to profit or loss:				
8311	Gains (losses) on remeasurements of defined benefit plans	1,518	-	(75)	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	1,518	-	(75)	-
8360	Items that may be reclassified subsequently to profit or loss: (Notes 6(f) and (r))				
8361	Exchange differences on translation of foreign financial statements	629,023	13	(96,331)	(2)
8370	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	42,687	1	5,453	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	671,710	14	(90,878)	(2)
8300	Other comprehensive income (loss), after tax	673,228	14	(90,953)	(2)
	Comprehensive income (loss) after tax	\$ 155,457	3	(2,623,360)	(48)
	Profit (loss), attributable to:				
8610	Owners of parent	\$ (288,774)	(6)	(1,669,494)	(30)
8620	Non-controlling interests	(228,997)	(5)	(862,913)	(16)
		\$ (517,771)	(11)	(2,532,407)	(46)
	Comprehensive income (loss) attributable to:				
8710	Owners of parent	\$ 291,186	6	(1,719,708)	(32)
8720	Non-controlling interests	(135,729)	(3)	(903,652)	(16)
		\$ 155,457	3	(2,623,360)	(48)
	Earnings per share (Note 6(s))				
9750	Basic earnings per share (NT dollars)	\$ (0.35)		(2.02)	
9850	Diluted earnings per share (NT dollars)	\$ (0.35)		(2.02)	

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
	Share capital	Retained earnings					Total other equity interest				
							Exchange differences on translation of foreign financial	Treasury stock	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings					
Balance at January 1, 2023	\$ 8,347,761	1,926,712	7,548	633,830	7,411	648,789	(303,885)	(94,491)	10,524,886	3,120,179	13,645,065
Net loss	-	-	-	-	(1,669,494)	(1,669,494)	-	-	(1,669,494)	(862,913)	(2,532,407)
Other comprehensive income	-	-	-	-	(75)	(75)	(50,139)	-	(50,214)	(40,739)	(90,953)
Total comprehensive income	-	-	-	-	(1,669,569)	(1,669,569)	(50,139)	-	(1,719,708)	(903,652)	(2,623,360)
Appropriation and distribution of retained earnings :											
Legal reserve appropriated	-	-	741	-	(741)	-	-	-	-	-	-
Special reserve reversal	-	-	-	(329,945)	329,945	-	-	-	-	-	-
Changes in the associated and the joint venture for using equity method	-	-	-	-	(75,059)	(75,059)	-	-	(75,059)	-	(75,059)
Retirement of treasury share	(100,000)	5,509	-	-	-	-	-	94,491	-	-	-
Balance at December 31, 2023	8,247,761	1,932,221	8,289	303,885	(1,408,013)	(1,095,839)	(354,024)	-	8,730,119	2,216,527	10,946,646
Net loss	-	-	-	-	(288,774)	(288,774)	-	-	(288,774)	(228,997)	(517,771)
Other comprehensive income	-	-	-	-	1,518	1,518	578,442	-	579,960	93,268	673,228
Total comprehensive income	-	-	-	-	(287,256)	(287,256)	578,442	-	291,186	(135,729)	155,457
Appropriation and distribution of retained earnings :											
Legal reserve used to offset accumulated deficits	-	-	(8,289)	-	8,289	-	-	-	-	-	-
Special reserve used to offset accumulated deficits	-	-	-	(303,885)	303,885	-	-	-	-	-	-
Other changes in capital reserves :											
Capital surplus used to offset accumulated deficits	-	(1,095,839)	-	-	1,095,839	1,095,839	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	(964)	(964)	-	-	(964)	-	(964)
Balance at December 31, 2024	\$ 8,247,761	836,382	-	-	(288,220)	(288,220)	224,418	-	9,020,341	2,080,798	11,101,139

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	2024	2023
Cash flows from (used in) operating activities:		
Loss before tax	\$ (453,408)	(2,304,876)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,984,519	1,998,259
Amortization expense	66,701	58,719
Expected credit impairment loss	48,866	302,532
Changes in the associated and the joint venture for using equity method	(11,031)	(86,791)
Interest expense	857,114	922,705
Operating costs (Interest expense)	7,903	13,440
Interest income	(71,625)	(67,243)
Dividend income	(347)	(759)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(26,298)	288,744
Loss on disposal of property, plan and equipment	8,845	2,901
Gain (loss) on disposal of intangible assets	982	(3,181)
Gain on disposal of investments	-	(5,113)
Impairment losses on non-financial assets	-	1,168,757
Gain on lease modification	-	(495,197)
Gain on closed and litigation damages	(205,460)	-
Gain on rent concessions	-	173,760
Total adjustments to reconcile profit (loss)	2,660,169	4,271,533
Changes in operating assets and liabilities :		
Changes in operating assets :		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	40,926	83,550
Notes receivable	-	265
Accounts receivable	62,568	102,706
Other receivable	234	9,296
Inventories	(61,352)	22,847
Other current assets	39,571	(48,918)
Net defined benefit assets	15	(111)
Increase in assets recognised as incremental costs to obtain contract with customers	(13,782)	-
Total changes in operating assets	68,180	169,635
Changes in operating liabilities :		
Current financial liabilities at fair value through profit or loss	3,576	1,688
Current contract liabilities	27,262	-
Accounts payable	(261,499)	323,228
Other payable	(82,541)	340,047
Other current liabilities	(9,811)	(25,879)
Total changes in operating liabilities	(323,013)	639,084
Total changes in operating assets and liabilities	(254,833)	808,719
Total adjustments	2,405,336	5,080,252
Cash inflow generated from operations	1,951,928	2,775,376
Interest received	53,087	48,419
Dividend received	5,247	759
Interest paid	(869,265)	(936,074)
Income taxes paid	(37,194)	(96,104)
Net cash flows from (used in) operating activities	1,103,803	1,792,376

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at amortised cost	59,900	-
Acquisition of investments using the equity method	(202,329)	(178,879)
Proceeds from disposal of investments accounted for using equity method	8,524	30,157
Proceeds from disposal of subsidiaries	-	-
Acquisition of property, plant and equipment	(102,728)	(275,450)
Proceeds from disposal of property, plant and equipment	25,111	17,369
Decrease in other receivables	81,500	52,868
Acquisition of intangible assets	(469)	(1,348)
Proceeds from disposal of intangible assets	23,529	42,248
Decrease (increase) in other financial assets	197,067	(1,043,524)
Increase in other non-current assets	(55,969)	(63,426)
Net cash flows used in (from) investing activities	34,136	(1,419,985)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	(115,057)	859,140
Increase in short-term notes and bills payable	99,840	-
Proceeds from long-term loans	67,481	1,031,963
Repayments of long-term loans	(1,134,090)	(2,518,725)
Decrease in guarantee deposits received	(10,282)	(9,025)
Payments of lease liabilities	(870,474)	(883,157)
Net cash flows from financing activities	(1,962,582)	(1,519,804)
Effect of exchange rate changes on cash and cash equivalents	114,210	(5,552)
Net decrease in cash and cash equivalents	(710,433)	(1,152,965)
Cash and cash equivalents at beginning of period	1,834,232	2,987,197
Cash and cash equivalents at end of period	\$ 1,123,799	1,834,232

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

First Steamship Company Ltd. (the "Company") was incorporated in October 1963 in accordance with the Company Act of the Republic of China. The Company's registered office is at 14F, No. 237, Sec. 2, Fuxing S. Rd., Taipei City, R.O.C. The principal business activities of the Company and its subsidiaries ("the Group") are domestic and international marine transportation and related businesses, wholesale of vessels and related components, car and equipment rental, business management consultancy, department store retail industry, domestic and foreign investments, as well as development, rental and sale of both residential and commercial buildings.

(2) Approval date and procedures of the consolidated financial statements

The consolidated financial statements were authorized for issue by the Board of Directors on March 28, 2025.

(3) New standards, amendments and interpretations adopted

- (a) The impact of adopting the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission ("FSC")

The Group has been subject to the following newly revised IFRSs and IASs since January 1, 2024, and has not had a significant impact on the financial report of the Group.

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

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Notes to the Consolidated Financial Statements

- (b) The impact of not adopting the IFRSs and IASs endorsed by the FSC

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements.

- Amendments to IAS 21 "Lack of Exchangeability"

- (c) The impact of IFRSs issued by IASB but not yet endorsed by the FSC

The standards and interpretations that have been issued and revised by the IASB but have not yet been approved by the FSC may be relevant to the Group as follows:

Newly issued or revised standards	Content of major amend	Effective date
IFRS 18 "Presentation and Disclosure of Financial Statements"	The new standard introduces three categories of income and expense, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.	January 1, 2027
IFRS 18 "Presentation and Disclosure of Financial Statements"	<ul style="list-style-type: none"> • A more structured income statements: Under current standards, companies use different formats to present their operating results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined "operating profit" subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities. • Management performance measures (MPM): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRSs and IASs. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027

The Group is evaluating the impact on its consolidated financial position and consolidated

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

financial performance upon the initial adoption of the above-mentioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation. The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures issued"
- Amendments to IFRS 9 and IFRS 7 "Revision of Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRSs and IASs
- Amendments to IFRS 9 and IFRS 7, "Contracts Referencing Nature-dependent Electricity"

(4) Summary of material accounting policies

The material accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language consolidated financial statements, the Chinese version shall prevail.

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission.

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(b) Basis of preparation

i. Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

- (1) Financial instruments (including derivative financial instruments) at fair value through profit or loss are measured at fair value;
- (2) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation.

ii. Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollar (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(c) Basis of consolidation

i. Principle of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, 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.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income 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.

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

When the Group loses control over a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any interest retained in the former subsidiary is measured at fair value when control is lost, with the resulting gain or loss being recognized in profit or loss. The Group recognizes as gain or loss in profit or loss the difference between (i) the fair value of the consideration received as well as any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the assets (including any goodwill), liabilities of the subsidiary as well as any related non-controlling interests at their carrying amounts at the date when control is lost, as gain or loss in profit or loss. When the Group loses control of its subsidiary, it accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if it had directly disposed of the related assets or liabilities.

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

ii. List of subsidiaries in the consolidated financial statements

List of subsidiaries in the consolidated financial statements include:

Name of investor	Name of subsidiary	Principal activity	Shareholding		Remark
			December 31, 2024	December 31, 2023	
First Steamship Co., Ltd.	Royal Sunway Development Co., Ltd.	Trading of real estate, and rental and management of buildings	55.00%	55.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
First Steamship Co., Ltd.	First Steamship S.A.	Investment holding company, international transportation and shipping agency	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
First Steamship Co., Ltd.	Grand Ocean Retail Group Ltd.	Investment holding company	10.00%	10.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
First Steamship Co., Ltd.	First Mariner Holding Ltd.	Investment holding company	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
First Steamship Co., Ltd.	Longevity Navigation S.A.	International transportation and shipping agency	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
First Steamship Co., Ltd.	Praise Maritime S.A.	International transportation and shipping agency	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
First Steamship Co., Ltd.	Best Steamship S.A.	International transportation and shipping agency	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
First Steamship Co., Ltd.	Grand Steamship S.A.	International transportation and shipping agency	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
First Steamship Co., Ltd.	Black Sea Steamship S.A.	International transportation and shipping agency	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
First Steamship Co., Ltd.	Ship Bulker Steamship S.A.	International transportation and shipping agency	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
First Steamship Co., Ltd.	Reliance Steamship S.A.	International transportation and shipping agency	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

Name of investor	Name of subsidiary	Principal activity	Shareholding		Remark
			December 31, 2024	December 31, 2023	
First Steamship Co., Ltd.	Alliance Steamship S.A.	International transportation and shipping agency	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
First Steamship Co., Ltd.	Sure Success Steamship S.A.	International transportation and shipping agency	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
First Steamship Co., Ltd.	Shining Steamship International S.A.	International transportation and shipping agency	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
First Steamship Co., Ltd.	Excellent Steamship INTERNATIONAL S.A.	International transportation and shipping agency	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
First Steamship Co., Ltd.	Advantage Steamship Co., Ltd.	International transportation and shipping agency	100.00%	- %	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares (Note 1)
First Steamship Co., Ltd.	Mighty Steamship Co., Ltd.	International transportation and shipping agency	100.00%	- %	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares (Note 1)
First Steamship S.A.	Ahead Capital Ltd.	Investment holding company	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
First Steamship S.A.	Media Assets Global Ltd.	Investment holding company	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
First Steamship S.A.	Nature Sources Ltd.	Investment holding company	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
First Steamship S.A.	Grand Ocean Retail Group Ltd.	Investment holding company	46.83%	46.83%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
First Steamship S.A.	Heritage Riches Ltd.	Investment holding company	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Ahead Capital Ltd.	Grand Ocean Retail Group Ltd.	Investment holding company	1.79%	1.79%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

Name of investor	Name of subsidiary	Principal activity	Shareholding		Remark
			December 31, 2024	December 31, 2023	
First Mariner Holding Ltd.	First Mariner Capital Ltd.	Investment holding company	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
First Mariner Holding Ltd.	Mariner Far East Ltd.	Investment holding company	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
First Mariner Capital Ltd.	Mariner Capital Ltd.	Investment holding company	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Mariner Capital Ltd.	Mariner Finance Ltd.	Automobile Finance leasing company	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Mariner Finance Ltd.	Shanghai Youxin Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Mariner Finance Ltd.	Nanjing Youcheng Car Leasing Ltd.	Automobile Finance leasing company	- %	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares, it has completed the deregistration process on June 4, 2024
Mariner Finance Ltd.	Wuhan Youxin Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Mariner Finance Ltd.	Qingdao Youcheng Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Mariner Finance Ltd.	Chongqing Youren Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Mariner Finance Ltd.	Fuzhou Youli Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Mariner Finance Ltd.	Dongguan Youcheng Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Mariner Finance Ltd.	Guangzhou Youqiang	Automobile Finance	100.00%	100.00%	A subsidiary in which the

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

Name of investor	Name of subsidiary	Principal activity	Shareholding		Remark
			December 31, 2024	December 31, 2023	
	Car Leasing Ltd.	leasing company			Company directly (indirectly) owns more than 50% of the shares
Mariner Finance Ltd.	Changsha Youli Car Service Ltd.	Automobile Finance leasing company	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Mariner Finance Ltd.	Xian Youcheng Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Mariner Finance Ltd.	Chengdu Youcheng Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Mariner Finance Ltd.	Lianyungang Youren Car Service Ltd.	Automobile Finance leasing company	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Mariner Finance Ltd.	Jinan Youli Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Mariner Finance Ltd.	Urumqi Taroko Car Rental Co., Ltd.	Automobile Finance leasing company	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Grand Ocean Retail Group Ltd.	Grand Citi Ltd.	Investment holding company	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Grand Citi Ltd.	Grand Ocean Classic Commercial Group Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Grand Ocean Classic Commercial Group Ltd.	Nanjing Grand Ocean Classic Commercial Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Grand Ocean Classic Commercial Group Ltd.	Fuzhou Grand Ocean Commercial Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Grand Ocean Classic Commercial Group Ltd.	Quanzhou Grand Ocean Commercial Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Grand Ocean Classic Commercial Group Ltd.	Shanghai Jingxuan Business	Management consultancy, e-commerce	100.00%	100.00%	A subsidiary in which the Company directly

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Name of investor	Name of subsidiary	Principal activity	Shareholding		Remark
			December 31, 2024	December 31, 2023	
	Administratraction., Ltd.	business, and trading of cosmetics, apparels, shoes, hat etc.			(indirectly) owns more than 50% of the shares
Grand Ocean Classic Commercial Group Ltd.	Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd.	Management consultancy, e-commerce business, and trading of cosmetics, apparels, shoes, hat etc.	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Quanzhou Grand Ocean Commercial Ltd.	Wuhan Grand Ocean Classic Commercial Development Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	30.00%	30.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Nanjing Grand Ocean Classic Commercial Ltd.	Hefei Grand Ocean Classic Commercial Department Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Fuzhou Grand Ocean Commercial Ltd.	Fuzhou Grand Ocean Classic Commercial Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Fuzhou Grand Ocean Commercial Ltd.	Wuhan Grand Ocean Classic Commercial Development Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	70.00%	70.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Fuzhou Grand Ocean Commercial Ltd.	Fuzhou Jiaruixing Business Administration Limited	Management consultancy, e-commerce business, and trading of cosmetics, apparels, shoes, hat etc.	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Wuhan Grand Ocean Classic Commercial Development Ltd.	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Wuhan Grand Ocean Classic Commercial Development Ltd.	Chongqing Optics Valley Grand Ocean Commercial Development Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	35.30%	35.30%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares. It ceased operation on October 31, 2022, and is still in process for liquidation.
Wuhan Grand Ocean Classic Commercial Development Ltd.	Wuhan Hanyang Grand Ocean Jingdian Commercial Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	50.00%	50.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares. It ceased operation on August 31, 2023, and is still in process for liquidation.
Wuhan Grand Ocean Classic Commercial Development Ltd.	Hengyang Grand Ocean Commercial Development Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Wuhan Grand Ocean Classic Commercial Development Ltd.	Shiyan Ocean Modern Shopping Co., Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

Name of investor	Name of subsidiary	Principal activity	Shareholding		Remark
			December 31, 2024	December 31, 2023	
Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Chongqing Optics Valley Grand Ocean Commercial Development Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	64.70%	64.70%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares. It ceased operation on October 31, 2022, and is still in process for liquidation.
Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Wuhan Hanyang Grand Ocean Jingdian Commercial Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	50.00%	50.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares. It ceased operation on August 31, 2023, and is still in process for liquidation.
Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Yichang Grand Ocean Commercial Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares

Note1 : The Group approved setting the subsidiaries, Advantage Steamship Co., Ltd. and Mighty Steamship Co., Ltd. in Liberia by the Board of Directors on February 25, 2024. Due to operating demand. The establishment registration process has been completed, but the actual capital contribution has not yet.

iii. List of subsidiaries which are not included in the consolidated financial statements:
None.

(d) Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (1) an investment in equity securities designated as at fair value through other comprehensive income.
- (2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- (3) qualifying cash flow hedges to the extent that the hedges are effective.

ii. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

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(e) Classification of current and non-current assets and liabilities

Except the business activities in selling, renting, and investing in construction are based on operating cycle, 3~5 years, to classify the current or non-current; other assets are classified as current under one of the following criteria, and all other assets are classified as non-current by the Group.

An asset is classified as current under any one of the following conditions. All other assets are classified as non-current.

- i. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle.
- ii. It is held primarily for the purpose of trading;
- iii. It is expected to be realized within twelve months after the reporting period; or
- iv. The asset is cash a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non current.

- i. It is expected to be settled in the normal operating cycle.
- ii. It is held primarily for the purpose of trading.
- iii. It is due to be settled within twelve months after the reporting period; or
- iv. It cannot be deferred for settlement for at least twelve months after the end of the reporting period.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

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(g) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

i. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

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

All financial assets (e.g., financial assets that are held for trading and with performance managed and evaluated at fair value) not classified as amortized cost or FVOCI as described above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(3) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and trade receivables, other receivables, long-term lease payments receivable and other financial assets).

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade and other receivables are always measured at an amount equal to lifetime ECL.

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When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 90 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

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At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 1 year past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. Based on its experience, it would not be possible to recover the overdue amount from the company account after 1 year.

(4) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash

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flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

ii. Financial liabilities and equity instruments

(1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

(3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

(4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A

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financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(5) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(6) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

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(7) Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of: (a) the amount of the loss allowance determined in accordance with IFRS 9; and (b) the amount recognized initially less, where appropriate, cumulative amortization recognized in accordance with the revenue recognition policies set out below.

(h) Inventories

Department Store Department

Inventory is measured at the lower of cost or net realizable value. Costs include other costs incurred in making them available for use at locations and conditions, and are calculated using the first-in first-out method.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of bringing the inventories to the point of sale and selling expenses.

Construction Department

The initial costs of inventories include all necessary expenditures on bringing them to a condition and location wherein they are available for sale or construction. The developing costs for real estate include construction, land, borrowings, and project expenses. When the construction is finished, construction in progress will be reclassified as buildings held for sale, and the Group will recognize operating costs in accordance with the ratio of sales to development costs. Subsequently, inventories are measured at the lower of cost and net realizable value. When the costs exceed net realizable values, the costs should be written down to their net realizable values, and the amount of write-down should be recognized as costs of sale for the current period. The net realizable values were measured as follows:

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- i. Land held for construction site: Net realizable value is calculated based on the replacement cost or the estimated selling price (based on market condition), less the estimated selling expenses.
- ii. Construction in progress: Net realizable value is calculated based on the estimated selling price (based on the market condition), less the estimated costs of completion and selling expenses at the end of the period.
- iii. Buildings held for sale: Net realizable value is calculated based on the estimated selling price (based on the market condition), less the estimated selling expenses.

(i) **Investment in associates**

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual proportionate share.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate. When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

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The Group discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Group accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued. If the Group's ownership interest in an associate is reduced while it continues to apply the equity method, the Group reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Group's proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Group's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

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(j) Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(k) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

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iii. Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives for current and comparative periods are as follows:

(1) Buildings	10 to 50 years
(2) Transportation equipment	1 to 5 years
(3) Vessels	3 to 26 years
(4) Office equipment	1 to 5 years
(5) Leasehold improvement	1 to 20 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

iv. Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owner occupied to investment property.

(l) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i. As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- (1) fixed payments, including in-substance fixed payments;
- (2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (3) amounts expected to be payable under a residual value guarantee; and
- (4) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- (1) there is a change in future lease payments arising from the change in an index or rate; or
- (2) there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- (3) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- (4) there is a change of its assessment on whether it will exercise an extension or termination option; or
- (5) there is any lease modifications.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

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When the lease modifications is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets and lease liabilities as a separate line item respectively in the statement of financial position.

If an arrangement contains lease and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

From January 1, 2021, when the basis for determining future lease payments changes as required by interest rate benchmark reform, the Group will remeasure the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

As a practical expedient, the Group elects not to assess whether all rent concessions that meets all the following conditions are lease modifications or not:

- (1) the rent concessions occurring as a direct consequence of the COVID-19 pandemic;
- (2) the change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (3) any reduction in lease payments that affects only those payments originally due on, or before, June 30, 2022; and
- (4) there is no substantive change in other terms and conditions of the lease.

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In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

ii. As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The lessor recognizes the interest income over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of other income.

(m) Intangible assets

i. Recognition and measurement

Both intangible assets with indefinite useful lives and goodwill arising from acquisition of subsidiaries are measured at cost, less accumulated impairment losses.

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Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost, less accumulated amortization and impairment losses.

ii. Subsequent expenditures

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

iii. Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

- | | |
|-----------------------|---------------|
| (1) Computer software | 5 to 10 years |
|-----------------------|---------------|

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(n) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

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Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(o) **Revenue**

i. **Revenue from contracts with customers**

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below:

(1) **Sales of goods**

The Group's sells general merchandise in the retail market. The Group recognizes revenue when the control of the product has transferred. Payment of the transaction price is due immediately when the customer purchases the product.

(2) **Customer loyalty program**

The Group operates a customer loyalty program to its retail customers. Retail customers obtain points for purchases made, which entitle them to discount on future purchases. The Group considers that the points provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide points to the customer is a separate performance obligation. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the discount granted when the points are redeemed and on the basis of the likelihood of redemption, based on past experience. The stand-alone selling price of the product sold is estimated on the basis of the retail price. The Group has recognized contract liability at the time of sale on the basis of the principle mentioned above. Revenue from the award points is recognized when the points are redeemed or when they expire.

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(3) Services

The Group's provides consultancy services and management services to the customers. Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date.

(4) Marine transportation revenue

The Group's Marine Transportation Segment provides vessels, personnel and transportation services for customers, and recognizes revenue over time for the period agreed upon in the contract. The revenue is applicable to IFRS 16.

(5) Commission revenue

When the Group acts as an agent rather than as a principal in a transaction, the revenue is recognized as the net amount of the commission received.

(6) Land development and sale of real estate

The Group develops and sells residential properties and usually sells properties in advance during construction or before construction begins. Revenue is recognized when control over the properties 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 of a property has passed to the customer. Therefore, revenue is recognized at a point in time when the legal title has passed to the customer.

The revenue is measured at the transaction price agreed under the contract. For sale of readily available house, in most cases, the consideration is due when legal title of a property 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 for the effects of a significant financing component. For pre-selling properties, the consideration is usually received by installment during the period from contract inception until the transfer of properties to the customer. If the contract includes a significant financing component, the transaction price will be adjusted for the effects of the time value of money during the period, using the specific borrowing rate of the construction project. Receipt of a prepayment from a customer is recognized as contract liability. Interest expense and contract liability are recognized when adjusting the effects of the time value of money. Accumulated amount of contract liability is recognized as revenue when control over the property has been transferred to the customer.

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(7) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

The Group preliminarily assesses whether there is a difference between the consideration for contractual commitment and the current selling price on an individual contract basis, and whether the advance real estate receipts include financing factors. Reducing both the resale price risk and losses to be compensated by the Group, advance real estate receipts are a protective measure against breach of contract by the customer, rather than a significant financing component of the financing funds obtained from the customer.

ii. Contract costs - incremental costs of obtaining a contract

The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Group recognizes the incremental costs which meet the expectation to recover the costs of obtaining a contract through the sale of the real estate as assets and amortizes the amounts on the basis of the transfer of pre-sold houses.

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(p) Government grants

When the Group is entitled to receive related government subsidies, it recognizes the unconditional subsidies as other income. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(q) Employee benefits

i. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

ii. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group's has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(r) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

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- i. temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;
- ii. temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- iii. taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (I) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (II) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (1) the same taxable entity; or
 - (2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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(s) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares. The Group's potential dilutive ordinary shares included employee share options.

(t) Segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

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(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

In preparing these consolidated financial statements, in respond to future events (including climate-related risks and opportunities), the management has made judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions for conforming with the commitments of risk management and climate related issues. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

i. Judgment about substantive control over investees

The Group holds 42.11% of the voting shares of Sandmartin International Holdings Limited, becoming the single largest shareholder of the investee; however, a persons acting in concert (PAC) agreement has been reached among specific shareholders. Consequently, the Group obtained neither more than 50% of the investee's board seats nor more than 50% of the voting rights in a shareholders' meeting. Therefore, it was determined that the Group only had significant influence on this investee.

The Group held 29.11% of the outstanding voting shares in Da Yu Financial Holdings Limited, however, it was not the single largest shareholder of the investee. Besides, the Group obtained neither more than 50% of investee's board seats nor more than 50% the voting rights in a shareholders' meeting, Therefore, it was determined that the Group only had significant influence on this investee.

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Assumption and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

i. Impairment assessment for property, plant and equipment and right of use assets

In the process of evaluating the potential impairment of tangible assets, the Group is required to make subjective judgments in determining the independent cash flows, useful lives, expected future income and expenses related to the specific asset groups considering of the nature of the industry. Any changes in these estimates based on changed economic conditions or business strategies and could result in significant impairment charges or reversal in future years. Please refer to Notes 6(h) and (i) for impairment assessment for property, plant, equipment, and right of use assets.

ii. Impairment assessment for goodwill and intangible assets

The assessment of impairment of goodwill and intangible assets requires the Group to make subjective judgments to identify CGUs, allocate the goodwill to relevant CGUs, and estimate the recoverable amount of relevant CGUs. Please refer to Note 6(j) for further description of the impairment of both goodwill and intangible assets.

Assessment

The Group's accounting policies include measuring financial and non-financial assets and liabilities at fair value through profit or loss. The Group has established relevant internal control systems for fair value measurement. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer. Significant unobservable inputs and adjustments are regularly reviewed by the evaluation team. If third party information, such as broker quotes or pricing services, is used to measure fair values, the valuation team will entrust the revaluation to a professional rating agency, so as to ascertain that the fair value classification is in compliance with IFRS.

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The Group strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

- i. Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.
- ii. Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- iii. Level 3: inputs for the assets or liability that are not based on observable market data (Non-observable parameters).

Inter-level transfer policy

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date.

Further information on the assumptions used to measure fair value

Please refer to Note 6(w) "Financial instruments" for information on assumptions used to measure fair values.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Pretty cash	\$ 29,596	27,768
Cash in bank	1,011,681	1,289,620
Time deposits	82,522	516,844
Cash and cash equivalents in the consolidated statement of cash flows	\$ 1,123,799	1,834,232

Please refer to Note 6(w) for the sensitivity analysis and interest rate risk.

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- (b) Financial assets and liabilities at fair value through profit or loss

	December 31, 2024	December 31, 2023
Mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets - current		
Shares of stock of listed companies	\$ 16,892	46,603
Open fund	12,667	11,689
Domestic corporate bonds	97,038	-
Foreign corporate bonds	15,083	109,369
Total	\$ 141,680	167,661
Held-for-trading financial liabilities:		
Non-derivative financial liabilities -- non-current		
Beneficial landowners	\$ 31,389	27,813

- i. In September 2020, the Group and Honor Construction Co., Ltd. ("Honor Construction"), for a residential buildings construction project at Mingde Section, Tucheng District, entered into an interest purchase agreement, whereby the Group purchased 32% of the beneficial interests of the builder at a total contract price of \$117,000 thousand. Impacted by the progress of both the overall project and the license review, the Group signed the 2nd supplemental agreement with Honor Construction thereafter on August 18, 2023; Honor Construction shall complete project clearance profit distribution (in the amount of 32% of the agreed minimum profit of \$255,337 thousand) by October 31, 2023 and the project profit distribution by December 31, 2023. As of December 31, 2023, the Group has recovered capital invested by in the project it in full, reclassified minimum profit share of \$81,708 thousand as other receivables. The Group received all profit in June, 2024.

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- ii. In 2021, the Group and Sanlinger Investment Development Co., Ltd. entered into an interest sale agreement for a land investment project located at Wushigang section, Toucheng township, Yilan County, whereby the Group sold 20% of its beneficial interests in the project and received a price of \$20,400 thousand. Thereafter, Sanlinger Investment Development Co., Ltd. shall bear the costs of land development and holding on a pro rata basis, and the accumulated costs collected by the Group amounted to \$10,989 thousand and \$7,413 thousand as of December 31, 2024 and 2023, respectively.
- iii. Please refer to Note 6(w) for disclosure of credit risk and market risk.
- iv. All of the financial assets mentioned above have not been pledged as collateral.

(c) Account receivables

	December 31, 2024	December 31, 2023
Current		
Accounts receivable	\$ 217,640	237,137
Less: Loss allowance	(48,757)	(38,259)
	<u>168,883</u>	<u>198,878</u>
Leases payment receivables (included operating lease)	794,495	759,787
Less: Unearned financing income	(115,724)	(113,406)
Loss allowance	(600,710)	(491,489)
	<u>78,061</u>	<u>154,892</u>
Subtotal of current asset	<u>246,944</u>	<u>353,770</u>
Non-current		
Lease receivables	1,121	21,722
Less: Unearned financing income	(6)	(1,417)
Loss allowance	(820)	(13,621)
	<u>295</u>	<u>6,684</u>
Subtotal of non-current asset	<u>295</u>	<u>6,684</u>
Total accounts receivable, net	<u>\$ 247,239</u>	<u>360,454</u>

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1. The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information.
 - (1) Impacted by COVID-19, the Lease Segment's overdue lease receivables from related parties increased its credit risk significantly; therefore, its credit risk has been assessed on an individual basis. The following table presents the loss allowance recognized by the Group after evaluating the value of the collateral:

	December 31, 2024	December 31, 2023
Lease receivables	\$ 503,502	481,288
Less: Loss allowance	(456,774)	(370,553)
	<u>\$ 46,728</u>	<u>110,735</u>

The expected credit loss of other leasing account receivable (including operating lease) was determined as follow:

	December 31, 2024		
	Gross carrying amount of leases payment receivable	Weighted-average loss rate	Loss allowance provision
Current	\$ 4,961	0.91%	45
1 to 30 days past due	10	10.00%	1
61 to 90 days past due	48	18.75%	9
More than 91 days past due (Note)	171,365	84.44%	144,701
	<u>\$ 176,384</u>		<u>144,756</u>

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	December 31, 2023		
	Gross carrying amount of leases payment receivable	Weighted-average loss rate	Loss allowance provision
Current	\$ 8,080	0.97%	78
1 to 30 days past due	9	8.28%	1
31 to 60 days past due	2,336	7.69%	180
61 to 90 days past due	1,880	18.06%	339
More than 91 days past due (Note)	173,093	77.39%	133,959
	\$ 185,398		134,557

Note: As of December 31, 2024 and 2023, the Group filed a lawsuit to collect the above-mentioned overdue receivables totaling \$127,657 thousand (RMB27,990 thousand) and \$114,820 thousand (RMB26,481 thousand) arising from its rental business. The Group assessed the recoverability of those overdue receivables and recognized loss allowances of \$96,825 thousand (RMB21,230 thousand) and \$78,242 thousand (RMB18,045 thousand), respectively, after deducting unrealized financing income and guarantee deposits.

- (2) The Group's Department Store Segment's major accounts receivable are credit card payments received from banks. The average credit period was 2 to 3 days, and there is no concern about recoverability. The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information.

A portion of accounts receivable of the Group's Department Store Segment was in the processes of either mediation or litigation, for which the Group has recognized loss allowances in accordance with the ruling of the 1st instance. Later, it was fully written off in 2024 due to the assessment that it couldn't be recovered.

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	<u>2024</u>	<u>2023</u>
Amount related to mediation or litigations	\$ -	19,411
Less: Loss allowance	<u>-</u>	<u>(19,411)</u>
	<u>\$ -</u>	<u>-</u>

The loss allowance provisions of other trade receivables were determined as follows:

	<u>December 31, 2024</u>		
	Gross carrying amount of accounts receivable	Weighted-average loss rate	Loss allowance provision
Current	\$ 136,969	0%	-
1 to 90 days past due	14,915	0%	-
91 to 180 days past due	7,763	0%	36
181 to 270 days past due	19,547	75%	14,672
271 to 365 days past due	9,383	100%	9,383
More than 365 days past due	24,666	100%	24,666
	<u><u>\$ 213,243</u></u>		<u><u>48,757</u></u>

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	December 31, 2023		
	Gross carrying amount of accounts receivable	Weighted-average loss rate	Loss allowance provision
Current	\$ 156,380	0%	-
1 to 90 days past due	30,364	0%	-
91 to 180 days past due	4,338	0%~9%	389
181 to 270 days past due	1,436	41%	591
271 to 365 days past due	6,421	100%	6,421
More than 365 days past due	11,447	100%	11,447
	\$ 210,386		18,848

- (3) The analysis of ECLs on accounts receivables of the Marine Transportation Segment was as follows:

	December 31, 2024		
	Gross carrying amount of accounts receivable	Weighted-average loss rate	Loss allowance provision
Current	\$ 2,747	-	-

	December 31, 2023		
	Gross carrying amount of accounts receivable	Weighted-average loss rate	Loss allowance provision
Current	\$ 7,340	-	-

- (4) The loss allowance provision in Taiwan was determined as follows:

	December 31, 2024		
	Gross carrying amount of accounts	Weighted-average loss rate	Loss allowance provision

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	receivable		
Current	\$ 1,650	-	-

2. The movements in the allowance for accounts receivables were as follows:

	For the years ended December 31	
	2024	2023
Balance on January 1	\$ 543,369	354,619
Impairment losses recognized	65,935	200,234
Amount written off due to irrecoverability during the year	(17,198)	(1,778)
Reclassification (Note 9 (a))	27,900	-
Foreign exchange gain	30,281	(9,706)
Balance on December 31	\$ 650,287	543,369

3. A maturity analysis of lease payments of the Rental Segment in Mainland China,, which reflects the undiscounted lease payments to be received after the reporting date, is as follows:

	December 31, 2024	December 31, 2023
Less than one year	\$ 794,495	759,787
One to two years	1,121	20,657
Two to three years	-	1,065
Total investments in lease	795,616	781,509
Unearned finance income	(115,730)	(114,823)
Present value of lease payments receivable	\$ 679,886	666,686

4. Please refer to Note 6(w) for other credit risk information.
5. Details of the above accounts receivable as guarantee for bank loans and financing quota. Please refer to Note 8.

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(d) Other receivables

	December 31, 2024	December 31, 2023
Other receivables - loans (Note 7)	\$ 16,200	15,289
Other receivables - investment	278,210	264,491
Other receivables - lease deposit	64,998	61,793
Other receivables - beneficial interests in construction project	-	81,708
Other receivables - others	86,768	74,124
Less: Loss allowance	(368,640)	(363,264)
	\$ 77,536	134,141

1. The Group's other receivables - others were mainly the advance payments made by the Department Store Segment on behalf of its dealers for promotional activities. As the Group and the dealers have been in a long term business relationship, the Group assessed that there should be no concern over the recoverability of these receivables, taking into consideration historical experience. Therefore, loss allowances for the period were measured based on 12-month ECLs. Please refer to Note 6(w) for other credit risk information.
2. Xiangtan Grand Ocean Department Store Co., Ltd. (Xiangtan), one of the Group's subsidiaries, pursuant to a board resolution, would cease operation when its lease contract expired in December 2018, and a guarantee deposit amounting to RMB15,000 thousand for lease of the mall should be refunded. Xiangtan had already returned the property to its owner, Xiangyuan Industrial Development Co., Ltd. (Xiangyuan), but failed to receive the security deposit. In order to receive the payment and begin the liquidation process, Xiangtan filed a lawsuit against Xiangyuan. On July 1, 2019, the people's court ordered Xiangyuan to pay the amount of RMB14,700 thousand to Xiangtan. However, Xiangyuan disagreed with the court's decision. Therefore, the Group filed an appeal on November 13, 2019. However, the 2nd-instance court made the final decision to uphold the 1st-instance ruling on January 16, 2020. Furthermore, Xiangtan filed an appeal with the court to freeze the property of Xiangyuan, which was approved by the court. After a thorough investigation by the court, it was found that Xiangyuan has enough property to pay for the security deposit, and the Group has collected the enforced payment of \$1,952 thousand (RMB448 thousand). The Group considered that the department store industry had been seriously affected by COVID-19 recently and the future development of this region would be highly uncertain. Therefore, the Group has recognized allowances for ECLs on the lease deposits based on the principle

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of being conservative and stable. As of December 31, 2024 and 2023, the Group recognized lease deposits of \$64,998 thousand (RMB14,252 thousand) and loss allowances of \$61,793 thousand (RMB14,252 thousand).

3. In 2012, the Group paid a guarantee deposit of RMB124,000 thousand to Quanzhou Fengsheng Group for the purchase of the commercial real estate of the Fengsheng Junyuan Development Project at Fengze District, Quanzhou. After assessing the investment value of the project, the Board of Directors of the Group resolved during a meeting held in July 2015 to invest in Quanzhou Fengan Real Estate Development Co., Ltd. (Fengan), and expected to obtain 100% shareholding in the company at a contract price of RMB325,000 thousand. As of December 31, 2015, the Group has paid the amount of RMB200,000 thousand, which was recognized as prepayment for investments. The management of the Group evaluated the uncertainty over the investment and thus terminated the investment. Therefore, the original prepayment for investments of RMB200,000 thousand and other current financial assets of RMB124,000 thousand were reclassified as other receivables on June 30, 2016.

The Group reviewed the nature of other receivables and analyzed the current financial position of the transaction counterparty. In order to secure the aforementioned debt, the Group had acquired equity interests in Fengan to serve as collateral. At the same time, the debtor promised that other investment profits thereof should first be used to repay the debt. On December 31, 2016, the Group assessed that the aforementioned claims would not become doubtful debts. As it should took time for the debtor to complete relevant legal procedures for disposal of investments, the Group and the debtor renegotiated the repayment deadlines, which were changed to April 30, 2017, September 30, 2017, and December 31, 2017; the repayment should be 10%, 40% and 50% of the total amounts, respectively. Upon breach of the agreement, the aforementioned collateral would be transferred to the Group for debt repayment. As of December 31, 2017, the Group had recovered RMB162,000 thousand according to aforesaid agreement. On December 19, 2017, the Board of Directors of the Group resolved to modify the repayment agreement and extended the remaining repayment to June 30, 2018. Due to the delay in disposals of investment, the Fengsheng group still failed to make the repayment by the aforementioned date.

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To ensure both the collection schedule of the aforementioned debt claims and the progress of development of Fengan's land, pursuant to a board resolution made on August 12, 2019, the Group entered into a "Debt Confirmation and Repayment Plan Arrangement" with Damahua Investment Co., Ltd. (Damahua), Fengsheng and Fengan, whereby Damahua would grant a loan to Fengan for the development, construction, and sale of real estate on Fengan's land, and the future proceeds from sales would surely be used to settle the aforementioned debt claims. As the development progress of Fengan's property, the collection period would exceed 1 year; therefore, the debt claim was reclassified as other non-current receivable (recognized as other non-current financial assets). The Group assessed that the aforementioned debt should have no impairment concern based on the evaluation report on the collateral.

The Board of Directors resolved to sign the "Agreement for protection and conditional transfer of debt claim" whereby the Group and Damahua were entitled to oversee the development and construction of Fengan's property to ensure that the future sales proceeds would be used to settle the aforementioned debt claims. Damahua agreed that the credit transfer condition would be met under certain circumstances mentioned in transfer agreement (e.g., the construction could not resume as scheduled, judicial sale in a court, or enforced execution). The aforementioned "Agreement for protection and conditional transfer of debt claim" stated that the development project of the Fengan property must be resume by June 30, 2020. However, the progress of approval and the commencement of construction were delayed because of the COVID-19 pandemic, hence the Group agreed to extend the commencement date to December 31, 2020.

On December 31, 2020, the aforementioned "Agreement for protection and conditional transfer of debt claim" has been reached, whereby Damahua assumed the debt claim. On February 9, 2021, the Group agreed to modify the original repayment terms and timeline because of the impact of the COVID-19 pandemic and the real estate policy in Quanzhou, both of which were force majeure. The repayment schedule was as follows:

- (1) Damahua agreed to pay RMB30,000 thousand before February 9, 2021.
- (2) Damahua agreed to pay RMB51,000 thousand before December 31, 2021.
- (3) Damahua agreed to pay RMB81,000 thousand before June 30, 2022.
- (4) Under the premise of a written consent of the Group, Damahua was entitled to transfer the title of properties located on Citong road to the Group, as the repayment of debt.

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However, due to the force majeure factors of the COVID-19 pandemic, which have seriously affected the society, various industries, as well as the businesses of Damahua, Damahua had to retain part of its working capital. Therefore, Damahua proposed to postpone the payment of the remaining payables the Group until June 30, 2023, for which an agreement was reached in August 2022. The repayment schedule was as follows:

- (1) Damahua agreed to repay RMB16,000 thousand before December 31, 2022.
- (2) Damahua agreed to repay RMB16,000 thousand before March 31, 2023.
- (3) Damahua agreed to repay RMB29,000 thousand before June 30, 2023.
- (4) If Damahua fails to pay all the amounts above before the expiration of the deferred payment period, Damahua shall unconditionally cooperate with the liquidation of Quanzhou Jitong Road Project, and the above-mentioned debt claim should be the senior debt repaid with the proceeds from disposal of the land.

The Group's original receivables from Damahua were RMB162,000 thousand. As of June 30, 2023, the total of RMB101,000 thousand had been repaid, and the remaining RMB61,000 thousand had not been repaid by Damahua as agreed. The Group considers that the aforementioned claims arise from the undertaking of the Fengan's land parcel. Recently the Quanzhou government has agreed with the development and construction of the Fengan's property to be undertaken in a cooperative way with existing developers, which is implemented by the government of Fengze District, and is coordinating to promote the resumption of the construction of Fengan's property. Considering the circumstance above and that the creditor's rights are generated by undertaking the Fengan's property, the Group plans to negotiate with Damahua on the proceeds from the subsequent development project to repay all claims.

Although the Group assessed that Damahua should be able to repay its debts after distribution of the gains on disposal of Fengan's land, the China's economy has not returned to pre-pandemic level. Based on conservatism, the Group recognized allowances for ECLs on the overdue receivables of 99,772 thousand (RMB22,630 thousand) in June, 2023. As of December 31, 2024 and 2023, the amount of outstanding receivables and loss allowances were \$278,210 thousand (RMB61,000 thousand) and \$264,491 thousand (RMB61,000 thousand), respectively.

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(e) Inventories (Construction Department)

	December 31, 2024	December 31, 2023
Land held for construction site	\$ 232,976	519,010
Construction in progress	1,219,058	887,205
Buildings and land held for sale	41,931	41,931
Prepayment for land purchases and development expenses	279,768	300,274
	\$ 1,773,733	1,748,420

The inventories of the Group had been pledged as collateral for bank borrowings; please refer to Note 8.

(f) Investments accounted for using equity method

The Group's investments accounted for using the equity method at the reporting date were as follows:

Investee	December 31, 2024	December 31, 2023
Jiawang Assets Development Co., Ltd.	\$ 8,710	15,333
Da Yu Financial Holdings Ltd.	738,250	466,177
Nanjing Grand Ocean Dongfadao Catering Co., Ltd.	-	-
Sandmartin International Holdings Ltd.	-	-
Hainan Sanhe Licheng Business Service Co., Ltd.	-	-
Shanghai Zhuke Technology Co., Ltd.	-	-
	\$ 746,960	481,510

1. Aggregation of financial information — individually insignificant associates' equity
The Group's financial information for investments accounted for using the equity method that are individually insignificant were as follows:

	December 31, 2024	December 31, 2023
Carrying amount of individually insignificant associates' equity	\$ 746,960	481,510

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	For the years ended December 31	
	2024	2023
Attributable to the Group:		
Net gain (loss) from continuing operations	\$ 26,298 (288,744)
Other comprehensive income (loss)	42,687	5,453
Comprehensive income (loss)	\$ 68,985 (	283,291)

For the year ended December 31, 2024, the Group received a dividend of \$4,900 thousand from Jiawang Assets Development Co., Ltd.

The fair values of the Group's associates that are listed on the TWSE/TPEX are summarized as follows:

	December 31, 2024	December 31, 2023
Da Yu Financial Holdings Ltd.	\$ 205,629	221,808
Sandmartin International Holdings Ltd.	170,962	139,878

2. Nanjing Grand Ocean Dongfadao Catering Co., Ltd.

- (1) On May 6, 2021, the Group signed 5 year investment agreement with Shanghai Dongfadao Catering Management Co., Ltd. (hereinafter referred to as "Shanghai Dongfadao") in the amount of RMB7,000 thousand, and jointly established Nanjing Grand Ocean Dongfadao Catering Co., Ltd. (hereinafter referred as Nanjing Dongfadao), wherein the Group will acquire 49% of the entire equity. As of June 30, 2023, the Group has invested the amount of \$30,157 thousand (RMB7,000 thousand).
- (2) The share repurchase clauses specified in the investment agreement
 - A. If Shanghai Dongfadao requires to be listed, the share repurchase can be negotiated with the Group and the equity interest in Nanjing Dongfadao can be repurchased via written consent.
 - B. If the deficit of Nanjing Dongfadao continues to accumulate for six months or has reached the amount of RMB5,000 thousand, the Group has the right to notify Shanghai Dongfadao to repurchase its shares unconditionally, at a price in the amount of the difference between the total investment amount of the Group and the profit share for the previous period.

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- (3) As Nanjing Dongfadao has been incurring losses for 6 consecutive months and has not distributed profits, the Group signed an agreement for equity repurchase and urban investment termination with Shanghai Dongfadao on June 28, 2023. The equity was repurchased at a total price of \$30,157 thousand (RMB7,000 thousand). On August 30, 2023, the Group completed equity transfer procedures and recognized gains of \$5,099 thousand (RMB1,156 thousand) on disposal of investment. According to the agreement, the Group collected the equity repurchasing price in installments. As of December 31, 2024 and 2023, the uncollected amount were \$9,669 thousand (RMB2,120 thousand) and \$17,516 thousand (RMB4,040 thousand) for which other receivables of \$8,757 thousand (RMB1,920 thousand); \$912 thousand (RMB200 thousand), and other non-current assets of \$8,324 thousand (RMB1,920 thousand); \$9,192 thousand (RMB2,120 thousand) were recognized, respectively.
3. In 2023, the Group signed a cash capital increase underwriting agreement with an affiliated company to subscribe for shares issued by it, Sandmartin International Holdings Ltd., pursuant to a resolution of the Board of Directors; the Group acted as the lead underwriter. The Group subscribed for a total of 375,438 thousand shares according to the shareholding ratio and the underwriting agreement. The subscription price was HK\$0.12 per share, and the investment amount was \$178,879 thousand, increasing shareholding from 28.98% to 42.11% and recognizing retaining earnings of \$(75,059) thousand. The Group determined that it only had significant influence rather than substantive control over Sandmartin International Holdings Ltd. Please refer to Note 5 for further details.
4. The Group's approved the resolution to participate in the cash capital increase of 331,660 thousand shares in Da Yu Financial Holdings Limited in accordance with the shareholding ratio by the Board of Directors on January 17, 2024. The subscription price is HK\$0.15 per share, with a total amount of \$202,329 thousand. The relevant legal registration procedures have been completed.

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5. The Group conducted impairment tests for goodwill and other intangible assets identified during original investment in Dayu Financial Holdings Limited. The recoverable amount was estimated based on its value in use and, as assessed by management, its carrying amount higher than the recoverable amount of \$466,177 thousand. Accordingly, impairment losses amounting to \$100,258 thousand were recognized in other gains and losses in 2023. As of December 31, 2023, the estimated growth rate of value in use was calculated using a pre-tax discount rate of 10.52% and a growth rate of 2.5%. After the assessment, there were no impairments as at December 31, 2024.

6. Guarantees

The Group did not provide any investments accounted for using the equity method as collateral for its loans.

(g) Material non-controlling interests of subsidiaries

The material non-controlling interests of a subsidiary were as follows:

Name of Subsidiary	Main operation/place	Percentage of non-controlling interests	
		113.12.31	112.12.31
Grand Ocean Retail Group Ltd.	China/Cayman Islands	41.38%	41.38%

Mainland

The following information of the aforementioned subsidiary has been prepared in accordance with the IFRSs endorsed by the FSC. Intra group transactions were not eliminated in this information.

Collective financial information of Grand Ocean Retail Group Ltd.:

	December 31, 2024	December 31, 2023
Current assets	\$ 1,642,895	2,146,578
Non-current assets	22,572,533	22,089,824
Current liabilities	(6,662,622)	(6,194,471)
Non-current liabilities	(12,766,499)	(12,969,130)
Net assets	<u>\$ 4,786,307</u>	<u>5,072,801</u>
Non-controlling interests	<u>\$ 1,980,574</u>	<u>2,099,126</u>

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	For the years ended December 31	
	2024	2023
Sales revenue	\$ 3,234,915	3,820,133
Net loss	(511,891)	(2,083,997)
Other comprehensive income (loss)	225,397	(98,451)
Comprehensive income (loss)	(\$ 286,494)	(2,182,448)
Net loss, attributable to non-controlling interests	(\$ 211,820)	(862,358)
Comprehensive income (loss), attributable to non-controlling interests	(\$ 118,552)	(903,097)

	For the years ended December 31	
	2024	2023
Net cash flows from operating activities	\$ 558,406	1,251,054
Net cash flows from investing activities	68,776	(1,197,262)
Net cash flows from financing activities	(903,348)	(659,822)
Effect of change in exchange rates	50,570	(13,119)
Decrease in cash and cash equivalents	(\$ 225,596)	(619,149)

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(h) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group were as follows:

	Land	Buildings	Transportation equipment	Vessels	Office equipment	Leasehold improvement	Construction in progress	Total
Cost or deemed cost:								
Balance at January 1, 2024	\$ 126,409	4,657,868	109,711	10,220,855	215,780	6,443,918	34,892	21,809,433
Additions	-	-	4,085	-	4,091	55,733	29,515	93,424
Reclassifications	-	-	-	-	7,914	35,313	(43,227)	-
Disposals and obsolescence	-	-	(81,599)	-	(3,088)	(6,373)	-	(91,060)
Effect of change in foreign exchange rates	-	237,719	3,571	690,599	11,273	336,541	1,315	1,281,018
Balance at December 31, 2024	<u>\$ 126,409</u>	<u>4,895,587</u>	<u>35,768</u>	<u>10,911,454</u>	<u>235,970</u>	<u>6,865,132</u>	<u>22,495</u>	<u>23,092,815</u>
Balance at January 1, 2023	\$ 126,409	4,734,064	167,493	10,212,724	252,795	6,986,519	65,802	22,545,806
Additions	-	-	5,661	4,876	9,358	21,903	158,949	200,747
Reclassifications	-	-	-	-	7,253	182,167	(189,420)	-
Disposals and obsolescence	-	-	(61,809)	-	(50,194)	(641,019)	-	(753,022)
Effect of change in foreign exchange rates	-	(76,196)	(1,634)	3,255	(3,432)	(105,652)	(439)	(184,098)
Balance at December 31, 2023	<u>\$ 126,409</u>	<u>4,657,868</u>	<u>109,711</u>	<u>10,220,855</u>	<u>215,780</u>	<u>6,443,918</u>	<u>34,892</u>	<u>21,809,433</u>
Depreciation and impairment loss:								
Balance at January 1, 2024	\$ -	1,430,543	59,372	3,456,941	160,810	4,393,579	2,317	9,503,562
Depreciation	-	102,281	6,299	432,902	11,907	320,808	-	874,197
Disposals and obsolescence	-	-	(48,184)	-	(2,771)	(6,149)	-	(57,104)
Effect of change in foreign exchange rates	-	74,955	1,936	242,603	8,469	236,473	-	564,436
Balance at December 31, 2024	<u>\$ -</u>	<u>1,607,779</u>	<u>19,423</u>	<u>4,132,446</u>	<u>178,415</u>	<u>4,944,711</u>	<u>2,317</u>	<u>10,885,091</u>
Balance at January 1, 2023	-	815,985	83,661	3,042,158	196,941	4,665,191	2,317	8,806,253
Depreciation	-	112,580	18,919	419,951	12,221	331,051	-	894,722
Disposals and obsolescence	-	-	(42,473)	-	(49,283)	(640,996)	-	(732,752)
Impairment losses	-	527,283	173	-	3,457	110,695	-	641,608
Effect of change in foreign exchange rates	-	(25,305)	(908)	(5,168)	(2,526)	(72,362)	-	(106,269)
Balance at December 31, 2023	<u>\$ -</u>	<u>1,430,543</u>	<u>59,372</u>	<u>3,456,941</u>	<u>160,810</u>	<u>4,393,579</u>	<u>2,317</u>	<u>9,503,562</u>
Carrying amounts:								
December 31, 2024	<u>\$ 126,409</u>	<u>3,287,808</u>	<u>16,345</u>	<u>6,779,008</u>	<u>57,555</u>	<u>1,920,421</u>	<u>20,178</u>	<u>12,207,724</u>
January 1, 2023	<u>\$ 126,409</u>	<u>3,918,079</u>	<u>83,832</u>	<u>7,170,566</u>	<u>55,854</u>	<u>2,321,328</u>	<u>63,485</u>	<u>13,739,553</u>
December 31, 2023	<u>\$ 126,409</u>	<u>3,227,325</u>	<u>50,339</u>	<u>6,763,914</u>	<u>54,970</u>	<u>2,050,339</u>	<u>32,575</u>	<u>12,305,871</u>

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1. The Group's buildings and the material components thereof included main buildings, electrical power equipment, and air-conditioners, all of which are depreciated based on the estimated useful lives of 5 to 50 years, 5 to 20 years, and 5 to 20 years, respectively.
2. In 2024 and 2023, China suffered deflation because of decline in consumer spending caused by the COVID-19 pandemic. On the other hand, the downward trend in its operations compared with the previous years resulted in changes in real estate values in China. The Group then tested the impairment of property, plant and equipment. As of December 31, 2024, the estimated recoverable amount was greater than its carrying amount, no impairment loss was recognized; as of December 31, 2023, the estimated recoverable amount was lower than its carrying amount, an impairment loss of \$582,641 thousand was recognized, which was kept under other gains and losses. The Group assessed the impairment of non-financial assets and calculated the recoverable amounts thereof either as cash generating units' fair values less costs of disposal or as their values in use. Fair value of property, plant and equipment was determined based on the market price of a similar item in the vicinity as well as the valuation of an qualified independent appraiser (who had recent valuation experience in the location and for the type of the property, plant and equipment being valued). The inputs used in the fair value valuation technique were market values classified as Level 3. The key assumptions were as follows:
 - (1) The capitalization rate is 6% to 7%;
 - (2) Annual growth rate of rental is 2% to 4%;
 - (3) The remaining period is 11.4 to 37 years and 12.4 to 38 years, respectively;
 - (4) The fair values of property, plant and equipment are measured and adjusted taking into account transaction details, transaction dates and the condition of the underlying subjects.
3. Wuhan Hanyang Grand Ocean Classic Commerce Limited, a subsidiary of the Group, ceased operation on August 31, 2023. Therefore, the Group recognized \$58,967 thousand as impairment losses on property, plant and equipment, wrote off related equipment, and derecognized the costs, accumulated depreciation and impairment of \$212,609 thousand, respectively.

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4. Chongqing Optics Valley Grand Ocean Commercial Development Ltd., a subsidiary of the Group, ceased operation on October 31, 2022 and recognized \$155,590 thousand as impairment losses. In January 2023, it cleared and handed over the site to the owner, wrote off related equipment, and derecognized the costs, accumulated depreciation and impairment of \$459,494 thousand, respectively.
5. The property, plant and equipment of the Group had been pledged as collateral for bank borrowings. Please refer to Note 8 for further details.

(i) Right-of-use assets

The Group leases land, buildings, structures, transportation equipment, and miscellaneous equipment. The movements in related costs, depreciations and impairment losses were as follows:

	Land	Buildings	Machine and transportation equipment	Total
Costs of right-of-use assets:				
Balance at January 1, 2024	\$ 3,272,698	12,136,586	77,456	15,486,740
Additions	-	755,036	-	755,036
Lease modifications	-	17,218	-	17,218
Effect of change in foreign exchange rates	169,754	650,759	3,027	823,540
Balance at December 31, 2024	\$ 3,442,452	13,559,599	80,483	17,082,534
Balance at January 1, 2023	\$ 3,327,110	10,998,973	66,817	14,392,900
Additions (Note 7)	-	2,447,113	11,610	2,458,723
Disposal and derecognition	-	(10,472)	-	(10,472)
Lease modifications	-	(1,092,802)	-	(1,092,802)
Effect of change in foreign exchange rates	(54,412)	(206,226)	(971)	(261,609)
Balance at December 31, 2023	\$ 3,272,698	12,136,586	77,456	15,486,740
Accumulated depreciation:				
Balance at January 1, 2024	\$ 598,651	3,347,341	38,908	3,984,900
Depreciation	92,624	1,005,377	11,348	1,109,349
Effect of change in foreign exchange rates	33,583	201,157	2,024	236,764
Balance at December 31, 2024	\$ 724,858	4,553,875	52,280	5,331,013
Balance at January 1, 2023	\$ 391,033	2,882,470	30,173	3,303,676
Depreciation	98,089	995,133	9,341	1,102,563
Disposal and derecognition	-	(10,472)	-	(10,472)
Lease modifications	-	(462,429)	-	(462,429)
Impairment losses	120,218	-	-	120,218
Effect of change in foreign exchange rates	(10,689)	(57,361)	(606)	(68,656)
Balance at December 31, 2023	\$ 598,651	3,347,341	38,908	3,984,900
Carrying amounts:				
December 31, 2024	\$ 2,717,594	9,005,724	28,203	11,751,521
January 1, 2023	\$ 2,936,077	8,116,503	36,644	11,089,224
December 31, 2023	\$ 2,674,047	8,789,245	38,548	11,501,840

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1. Grand Ocean Classic Commercial Group Co. Ltd. and Wuhan Grand Ocean Jingdian Commercial Ltd, a subsidiary of the Group, leased operating premises from non-related parties. The original contracts expired in April 2024 and January 2025 respectively. The Group re-signed two-year and five-year lease contracts, resulting in an increase in right-of-use assets of \$15,732 thousand and \$739,304 thousand respectively.
2. Wuhan Grand Ocean Jingdian Commercial Ltd., a subsidiary of the Group, aimed to expand its businesses. According to the resolution of the Board of Directors, it opened a new store on September 1, 2023 and recognized \$1,420,603 thousand as right-of-use assets arising from leases of buildings and structures. In addition, Nanjing Grand Ocean Classic Commercial Ltd., a subsidiary of the Group, leased the operating premises from other related parties in January 2003. The original contract expired in January 2023. The Group signed another a 10 year lease contract, increasing right of use assets by \$1,018,088 thousand during the current period.
3. In 2024 and 2023, China suffered deflation because of decline in consumer spending caused by the COVID-19 pandemic. On the other hand, the downward trend in its operations compared with the previous years resulted in changes in real estate values in China. The Group then tested the impairment of right-of-use asset. As of December 31, 2024, the estimated recoverable amount was greater than its carrying amount, no impairment loss was recognized; as of December 31, 2023, the estimated recoverable amount was lower than its carrying amount, an impairment loss of \$120,218 thousand was recognized, which was kept under other gains and losses. The Group assessed the impairment of non-financial assets and calculated the recoverable amounts thereof either as cash generating units' fair values less costs of disposal or as their values in use. Adopting the income approach, fair values of right-of-use assets were estimated based on the market price of a similar item in the vicinity as well as the valuation of a qualified independent appraiser (who had recent valuation experience in the location and for the type of the right-of-use asset being valued). The inputs used in the fair value valuation technique were market values classified as Level 3. Please refer to Note 6(h) for key assumptions.

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4. On August 31, 2023, the Group's subsidiaries, Wuhan Hanyang Grand Ocean Classic Commerce Limited ceased operation pursuant to board resolutions due to continuous operating losses.. The lease modification benefits arising from the shortening of the lease term due to the closure of business operations. Please refer to Note 6(v)

(j) Intangible assets

The costs, amortization, and impairment loss of intangible assets were as follows:

	Goodwill	Trademark	License plate	Other	Total
Cost:					
Balance at January 1, 2024	\$ 1,449,468	430,434	101,428	44,402	2,025,732
Separately acquired	-	-	-	469	469
Disposal and derecognition	-	-	(24,511)	-	(24,511)
Effect of change in foreign exchange rates	75,184	29,084	4,590	2,316	111,174
Balance at December 31, 2024	\$ 1,524,652	459,518	81,507	47,187	2,112,864
Balance at January 1, 2023	\$ 1,473,567	430,294	142,049	43,797	2,089,707
Separately acquired	-	-	-	1,348	1,348
Disposal and derecognition	-	-	(39,067)	-	(39,067)
Effect of change in foreign exchange rates	(24,099)	140	(1,554)	(743)	(26,256)
Balance at December 31, 2023	\$ 1,449,468	430,434	101,428	44,402	2,025,732
Accumulated amortization and impairment loss:					
Balance at January 1, 2024	\$ -	301,928	5,078	27,608	334,614
Amortization	-	-	-	3,407	3,407
Effect of change in foreign exchange rates	-	20,400	263	1,526	22,189
Balance at December 31, 2024	\$ -	322,328	5,341	32,541	360,210
Balance at January 1, 2023	\$ -	-	5,162	23,444	28,606
Amortization	-	-	-	4,387	4,387
Impairment losses	-	306,421	-	252	306,673
Effect of change in foreign exchange rates	-	(4,493)	(84)	(475)	(5,052)
Balance at December 31, 2023	\$ -	301,928	5,078	27,608	334,614
Carrying amounts:					
December 31, 2024	\$ 1,524,652	137,190	76,166	14,646	1,752,654
January 1, 2023	\$ 1,473,567	430,294	136,887	20,353	2,061,101
December 31, 2023	\$ 1,449,468	128,506	96,350	16,794	1,691,118

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1. Impairment testing for goodwill and trademarks

For impairment testing, the Group has allocated goodwill to each CGUs. The gross carrying amount of goodwill was allocated as follows:

	December 31, 2024		December 31, 2023	
	Carrying amount	Recoverable amount	Carrying amount	Recoverable amount
Goodwill				
Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd.	\$ 107,992	604,393	102,667	624,745
Wuhan Grand Ocean Classic Commercial Development Limited (Note)	199,466	290,478	189,630	1,142,617
Fuzhou Grand Ocean Commercial Ltd.	1,217,194	1,366,903	1,157,171	1,246,950
	<u>\$ 1,524,652</u>	<u>2,261,774</u>	<u>1,449,468</u>	<u>3,014,312</u>
Trademark				
Grand Ocean Classic Commercial Group Co. Ltd.	\$ 137,190	162,929	430,434	128,506

Note: The recoverable amount, including a new store opened on September 1, 2023, was calculated as fair value of the owner-occupied building less costs of disposal.

The recoverable amount of a CGU is the higher of the fair value less costs of disposal and the value in use. If an asset's recoverable amount is higher than its carrying amount, the Group assumes that there is no concern about impairment loss. The recoverable amount of a CGU as of December 31, 2024 and 2023 was estimated at its value in use, except Fuzhou Grand Ocean Commerce Limited, whose recoverable amount was its fair value, less costs of disposal. Please refer to Note 6(h) for fair value measurement and key assumptions of Fuzhou Grand Ocean Commercial Ltd.

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During 2024 and 2023, due to the impact of the economic environment in mainland China, operating conditions showed a downward trend compared with previous years. The Group conducted impairment tests on goodwill and trademark rights. It was estimated that the recoverable amount of the cash-generating units (CGUs) of Grand Ocean Classic Commercial Group Co., Ltd. was less than their carrying amount. As a result, impairment losses on trademark rights of \$0 thousand and \$306,421 thousand were recognized and reported under other gains and losses.

The recoverable amount of the CGUs of Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd., Wuhan Grand Ocean Classic Commercial Department Limited and Grand Ocean Classic Commercial Group Co., Ltd., as of December 31, 2024 and 2023, were estimated at their values in use.

The estimated growth rate of value in use was as follows:

	December 31, 2024	December 31, 2023
Discount rate	10%	10%
Growth rate	3%~13%	1%~10%

- (1) The discount rate was a pre-tax measure based on the rate of 20-year government bonds issued by China, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.
- (2) Estimates of future cash flows are based on past experience, actual operating results and expiry date future lease agreement.
- (3) The operating income forecast measures the average growth over the past 5 years. Projected based on data of comparable companies, selling prices over the next 5 years would grow at a fixed rate slightly higher than the expected inflation rate.
- (4) Under the business scheme, operating costs and expenses were estimated based on both past experiences and factors causing movements in each cost and expense.

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Taking into account the external and internal historical information, these key assumptions represented management's assessment of future trend of the retail industry.

2. Wuhan Hanyang Grand Ocean Classic Commerce Ltd., a subsidiary of the Group, due to continued operating losses, on August 31, 2023, the Board of Directors respectively decided to close operations and recognized the impairment losses on intangible assets of \$ 252 thousand.
3. Impairment testing of license plates

As of December 31, 2024 and 2023, the recoverable amounts of the CGU were as follows:

	December 31, 2024		December 31, 2023	
	Carrying amount	Recoverable amount	Carrying amount	Recoverable amount
Intangible assets — license plates	\$ 76,166	81,275	96,350	109,367

The fair values of license plates as of December 31, 2024 and 2023 were estimated using the market approach, which was to measure based on transaction prices of items that were identical or similar to the underlying subject, and the fair values were classified as Level 2.

- (k) Other financial assets — current and non-current

	December 31, 2024	December 31, 2023
Other financial assets — current		
Lease deposits	\$ 291	303
Restricted deposits	635,149	457,848
Debt claims — vehicle purchases	36,487	34,687
Prepaid deposit for extended portion of lease	-	65,039
Other	2,207	3,264
Less: Loss allowance	(36,487)	(34,687)
	<u>\$ 637,647</u>	<u>526,454</u>

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	December 31, 2024	December 31, 2023
Other financial assets — non-current		
Lease deposits	\$ 201,894	191,935
Prepaid deposit for cooperation agreements	7,315	7,499
Restricted deposits	205,003	523,457
Litigation security (Note 9(b))	81,227	76,086
Prepaid deposit for extended portion of lease	68,412	-
Other	14,278	19,907
	\$ 578,129	818,884

1. The lease deposit is mainly for lease of malls; the deposit for expansion of leased area was paid by a subsidiary, Yichang Grand Ocean Commerce Ltd., to expand the leased area. The deposit will be used to offset the rentals after the contract is signed.
2. In November 2020, the Group acquired the right to purchase the 765 Zotye vehicles of Shanghai Zhuke Technology Co., Ltd. (hereinafter referred to as "Shanghai Zhuke") at the price of RMB8,000 thousand. Thereafter, Shanghai Zhuke would unconditionally transfer the vehicles to the Group after 3 years. However, Zotye International Automobile Trading Co., Ltd. entered into bankruptcy and was liquidated in December 2020, which prompted Shanghai Zhuke to make a proposal for disposal of vehicles in advance. On August 19, 2021, the Group approved the proposal and reached a supplemental agreement with Shanghai Zhuke, which agreed to pay the amount at a fair value of RMB11,000 thousand upon expiry of the period in use (March 2023). Since the credit risk of Shanghai Zhuke has increased significantly, the Group evaluates its credit risk on a case-by-case basis and has fully provided for the allowance for losses in 2022. As of December 31, 2024, the aforementioned receivables have not been recovered.
3. For further credit risk information, please refer to Note 6(w).

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(l) Short-term borrowings

	December 31, 2024	December 31, 2023
Unsecured bank loans	\$ 410,000	1,143,101
Secured bank loans	3,272,065	2,514,092
	\$ 3,682,065	3,657,193
Unused credit lines	\$ 1,087,668	1,482,815
Range of interest rates	2.31%~6.30%	2.17%~8.09%

For the collateral of borrowings, please refer to Note 8.

(m) Long-term borrowings

The list, terms and conditions of long-term borrowings of the Group were as follows:

December 31, 2024				
	Currency	Range of interest rates	Year of maturity	Amount
Unsecured bank loans	USD	6.76%	2026	\$ 78,684
	NTD	3.09%	2026	100,000
	RMB	7.39%~8.47%	2025	21,310
Secured bank loans	USD	5.25%~6.18%	2025~2032	2,355,103
	RMB	4.20%	2025	228,041
	NTD	3.04%~3.09%	2026	1,137,500
Secured commercial promissory note	NTD	1.58%~1.77%	2026	249,720
Other secured loans	RMB	15.60%	2026	1,855
				4,172,213
Less: Current portion				(2,776,284)
Total				\$ 1,395,929
Unused credit lines				\$ 645,888

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

December 31, 2023				
	Currency	Range of interest rates	Year of maturity	Amount
Unsecured bank loans	USD	7.72%~8.72%	2024~2026	\$ 376,196
	NTD	2.52%-2.78%	2024	150,000
Secured bank loans	USD	6.22%-7.14%	2025~2032	2,595,851
	RMB	4.20%	2025	346,874
	NTD	2.79%-2.85%	2026	1,312,500
Secured note	NTD	1.31%~1.58%	2026	249,903
Other secured loans	RMB	8.50%~15.60%	2024~2026	7,472
				<u>5,038,796</u>
Less: Current portion				(1,018,680)
Total				<u>\$ 4,020,116</u>
Unused credit lines				<u>\$ 420,441</u>

1. For the collateral of borrowings, please refer to Note 8.
2. Significant loan contract agreement

The Group signed a syndicated loan agreement with 6 banks (including Chang Hwa Commercial Bank, Ltd.). and obtained a credit line of \$2,000,000 thousand. According to the agreement, the Group should maintain the following financial ratios and regulations, and the semi-annual inspection started from the second quarter of 2021:

- (1) Current ratio [current assets/(current liabilities - current portion of the long term borrowings current lease liabilities)]: should not be lower than 80%;
- (2) Debt ratio [(total liabilities - lease liabilities) / total equity]: should not exceed 150%;
- (3) Interest coverage multiple [(profit before tax + interest expense + depreciation + amortization) / interest expense]: should be maintained at 3 or above;
- (4) Net tangible assets [(total equity - intangible assets)]: should be maintained at NTD9 billion or above.

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3. Breach of a loan contract

The financial ratio of the Group as of December 31, 2023, was in breach of the above-mentioned financial ratio limit. In addition to the additional 0.05% interest rate as agreed in the contract, the Group should immediately propose specific improvement measures to the management bank. If the Group completed improvement before the next examination date of the financial ratio, it shall not be deemed to be in breach of the terms of this commitment clause.

The Group communicated with the credit banks to reduce or waive the financial ratios for the period under review and issued a statement to the syndicate of joint credit banks on April 19, 2024, explaining the reasons why the financial ratios did not meet the contractual requirements under the loan agreement and proposing measures to improve the financial issues.

On June 30, 2024, the Group was still in violation of the aforementioned financial ratios. The Group reclassified the remaining loan amount as long-term borrowings with a maturity of one year or less, and obtained a waiver from the syndicate of banks on October 18, 2024, to review the financial ratios.

The Group is still in breach of the agreed financial ratios as of December 31, 2024. The Group is now communicating with the banks and intends to apply for a waiver of the current financial ratio review in accordance with the provisions of the credit agreement, and will repay the amount by restructuring the syndicated credit facility, which is expected to complete the restructuring in the second quarter of 2025.

(n) Accounts payable and other payables

	December 31, 2024	December 31, 2023
<u>Accounts payable</u>		
Payments for goods purchased for direct sales	\$ 53,475	61,097
Payments for goods purchased for concessionaire sales	928,894	1,140,001
Other	87,077	70,931
Total	<u>\$ 1,069,446</u>	<u>1,272,029</u>

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	December 31, 2024	December 31, 2023
<u>Other payables</u>		
Wages and salaries payable	\$ 170,409	177,234
Construction contract prices payable	90,828	95,435
Compensation payable for store shutdown or matters	852	45,259
Litigation damages payable	233,651	397,582
Tax fee	41,303	42,327
Vessel repair at docks	-	28,089
Collect car sales on behalf of related party	56,621	6,712
Other	416,663	440,309
Total	\$ 1,010,327	1,232,947

(o) Lease liabilities

The lease liabilities of the Group were as follows:

	December 31, 2024	December 31, 2023
Current	\$ 827,918	838,426
Non-current	9,873,207	9,431,523
	\$ 10,701,125	10,269,949

For the maturity analysis, please refer to Note 6(w).

The amounts recognized in profit or loss as follows:

	For the years ended December 31 2024	2023
Interest expense of lease liabilities	\$ 454,783	479,543
Variable leases payments not included in the measurement of lease liabilities	\$ 1,496	1,226
Expenses relating to short-term leases	\$ 996	1,049
Expenses relating to leases of low-value, (excluding short-term leases of low-value assets)	\$ 490	1,695
Rent concessions related to COVID-19 (deductible operating expenses)	\$ -	710

The amounts recognized in the statement of cash flows for the Group was as follows:

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	For the years ended December 31	
	2024	2023
Total cash outflow for leases	\$ 1,328,239	1,366,670

1. Real estate leases

The Group leases land use rights, buildings and structures as office premises, staff dormitories and department stores for business. The lease terms of office premises, staff dormitories and department stores are usually 3 to 5 years, 1 to 3 years, and 10 to 20 years, respectively. Some leases include an option to extend the lease period at the end of the lease term.

Some leases provide for additional rent payments that are based on changes in local price indices, or sales that the Group makes at the leased store in the period.

Some leases of retail stores contain variable lease payments that are based on sales that the Group makes at the store. These payment terms are common in retail stores in the country where the Group operates. Fixed and variable lease payments for the years ended December 31, 2024 and 2023, were as follows:

	2024			Estimated annual impact on rent of a 1% increase in sales
	Fixed payments	Variable payments	Total	
Leases with lease payments based on sales	\$ 105,034	1,496	106,530	15
	2023			Estimated annual impact on rent of a 1% increase in sales
	Fixed payments	Variable payments	Total	
Leases with lease payments based on sales	\$ 104,642	1,226	105,868	12

The Group expects the relative proportions of fixed and variable lease payments to remain broadly consistent in future years.

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2. Other lease

The Group leases transportation and machinery equipment, with lease terms of 5 to 10 years. In some cases, the Group has options to purchase the assets at the end of the contract term.

The Group also leases part of the office and machinery equipment with contract terms of one years. These leases are short term. The Group has elected not to recognize right of use assets and lease liabilities for these leases.

(p) Operating lease

1. Leases as lessor

The Group leases its bulk carriers and transportation equipment and these contracts was classified as operating leases, because it has not substantially transferred all of the risks and rewards affiliated to the ownership of the assets. Please refer to Note 6(h) property, plant, and equipment for more information. For the Group's finance leases for car rental business, please refer to Note 6(c).

The maturity analysis of the lease payments is reported, showing the total amount of undiscounted lease payments to be received after the reporting date, was as follows:

(1) Bulk carriers

	December 31, 2024	December 31, 2023
Less than one year	\$ 911,021	1,242,938
One to two years	10,572	577,406
Two to three years	-	17,191
Total undiscounted lease payments	\$ 921,593	1,837,535

(2) Transportation equipment

	December 31, 2024	December 31, 2023
Less than one year	\$ 7,373	14,568
One to two years	2,928	5,177
Two to three years	1,738	1,531
Three to four years	1,046	833
Total undiscounted lease payments	\$ 13,085	22,109

The repair and maintenance expenses incurred by bulk carrier equipment were

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as follows:

		For the years ended December 31	
		2024	2023
	Operating costs	\$ 61,080	50,789
(q)	Income Tax		
1.	Income tax expense		
	During 2024 and 2023, the components of income taxes were as follows:		
		For the years ended December 31	
		2024	2023
	Current tax expense		
	Current period	\$ 50,253	83,865
	Adjustment for prior periods	(2,759)	4,381
		<u>47,494</u>	<u>88,246</u>
	Deferred tax expense		
	Origination and reversal of temporary differences	16,869	139,285
	Income tax expense	\$ 64,363	227,531
	Reconciliation of income tax and net loss before income tax were as follows:		
		For the years ended December 31	
		2024	2023
	Net loss before income tax	(\$ 453,408)	(2,304,876)
	Income tax using the Company's domestic tax rate	(\$ 113,064)	(554,055)
	Effect of tax rates in foreign jurisdiction	42,856	121,744
	Non-deductible expenses	8,950	8,706
	Equity-accounted investment profits (losses)	345	(2,229)
	Current-year losses for which no deferred tax asset was recognized	235,404	315,838
	Change in unrecognized temporary differences	(138,611)	320,618
	Change in provision in prior periods	(2,759)	4,381
	Realized investment losses	-	1,849
	Recognition of previously unrecognized tax losses	28,388	55,439
	Other	2,854	(44,760)
	Total	\$ 64,363	227,531

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements****2. Deferred tax assets and liabilities****(1) Unrecognized deferred tax liabilities**

Pursuant to a board resolution, First Steamship S.A., a subsidiary over which the Group had control, adopted a dividend policy, under which its earnings before 2018 should not be distributed. The Group was able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2024 and 2023. Also, management was sure that such temporary differences would not reverse in the foreseeable future. Hence, such temporary differences were not recognized as deferred tax liabilities. Details are as follows:

	December 31, 2024	December 31, 2023
Aggregated amount of temporary differences related to investments in subsidiaries	\$ 467,791	14,753
Unrecognized deferred tax liabilities	\$ 93,558	2,951

(2) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2024	December 31, 2023
Tax effect of deductible temporary differences	\$ 109,680	369,516
The carry forward of unused tax losses	\$ 1,164,683	1,037,415

The R.O.C Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Besides, the Law of the People's Republic of China on Enterprise Income Tax allows net losses, as assessed by the tax authorities, to offset taxable net profit over a period of 5 years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

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As of December 31, 2024, the information on the Group's unused tax losses for which no deferred tax assets were recognized was as follows:

Year of loss	Unused tax loss		Expiry date	
	Entity in Taiwan	Subsidiary in China	Entity in Taiwan	Subsidiary in China
2016	\$ 35,808	-	2026	-
2017	36,057	-	2027	-
2018	20,950	-	2028	-
2020	64,883	1,137,279	2030	2025
2021	-	951,379	2031	2026
2022	7,485	714,596	2032	2027
2023	253,373	974,008	2033	2028
2024	91,690	669,038	2034	2029
Total	<u>\$ 510,246</u>	<u>4,446,300</u>		

(3) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for t2024 and 2023 were as follows:

Deferred tax assets:

	Loss deduction	Leases expenses and others	Total
Balance at January 1, 2024	\$ 72,967	2,709,462	2,782,429
Recognized in profit or loss	(26,097)	(50,491)	(76,588)
Effect of change in foreign exchange rates	2,071	139,160	141,231
Balance at December 31, 2024	<u>\$ 48,941</u>	<u>2,798,131</u>	<u>2,847,072</u>
Balance at January 1, 2023	141,151	2,663,664	2,804,815
Recognized in profit or loss	(67,520)	91,154	23,634
Effect of change in foreign exchange rates	(664)	(45,356)	(46,020)
Balance at December 31, 2023	<u>\$ 72,967</u>	<u>2,709,462</u>	<u>2,782,429</u>

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements****Deferred tax liabilities:**

	Estimated share of subsidiaries'		
	<u>earnings</u>	<u>Leases expenses</u>	<u>Total</u>
Balance at January 1, 2024	\$ 25,266	2,202,109	2,227,375
Recognized in profit or loss	-	(59,719)	(59,719)
Effect of change in foreign exchange rates	1,107	112,591	113,698
Balance at December 31, 2024	\$ 26,373	2,254,981	2,281,354
Balance at January 1, 2023	65,171	2,035,972	2,101,143
Recognized in profit or loss	(40,517)	203,436	162,919
Effect of change in foreign exchange rates	612	(37,299)	(36,687)
Balance at December 31, 2023	\$ 25,266	2,202,109	2,227,375

3. Examination and Approval

- (1) The tax returns the Company and other domestic subsidiaries for the years up to 2022 have been examined and approved by the tax authorities.
- (2) For the years up to 2023, tax returns of subsidiaries in China have been examined and approved by the local tax authority.

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(r) Capital and other equity

As of December 31, 2024 and 2023, the Company's authorized share capital totaled \$12,000,000 thousand, comprising 1,200,000 thousand shares with a par value of \$10 per share. The issued shares were both 824,776 thousand shares. All issued shares were paid up upon issuance.

1. Capital surplus

The components of the capital surplus were as follows:

	December 31, 2024	December 31, 2023
Issuing stock premium	\$ 352,570	352,570
Stock option from convertible corporate bonds	-	851,231
Forfeited share options	-	13,838
Treasury share transactions	-	21,476
Difference arising from subsidiary's share price and its carrying value	480,480	617,046
Changes in ownership interest in subsidiaries	-	72,728
Donation from shareholders	3,332	3,332
	<u>\$ 836,382</u>	<u>1,932,221</u>

According to the ROC Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring paid-in capital in excess of par value should not exceed 10% of the total common stock outstanding.

The Company was pursuant to the resolutions reached in shareholder meetings held on June 18, 2024 for making up losses from capital reserves of \$1,095,839 thousand.

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2. Retained earnings

The Company's article of incorporation stipulates that Company's profit after tax for the period, if any, should first be used to offset accumulated losses, after which 10% should be appropriated as legal reserve, unless the amount of legal reserve has reached that of Company's paid-in capital. In addition, special reserve shall be appropriated or reversed according to related laws and regulations. The remaining portion, together with any unappropriated retained earnings at the beginning of the period, shall be distributed according to the Board's proposal and submitted to a shareholders' meeting for approval.

The dividend policy of the Company shall take into account the actual operating conditions of the current year, future investment development, funding needs, financial structure, and take into account the interests of shareholders. Distributable surplus may be distributed in the form of shares or cash, unless it is reserved at the discretion. However, cash dividends shall not be less than 10% of the total dividends. If the cash dividends to be distributed per share are less than \$0.5, they shouldn't be distributed unless otherwise resolved by the shareholders' meeting.

(1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

The Company was pursuant to the resolutions reached in shareholder meetings held on June 18, 2024 for making up losses from legal reserves of \$8,289 thousand.

(2) Special reserve

The Company elected to apply the exemption under IFRS 1 "First-time Adoption of International Financial Reporting Standards" upon initial adoption of IFRS. Accumulated translation adjustments recognized in shareholders' equity increased retained earnings, except that the retained earnings arising from first-time adoption of IFRS endorsed by the FSC on the transition date experienced net decrease; the Company was not required to appropriate the same amount of special reserve according to the regulations stipulated by the FSC.

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As stipulated by the FSC, a portion of earnings shall be allocated as special reserve during earnings distribution. If the Company has already reclassified a portion of earnings as special reserve as mentioned in the preceding subparagraph, the Company shall make supplemental allocation of special reserve, in the amount of the difference between the amount it has already allocated and the amount of the current period total net reduction of other shareholders' equity from undistributed current period and prior period earnings, including the after tax net profit for the period, plus items other than after tax net profit for the period. (When the Company distributed its 2021 earnings in 2020, a portion of its current period profits and undistributed prior period earnings shall be reclassified as special reserve. When the Company distributed its 2022 earnings in 2021, the after tax net profit for the period, plus items other than the after tax net profit for the period, shall be included in the amount of undistributed current period and prior period earnings for appropriation as special reserve.) A portion of undistributed prior period earnings shall be reclassified as special reserve (and shall not qualify for earnings distribution) to account for cumulative changes to net reduction in other shareholders' equity for prior periods. Amounts of subsequent reversals pertaining to the net reduction in other shareholders' equity shall qualify for additional distributions.

A resolution was passed during the shareholders' meeting on June 18, 2024 and June 16, 2023 to making up losses from special reserve of \$303,885 thousand and to reverse of special reserve of \$329,945 thousand.

(3) Earnings distribution

The Company did not appropriate earnings for 2023 and 2022, which was pursuant to the resolutions reached in shareholder meetings held on June 18, 2024 and June 16, 2023.

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3. Treasury stock

- (1) In 2020, in accordance Article 28(2) of the Securities and Exchange Act, the Company repurchased 10,000 thousand shares as treasury shares in order to transfer the shares to employees.

In accordance with the Securities and Exchange Act requirements as stated above, the number of shares repurchased should not exceed 10% of total issued shares. Also the value of the repurchased shares should not exceed the sum of the Company's retained earnings, share premium, and realized reserves.

In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company should not be pledged, and do not hold any shareholder rights before their transfer.

On March 16, 2023, the Company's Board of Directors approved to cancel all treasury shares, which were 10,000 thousand shares, so as to reduce share capital by \$100,000 thousand and record capital surplus of \$5,509 thousand. The record date of capital reduction is March 17, 2023, and all the statutory procedures have been completed.

- (2) The movement in treasury shares of subsidiaries was as follows:

	(In thousands of shares)	
	For the years ended December 31	
	2024	2023
Outstanding at January 1	7,709	8,682
Quantity sold in this period	(4,046)	(973)
Outstanding at December 31	3,663	7,709

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The Group's employees were entitled to exercise treasury share options through advances on salaries. As of December 31, 2024 and 2023, the advanced salaries amounted to \$129,316 thousand and \$122,915 thousand, respectively, recognized as other non current assets. Considering the changes in the economic environment and the impact of the COVID-19 pandemic, a resolution adopted was decided at the Board of Directors held on November 13, 2024 and August 30, 2022, to defer the repayments of prepaid payroll to 2028 and 2025.

4. Other equity interests (after tax)

	Exchange differences on translation of foreign financial statements	Non-controlling interest	Total
Balance at January 1, 2024	(\$ 354,024)	2,216,527	1,862,503
Net loss of non-controlling interests	-	(228,997)	(228,997)
Share of exchange differences on equity accounted associates	42,687	-	42,687
Exchange differences on translation of foreign financial statements	535,755	93,268	629,023
Balance at December 31, 2024	\$ 224,418	2,080,798	2,305,216
	Exchange differences on translation of foreign financial statements	Non-controlling interest	Total
Balance at January 1, 2023	(\$ 303,885)	3,120,179	2,816,294
Net loss of non-controlling interests	-	(862,913)	(862,913)
Share of exchange differences on equity accounted associates	5,453	-	5,453
Exchange differences on translation of foreign financial statements	(55,592)	(40,739)	(96,331)
Balance at December 31, 2023	(\$ 354,024)	2,216,527	1,862,503

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(s) Losses per share

During 2024 and 2023, the Group's basic and diluted loss per share were calculated as follows:

	For the years ended December 31	
	2024	2023
Basic losses per share		
Net loss attributable to ordinary shareholders of the Company	(\$ 288,774)	(1,669,494)
Weighted average number of ordinary shares	824,776	824,776
Basic losses per share (\$)	(\$ 0.35)	(2.02)

For the years ended December 31, 2024 and 2023, due to net losses before income tax, diluted losses per share was not disclosed because there was no dilutive effect of potential ordinary shares from employee compensation.

(t) Revenue from contracts with customers

1. Disaggregation of revenue

	2024					
	Marine Transportation Segment	Investing Segment	Department store Segment	Rental Segment	Construction Segment	Total
Primary geographical markets:						
Taiwan	\$ -	7,012	-	-	-	7,012
China	-	-	3,234,915	24,077	-	3,258,992
Other	1,583,988	-	-	-	-	1,583,988
	<u>\$ 1,583,988</u>	<u>7,012</u>	<u>3,234,915</u>	<u>24,077</u>	<u>-</u>	<u>4,849,992</u>
Major products/services lines:						
Commissions revenue (department store revenue - joint sales)	\$ -	-	839,261	-	-	839,261
Sales of merchandise (department store - direct sales)	-	-	529,614	-	-	529,614
Lease revenue (Note)	-	7,012	1,033,969	16,069	-	1,057,050
Marine transportation revenue (Note)	1,583,988	-	-	-	-	1,583,988
Financial lease interest income (Note)	-	-	-	5,429	-	5,429
Service revenue and others	-	-	832,071	2,579	-	834,650
	<u>\$ 1,583,988</u>	<u>7,012</u>	<u>3,234,915</u>	<u>24,077</u>	<u>-</u>	<u>4,849,992</u>

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

	2023					
	Marine Transportation Segment	Investing Segment t	Department store Segment	Rental Segment	Construction Segment	Total
Primary geographical markets:						
Taiwan	\$ -	6,923	-	-	-	6,923
China	-	-	3,820,133	51,512	-	3,871,645
Other	1,623,355	-	-	-	-	1,623,355
	\$ 1,623,355	6,923	3,820,133	51,512	-	5,501,923
Major products/services lines:						
Commissions revenue (department store revenue - joint sales)	\$ -	-	1,221,361	-	-	1,221,361
Sales of merchandise (department store - direct sales)	-	-	705,830	-	-	705,830
Lease revenue (Note)	-	6,923	1,013,233	38,701	-	1,058,857
Marine transportation revenue (Note)	1,623,355	-	-	-	-	1,623,355
Financial lease interest income (Note)	-	-	-	8,391	-	8,391
Service revenue and others	-	-	879,709	4,420	-	884,129
	\$ 1,623,355	6,923	3,820,133	51,512	-	5,501,923

Note: The Group applied IFRS 16 to revenues from marine transportation, rental, and interest on finance leases..

(u) Employee compensation and directors' remuneration

In accordance with the Articles of Incorporation, the Company should contribute no less than 1% of the profit as employee remuneration and no more than 3% as director remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. Employee compensation could be distributed by cash or shares. The recipients of shares and cash may include the employees of the Company's affiliated companies under certain conditions approved by the Board of Directors. Directors' remuneration should only be distributed in the form of cash.

For the years ended December 31, 2024 and 2023, the Company reported a net loss before income tax, therefore, the Company is not required to estimate employees' bonuses and directors' remuneration, and the related information is available on the Market Observation Post System website.

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

(v) Non-operating income and expenses

1. Interest income

The details of interest income were as follows:

	For the years ended December 31	
	2024	2023
Cash in bank	\$ 48,466	63,750
Loans interest income	891	2,922
Open fund	986	978
Interest income from corporate bonds	5,772	572
Dividend of special stock	15,048	-
Other	462	(979)
	\$ 71,625	67,243

2. Other income

The details of other income were as follows:

	For the years ended December 31	
	2024	2023
Dividend income	\$ 347	759
Subsidy income	17,184	15,020
	\$ 17,531	15,779

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

3. Other gains and losses

The details of other gains and losses were as follows:

	For the years ended December 31	
	2024	2023
Loss from disposal of property, plant and equipment	(\$ 8,845) (	2,901)
Gain (loss) on disposal of intangible asset	(982)	3,181
Gain from disposal of investments	-	5,113
Foreign exchange losses	(5,529) (	7,216)
Valuation gains on financial assets/liabilities at FVTPL	11,031	86,791
Impairment losses on property, plant and equipment	- (	641,608)
Impairment losses on intangible assets	- (	306,673)
Impairment loss on right-of-use assets	- (	120,218)
Impairment losses on equity-accounted long-term equity investment	- (	100,258)
Reverse to gain (loss) on compensation for store shutdown	47,303 (	31,752)
Reverse to gain (loss) on compensation losses on litigations	158,157 (	344,050)
Gain on lease modification	-	495,197
Revenue reclassified from overdue payments	11,334	7,236
Miscellaneous revenue (including credit card transaction fees, etc.)	66,242	133,816
	\$ 278,711 (823,342)

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

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4. Finance costs

The details of finance costs were as follows:

	For the years ended December 31	
	2024	2023
Interest expense on bank loans	\$ 388,832	430,830
Interest on lease liabilities	454,783	479,543
Other financial expense	13,499	12,332
	\$ 857,114	922,705

During 2024 and 2023, the interest expenses of the Rental Segment, amounting to \$7,903 thousand and \$13,440 thousand, respectively, were recognized in operating costs.

(w) Financial instruments

1. Credit risk

(1) Credit risk exposure

As of December 31, 2024 and 2023, the Group's exposure to the maximum credit risk were from providing financial guarantees or failing to execute obligations by counterparty. The maximum credit risk exposure was as follows:

- The carrying amount of financial assets recognized in the balance sheet; and
- The Group provided financial guarantees and commitments to purchase default debt claims, and the details were as follows:

	December 31, 2024	December 31, 2023
Commitments to purchase default debt claims (residual amount)	\$ -	33,441

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The movements in liabilities recognized for the above-mentioned financial guarantees for the years ended December 31, 2024 and 2023 were as follows:

	For the years ended December 31	
	2024	2023
Balance at January 1	\$ 31,982	12,014
Impairment losses reversed	(4,845)	20,569
Reclassification (Note 9(a))	(27,900)	-
Effect of change in foreign exchange rates	763	(601)
Balance at December 31 (recognized as other current liabilities)	<u>\$ -</u>	<u>31,982</u>

(2) Receivables of credit risk

For credit risk exposure of rentals receivable and accounts receivable, please refer to Note 6(c). Other financial assets at amortized cost included other receivables, other financial assets, investments in preferred shares; please refer to Notes 6(d), (k), 7 and 13 for details.

For the period, the loss allowances for the above-mentioned financial assets were measured based on the amounts of 12-months ECLs or lifetime ECL measurement.

The movements in the loss allowance for other receivables and other financial assets for the years ended December 31, 2024 and 2023 were as follows:

	For the years ended December 31	
	2024	2023
Balance at January 1	\$ 397,951	323,086
Impairment losses reversed	(12,224)	81,729
Amount written off due to irrecoverability during the year	(799)	-
Effect of change in foreign exchange rates	20,199	(6,864)
Balance at December 31	<u>\$ 405,127</u>	<u>397,951</u>

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements****2. Liquidity risk**

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>1 years</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>
December 31, 2024					
Non-derivative financial liabilities					
Non-interest bearing liabilities	\$ 2,671,893	2,671,893	2,080,981	137	590,775
Floating rate instrument	5,162,667	5,613,689	3,612,755	1,360,579	640,355
Fixed rate instruments	2,791,451	2,886,312	2,885,116	1,196	-
Lease liabilities	10,701,125	13,847,408	1,269,855	5,349,907	7,227,646
	<u>\$ 21,327,136</u>	<u>25,019,302</u>	<u>9,848,707</u>	<u>6,711,819</u>	<u>8,458,776</u>
December 31, 2023					
Non-derivative financial liabilities					
Non-interest bearing liabilities	\$ 3,078,015	3,078,015	2,506,938	130	570,947
Floating rate instrument	6,842,527	7,557,626	3,520,023	3,287,081	750,522
Fixed rate instruments	1,853,462	1,922,525	1,444,321	478,204	-
Lease liabilities	10,269,949	13,690,447	1,284,945	4,540,608	7,864,894
	<u>\$ 22,043,953</u>	<u>26,248,613</u>	<u>8,756,227</u>	<u>8,306,023</u>	<u>9,186,363</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

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3. Market risk

(1) Currency risk

The Group's significant exposure to foreign currency risk was as follows:

		December 31, 2024			December 31, 2023		
		Exchange			Exchange		
	Currency	rate	NTD		Currency	rate	NTD
<u>Financial assets</u>							
<u>Monetary items</u>							
USD:NTD	\$	234	32.785	7,672	2,983	30.71	91,608
HKD:NTD		10	4.2220	42	8,158	3.9340	32,094
HKD:USD		997	0.1288	4,210	2,670	0.1281	10,504
NTD:USD		1,082	0.0305	1,082	761	0.3260	761
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD:CNY		650	7.1884	21,310	1,250	7.0827	38,387

(2) Sensitivity analysis

The Group's exposure to currency risk arises from exchange gains and losses on cash and cash equivalents, financial assets and liabilities at FVOCI, loans, and other payables that are denominated in foreign currencies. A strengthening (weakening) of 1% of the NTD or RMB against the USD, EUR, HKD, AUD and RMB as of December 31, 2024 and 2023, the loss before income tax would have decreased/increased by \$83 thousand and \$966 thousand, respectively, with all other variables remaining constant.

Since the Group has many kinds of functional currencies, the information on foreign exchange loss on monetary items was disclosed by aggregate amount. During 2024 and 2023, foreign exchange gains (losses) (including realized and unrealized portions) amounted to \$(5,529) thousand and \$(7,216) thousand, respectively.

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4. Interest rate risk

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments at the reporting date. Regarding of liabilities with floating interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.5% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 0.5%, the Group's net loss before income tax would have decreased or increased by \$16,554 thousand and \$22,858 thousand, respectively for 2024 and 2023 respectively, given that all other variable factors remaining constant. This is mainly due to the Group's borrowings and bank deposits at variable rates.

5. Other market price risk

If the equity price changes, the impact of equity price change to other comprehensive income will be as follows, assuming the analysis is based on the same basis for both years and assuming that all other variables considered in the analysis remain the same:

	For the years ended December 31			
	2024		2023	
	Other	Net income	Other	Net income
Prices of securities at the reporting date	comprehensive income (loss) (before tax)	or loss before tax	comprehensive income (loss) (before tax)	or loss before tax
Increase 5%	\$ -	7,084	-	8,383
Decrease 5%	\$ -	(7,084)	-	(8,383)

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

6. Fair value of financial instruments

(1) Fair value hierarchy

For financial instruments not measured at fair value and with carrying amounts reasonably close to the fair values, as well as lease liabilities, disclosure of fair value information is not required. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows:

	December 31, 2024				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 44,642	29,559	15,083	-	44,642
Domestic corporate bonds	97,038	-	-	97,038	97,038
Financial liabilities at fair value through profit or loss					
Non-derivative financial liabilities	\$ 31,389	-	-	31,389	31,389

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(2) Valuation techniques for financial instruments not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

(2.1) Financial assets measured at amortized cost and financial liabilities measured at amortized cost.

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values. The estimates and assumptions used in the valuation methodology were the discounted value of the cash flows to estimate fair value.

(3) Valuation techniques for financial instruments measured at fair value

(3.1) Non-derivative financial instruments

If quoted prices in active markets are available, the prices are established as fair values. Market prices published by major stock exchange and Taipei Exchange, where high volume of central government bonds are traded, are the foundation of fair value of debt instruments with quoted market price in an active market and listed equity instruments.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. If a financial instrument does not accord with the definition aforementioned, then it is considered to be without quoted price in active market. In general, market with low trading volume or high-ask spreads is an indication of non-active market.

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If the Group's financial instruments are regarded as being quoted in an active market, the classification and nature of fair value are as follows:

- Stocks in listed companies and fund are financial assets with standard term and quoted prices in active markets. The fair values are determined with referenced to quoted market prices.
- The fair values of corporate bonds are measured based on public quoted market prices provided by third parties.

(3.2) Non-derivative financial instruments (hybrid contract)

The fair value of non-publicly quoted debt instruments is estimated using the market comparable companies method. The key assumptions of the method are measured based on the investee's estimate of earnings before tax, interest, depreciation and amortization and a multiplier for earnings derived from quoted market prices of comparable publicly traded companies. The estimate adjusts for the effect of discounts due to the lack of marketability of the equity securities.

The conversion right, redemption right, and selling right are evaluated based on a valuation model widely accepted by market users, which is a binomial tree valuation model.

(3.3) Financial guarantee contract

The discounted cash flow model was applied to estimate the fair value. The main assumption was to incorporate the expected default rate of the transaction counterparty (the weighted-average ECL) and expected losses in the event of default.

(3.4) Beneficial interests in construction projects and of landowners

Measurement of the fair value of the Group's beneficiary interests in construction projects and of landowner is based on the discounted cash flow model. Quantified information of significant unobservable inputs includes buildings sale prices and construction costs. The discounted cash flows are used to estimate fair values.

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- (4) Transfers between Level 1 and Level 2: None.
- (5) Reconciliation of Level 3 fair values

	Financial assets and liabilities held for trading		
	Non-derivative financial assets - beneficial interests of construction projects	Non-derivative financial liabilities - beneficial interests of landowners	Measured at fair value through profit or loss - Investments in bond instruments that are not publicly quoted
January 1, 2024	\$ -	(27,813)	-
Buy	-	-	97,038
Issued	-	(3,576)	-
December 31, 2024	\$ -	(31,389)	97,038
January 1, 2023	\$ 134,948	(26,125)	-
Issued	-	(1,688)	-
Amount recovered during the period	(117,000)	-	-
Reclassification to other receivables	(81,708)	-	-
Recognized in (loss) profit	63,760	-	-
December 31, 2023	\$ -	(27,813)	-

The above-mentioned total gains were included in "other gains and losses", and the amounts related to financial assets and financial liabilities held as of December 31, 2024 and 2023 were as follows:

	For the years ended December 31	
	2024	2023
Total gains and losses recognized:		
Recognized in (loss) profit, and including in "other gains and losses"	\$ -	-

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- (6) Quantified information for significant unobservable inputs (Level 3) used in fair value measurement

The Group's fair value measurement is classified as Level 3. It is mainly non-derivative financial assets and liabilities, measured at fair value through profit and loss - bond instrument investments that are not publicly quoted. The fair value measurement is classified as Level 3 and has multiple significant unobservables.

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss - Domestic corporate bonds with no active market	Binary convertible bond evaluation model Comparable to the TWSE/TPEX Listed Companies	<ul style="list-style-type: none"> Volatility (39.17% as of December 31, 2024) Discount for lack of marketability (25.43% as of December 31, 2024) 	<ul style="list-style-type: none"> The higher the volatility, the higher the public value. The higher the discount due to lack of market liquidity, the lower the public value.
Liabilities arising from beneficial interests of landowner	Discounted cashflow	<ul style="list-style-type: none"> Fluctuations in building selling prices and construction costs (\$307 thousand and \$183 thousand as of December 31, 2024 and 2023, respectively) 	<ul style="list-style-type: none"> Fair value is higher if building selling price is higher or if construction costs are lower.

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- (7) Fair value measurements in Level 3 - sensitivity analysis of reasonably possible alternative assumptions

The Group's measurement on the fair value of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit or loss:

			Impacts of fair value change on net income or loss	
	Inputs	Variation	Favorable	Unfavorable
December 31, 2024				
Financial assets at fair value through profit or loss				
Investment in bond instruments without active market	Volatility	5%	-	-
	Liquidity discount	5%	-	-
Financial liabilities at fair value through profit or loss				
Liabilities arising from beneficial interests of landowner	Price fluctuation	5%	12,350 (	12,122)
December 31, 2023				
Financial liabilities at fair value through profit or loss				
Liabilities arising from beneficial interests of landowner	Price fluctuation	5%	13,628 (	13,403)

The favorable and unfavorable change effects represent the change in fair value and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

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(x) Financial risk management

i. Overview

The Group have exposures to the following risks due to the uses of its financial instruments:

- (1) Credit risk
- (2) Liquidity risk
- (3) Market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

ii. Structure of risk management

The Group's financial management department provides services to each business unit, coordinating and facilitating access to domestic and international financial markets. It manages the financial risks related to the operations of the Group by analyzing risk scenarios according to their severity and breadth. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Board of Directors has overall responsibility for the establishment and oversight of the derivative financial instruments, and internal auditor undertakes regular reviews of risk management controls and procedures.

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iii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

(1) Trade receivables other receivables, and other financial assets

To minimize the risk of doubtful debt, group entities that mainly engage in marine transportation adhere to their partial prepayment policy for each shipping fee. In addition, Group entities that provide vessel management services collect monthly fees, assess recoverability of receivables, and recognize allowances for doubtful account. Group entities in the retail industry were not expected to have any significant credit risk because its payment collection for primary customers and debtors were through cash or credit cards. To reduce credit risk, a group entity that engages in automobile financing transacts with counterparties with high credit ratings and assesses the ratings based on other publicly available financial information. The Group continuously monitors the exposure to credit risk and counterparty credit ratings, as well as establishes sales limits based on credit ratings for each of its qualified customer. For the management of credit risk on other receivables and other financial assets, please refers to Notes 6(d), (k) and (w).

The Group opened a reserve account for loss allowances that represent its estimates of incurred losses in respect of trade receivables, other receivables and other financial assets. The loss allowances reflected mainly specific losses related to individually material exposure. However, the Group's sales were not concentrated within one single customer, hence the partial prepayment policy should be able to lower the credit risk of accounts receivable.

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(2) Investment

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Group's finance department. The Group only deals with banks with high credit rating, or financial institutes and corporate organizations with level of professional investor; therefore, the Group does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

(3) Guarantees

The Group only provides guarantees for counterparties that have passed internal reviews, and assesses their ratings based on other publicly available financial information. Also, the Group continuously monitors the exposure to credit risk and counterparty credit ratings for each of the counterparties qualified for guarantee. For endorsements/guarantees provided by the Group, please refer to Notes 7, 9 and 13.

iv. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group supports its operations and mitigates the impact of cash flow fluctuations by managing and maintaining adequate levels of cash and cash equivalents. Management supervises the use of bank credit lines and compliance with loan covenants to ensure that the Group has sufficient liquidity to meet its obligations in both normal and stressed conditions, thereby avoiding unacceptable losses or damage to its reputation. As of December 31, 2024 and 2023, the Group's unused credit line amounted to \$1,733,556 thousand and \$1,903,256 thousand, respectively, and the Group still had assets such as vessels and domestic and foreign listed stocks to provide as guarantee.

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v. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group buys and sells derivatives, and also incurs financial liabilities, in order to manage market risk. All such transactions are carried out within the guidelines set by the Risk Management Committee. Generally, the Group seeks to apply hedge accounting in order to manage volatility in profit or loss.

(1) Currency risk

The Group is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Group's. The Group's functional currency are primarily NTD, USD, and RMB. These transactions are primarily denominated USD and RMB.

The subsidiaries of the Group which use the RMB as the functional currency elected to utilize USD borrowings to reduce financing cost, because these borrowings were denominated in currencies that differed from the cash flows generated by the underlying operations of the Group. The Group considered that reduced finance cost and cash outflows should be able to offset the exchange rate risk arising from USD borrowings, and therefore, hedge accounting was not adopted.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short term imbalances.

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(2) Interest rate analysis

The Group's risks with exposure to changes in interest rates arose mainly from bank loans and deposits. Borrowings on a variable - rate basis would give rise to cash flow risk. The Group assessed that the level of interest rates has been stable recently in the business environment. Therefore, material interest rate risk is less likely to occur.

(3) Other market price risk

The Group holds various financial instruments to utilize its funds effectively. The management of the Group adjusts the investment portfolio based on market index. Material investments within the portfolio are managed on an individual basis, and all buy and sell decisions are approved by the management according to authority.

The primary purpose of the Group's investment strategy is to maximize investment returns; both the Board of Directors and the Investment Department have members that specialize in finance and are thus qualified to make appropriate investment decisions; therefore, the market price risk of investment at FVTPL were under management's control.

(y) Capital Management

The Group's objectives for managing capital are ensuring the ability to operate continuously, providing returns to shareholders and other stakeholders, and maintaining an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

The Group and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

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During 2024 and 2023, the Group adopted the same capital management strategy to maintain debt-to-equity ratios at a certain level, so as to ensure financing at reasonable cost.

The Group's debt-to-equity ratio at the end of the reporting period as of December 31, 2024 and 2023, is as follows:

	December 31, 2024	December 31, 2023
Total liabilities	\$ 23,792,294	24,422,307
Less: Cash and cash equivalents	(1,123,799)	(1,834,232)
Net debt	\$ 22,668,495	22,588,075
Total equity	11,101,139	10,946,646
Adjusted capital	33,769,634	33,534,721
Debt-to-equity ratio	67%	67%

(z) Investing and financing activities not affecting cash flow

The Group's investing and financing activities which did not affect the current cash flow for the years ended December 31, 2024 and 2023, were as follows:

1. Reconciliation of liabilities from financing activities were as follows:

	<div>Non-cash changes</div>				
	January 1, 2024	Cash flows	Other (Note)	Foreign exchange movement	December 31, 2024
Short-term borrowings	\$ 3,657,193 (	115,057)	-	139,929	3,682,065
Long-term borrowings	5,038,796 (	1,066,609)	-	200,026	4,172,213
Lease liabilities	10,269,949 (	870,474)	772,254	529,396	10,701,125
Guarantee deposits	573,039 (	10,282)	-	29,363	592,120
Total liabilities from financing activities	\$ 19,538,977 (	2,062,422)	772,254	898,714	19,147,523

Note: These were additions of \$755,036 thousand and lease modifications of \$17,218 thousand.

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	January 1, 2023	Cash flows	Non-cash changes		December 31, 2023
			Other (Note)	Foreign exchange movement	
Short-term borrowings	\$ 2,827,445	859,140	-	(29,392)	3,657,193
Long-term borrowings	6,516,703 (	1,486,762)	-	8,855	5,038,796
Lease liabilities	9,992,604 (	883,157)	1,332,443 (	171,941)	10,269,949
Guarantee deposits	591,528 (	9,025)	-	(9,464)	573,039
Total liabilities from financing activities	<u>\$ 19,928,280 (</u>	<u>1,519,804)</u>	<u>1,332,443 (</u>	<u>201,942)</u>	<u>19,538,977</u>

Note: These were additions of \$2,458,723 thousand (increase during the current period less decrease during the period), excluding \$1,125,570 (and lease modifications) and \$710 thousand (reduction in operating expenses due to rent concessions).

(7) Related-party transactions

- (a) Parent company and ultimate controlling company

First Steamship Company Ltd. is the ultimate controlling company of the Group.

- (b) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements:

Name of related party	Relationship with the Group
Shanghai Tian An Tower Co., Ltd. (Note1)	The Group's manager is the company's director
Nanjing Tiandu Co., Ltd. (Nanjing Tiandu) (Note 1)	The Group's manager is the company's director
Shanghai Guorui Tongshun Environmental Protection Technology Co., Ltd.	The Group's manager is the company's director
Shanghai Allied Cement Holdings Limited	The Group's manager is the company's director
Shanghai Kaixuanmen Enterprise Development Co., Ltd. (Shanghai Kaixuanmen) (Note 1)	The Group's manager is the company's director
Tian An (Shanghai) Investment Co., Ltd. (Note1)	The Group's manager is the company's director
Nanjing Tianan Gangli Property Management Co., Ltd. (Note 1)	The Group's manager is the company's director
Gangli Property Management (Shanghai) Co., Ltd. (Note 1)	The Group's manager is the company's director

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Name of related party	Relationship with the Group
Shanghai Qianshu Property Management Co., Ltd. (Shanghai Qianshu Property)(Note 1)	The Group's manager is the company's director
Nanjing Grand Ocean Dongfadao Catering Co., Ltd. (Note 2)	Associate
Hainan Sanhe Licheng Business Service Co., Ltd.	Associate
Haikou Zhuke Technology Co., Ltd. (Zhuke Technology)	Associate
Wuhan Zhuke Technology Co., Ltd. (Zhuke Technology)	Associate
Shanghai Zhuke Technology Co., Ltd. (Zhuke Technology)	Associate
Chengdu Zhuke Technology Co., Ltd. (Zhuke Technology)	Associate
Changsha Zhuke Technology Co., Ltd. (Zhuke Technology)	Associate
Da Yu Financial Holdings Ltd.	Associate
Jiawang Assets Development Co., Ltd. (Jiawang Assets)	Associate
Sandmartin International Holdings Ltd.	Associate
PRO Brand Technology (Tw) Inc. (PBT)	A subsidiary of the associate

Note 1: After the change of directors in 2023, they are no longer related parties of the Group.

Note 2: The Group sold all of shares in September 2023, it's no longer related parties of the Group.

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(c) Significant transactions with related parties

1. Other current assets (Prepayments)

	December 31, 2024	December 31, 2023
Shanghai Qianshu Property Management	\$ -	4,773

The amount represents the Group's fixed monthly advance payment of variable rent under the lease agreement, and the difference in rents and expenses is refunded or made up after the end of the year. The Group should refund the aforesaid prepaid variable rental based on income under the original lease agreement. At the end of 2023, the Group assessed that the fixed monthly guaranteed rental under the original lease agreement was significantly lower than the market rental in the neighboring commercial district. The aforesaid rental prepayment is closer to the market rental in the commercial circle. Therefore, based on mutual benefit and cooperation for long-term interests and stable development, the Group will no longer collect the aforementioned payments from contacts and transfer the prepaid amount of \$174,470 thousand to the line item under operating expenses.

2. Other receivables

	December 31, 2024	December 31, 2023
Other related party	\$ -	1,914

3. Payables to related parties

The payables to related parties were as follows:

Account	Relationship	December 31, 2024	December 31, 2023
Other payables	Other related party	\$ -	11,142
Other payables (Note)	Zhuke Technology	56,621	6,712
		\$ 56,621	17,854

Note: Collected of payment for car sale on behalf of related party.

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4. Leases

(1) Lease liabilities and interest costs

Relationship	Purpose	Lease liabilities	
		December 31, 2024	December 31, 2023
Shanghai	Department store		
Kaixuanmen	building	\$ -	4,272,732
Nanjing Tiandu	Department store		
	building	-	926,731
Other related party	Office building	-	2,026
Other related party	Energy saving renovation engineering equipment	7,986	10,874
		\$ 7,986	5,212,363

Note: To sign the lease agreement with related parties above, the price and the way of payment are based on the agreements between the parties and the Group.

Relationship	Purpose	Interest expense	
		2024	2023
Shanghai	Department store		
Kaixuanmen	building	\$ -	204,574
Nanjing Tiandu	Department store		
	building	-	40,972
Other related party	Office building	-	301
Other related party	Energy saving renovation engineering equipment	450	1,276
		\$ 450	247,123

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(2) Operating lease

Relationship	Purpose	Rent expense	
		For the years ended December 31	
		2024	2023
Other related parties (Note)	Office building	\$ 154	149

Relationship	Purpose	Property management fee	
		For the years ended December 31	
		2024	2023
Other related party	Office and department store building	\$ -	3,800

Note: These leases are short-term lease, and the Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(3) Lease deposits

Account	Relationship	December 31, 2024	December 31, 2023
Other non-current financial assets	Shanghai Kaixuanmen	\$ -	74,106
Other non-current financial assets	Nanjing Tiandu	-	8,672
Other non-current financial assets	Other related party	-	3,217
		\$ -	85,995

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5. Operating revenue and lease receivable

The amounts of significant interest income of finance leases and lease receivables by the Group to related parties were as follows:

Account	Relationship	For the years ended December 31	
		2024	2023
Financial lease interest income	Zhuke Technology	\$ 2,906	2,653
Lease revenue	Zhuke Technology	-	10,231
		\$ 2,906	12,884

Account	Relationship	December 31, 2024	December 31, 2023
Lease receivables	Hainah Sanhe		
	Licheng	\$ 153,317	136,859
Lease receivables	Zhuke Technology	350,185	344,429
Less: Loss allowance - Hainan Sanhe Licheng		(151,219)	(113,920)
Less: Loss allowance - Zhuke Technology		(305,555)	(256,633)
		\$ 46,728	110,735

Derived from finance leases, the interest income received by the Group from its associates is based on interest rates agreed by both parties and collected monthly. Those interest rates are not significantly different from those for unrelated parties. The receivables due from related parties were guaranteed by vehicles under finance lease.

The overdue receivables of Hainah Sanhe Licheng and Zhuke Technology resulted from the COVID-19 pandemic, which significantly increased their credit risk. After assessment of the value of collateral, the Group recognized impairment losses of ECLs of \$65,217 thousand and \$199,897 thousand for the years ended December 31, 2024 and 2023, respectively.

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6. Account receivables-related parties

The amounts of account receivables by the Group related parties were as follows:

Account	Relationship	December 31, 2024	December 31, 2023
Other receivables (loaning funds)	Hainah Sanhe Licheng	\$ -	14,309
Other receivables (loaning funds)	Jiawang Assets	16,200	980
Other receivables (interest)	Hainah Sanhe Licheng	2,817	2,384
Other receivables (interest)	Zhuke Technology	4,643	4,414
Other receivables (interest)	Jiawang Assets	602	40
Other receivables (preferred stock dividend)	Jiawang Assets	6,020	3,369
Other receivables (others)	Zhuke Technology	4,197	460
Less: Loss allowance		(13,329)	(23,239)
		\$ 21,150	2,717
Other financial assets	Zhuke Technology	\$ 36,487	34,687
Less: Loss allowance		(36,487)	(34,687)
		\$ -	-

The Group uses loss provision to provide for its lifetime ECLs on both receivables from its related parties and other financial assets. The credit risk on financial assets of Hainan Sanhe and Zhuke Technology has increased significantly; therefore, the Group assessed the values of their collateral, subsequent recoverability, and sources of funds for repayments into consideration, recognizing gains of \$10,734 thousand and \$53,122 thousand on reversal of ECLs for 2024 and 2023, respectively.

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All the loans to related parties were unsecured, with an annual interest rate of 6%~8.4%. Related amounts were as follows:

	Interest income	
	For the years ended December 31	
	2024	2023
Hainah Sanhe Licheng	\$ 284	1,360
Zhuke Technology	-	1,517
Jiawang Assets	607	45
	\$ 891	2,922

7. The Group promised to buy unconditionally the default claims from Shangshi for Zhuke Technology who violated the agreement. Please refer to Note 9(a) for further information. The details were as follows:

	December 31, 2024	December 31, 2023
Contract residual amounts	\$ -	25,467
Loss allowance (recognized as other current liabilities)	\$ -	25,467

- (1) The credit risk of Hainah Sanhe Licheng has increased significantly; therefore, the Group assessed that the values of their collateral might fail to fully cover the potential default risk during the contract period and recognized gains on ECLs of \$3,511 thousand and impairment losses of \$23,015 thousand for the years ended December 31, 2024 and 2023, respectively.
- (2) The Group signed the contract of cooperation with Shangshi Financial Leasing Co., Ltd. on March 29, 2024. The Group paid the amount to repurchase the debit of Hainan Sanhe Licheng Business Service Co., Ltd. for \$23,181 thousand (RMB5,083 thousand) and recognized on accounts receivable. In addition, it reclassifies from other non-current liabilities to accounts receivable.

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8. Other

- (1) The Group provided management consulting services and signed service contracts with other related parties. During 2024 and 2023, revenue from consulting services amounted to \$0 and \$1,040 thousand, respectively.
- (2) On March 31, 2023, and June 8, 2023, the Group signed a cash capital increase underwriting agreement with an associate Sandmartin International Holdings Ltd. and participated in its cash capital increase, with the Group acting as the lead underwriter; please refer to Note 6(f) for further information. In addition, the commission income collected by the Group due to the underwriting agreement was \$2,512 thousand.
- (3) The resolution of the Board of Directors was passed on January 17, 2024 for the Group to participate in the cash capital increase of Da Yu Financial Holdings Ltd. according to the ratio of shareholding. Please refer to Note 6(f) for further information.
- (4) The Group purchased the special shares of Jiawang Assets Development Co., Ltd., with the shares amount of 3,000 thousand (in cash \$30,000 thousand) and 2,990 thousand (in cash \$29,900 thousand) in 2020 and 2019, respectively. The special shares have cumulative priority rights and the dividend interest rate are 8% and 6% respectively and the duration both are 5 years. As of December 31, 2024, the Group get back the principal amount of \$59,900 thousand and recognize the interest income from special shares of \$15,048 thousand.
- (5) The Group subscribed for private placement of convertible bonds of PRO Brand Technology (TW) Inc. for \$97,038 thousand (USD3,000 thousand) in 2024 and recognized as financial assets at fair value through profit or loss - current.

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Key management personnel compensation comprised:

	For the years ended December 31	
	2024	2023
Short-term employee benefits	\$ 55,487	57,486

2. The Group granted key management personnel rights to subscribe treasury shares as prepaid salaries. As of December 31, 2024 and 2023, those prepaid salaries amounting to \$40,351 thousand (RMB8,847 thousand) and \$39,438 thousand (RMB9,096 thousand), respectively, were recognized as other non-current assets.

(8) Pledged assets

The carrying amount of pledged assets were as follows:

Pledged assets	Object	December 31, 2024	December 31, 2023
Inventories-construction industry	Bank loans	\$ 1,473,398	1,448,146
Other financial assets	Bank depository funds	13,399	15,435
Other financial assets	Frozen deposits due to lease dispute	35,853	31,313
Other financial assets	Bank loans	763,925	934,557
Other financial assets	Litigation security	81,227	76,086
Other financial assets	Trust account	26,975	-
Property, plant and equipment (Note)	Bank and other secured loans	11,018,377	10,885,896
Investment property	Bank loans	139,143	140,116
		\$ 13,552,297	13,531,549

Note: Property, plant and equipment including the land use rights, which are recognized as right-of-use assets.

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Except for those described in Note 6, the Group's other significant commitments and contingencies were as follows:

(a) Unrecognized contractual commitments

- The unrecognized contractual commitments of the Group were as follows:

	December 31, 2024	December 31, 2023
<u>Contracted price</u>		
Sales of buildings and land	\$ 405,367	-
Acquisition of buildings and land	665,331	665,331
Subcontracted construction projects	47,034	21,920
<u>Received or paid price</u>		
Sales of buildings and land (recognized as contract liabilities-current)	\$ 27,262	-
Acquisition of buildings and land (prepayment for land purchases and development costs)	259,406	279,912
Subcontracted construction projects (recognized as inventories)	18,612	5,024

- Shangshi Financial Leasing Co., Ltd. (Shangshi) entered into several finance leases contracts with different customers introduced by the Group based on the Finance Lease Business Cooperation Agreement signed by Shangshi and the Group. According to the agreement, the Group should look for customers with good credit ratings, in accordance with the specified risk management standards, before introducing them to Shangshi. Thereafter, the Group will receive a portion of contract prices from Shangshi. In addition, the Group promised to purchase unconditionally the default debt claims from Shangshi for any customer who breached the contracts. There were no material overdue receivables arising from the above-mentioned contract. For 2024 and 2023, the Group took into consideration the possibility of default during the contract period to recognize allowances for ECLs; please refer to Note 6(w) for the ECLs. The details of contracts were as follows:

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	December 31, 2024	December 31, 2023
Contract value	\$ -	101,867
Residual amounts	\$ -	33,441

The Group signed the contract of cooperation with Shangshi Financial Leasing Co., Ltd. on March 29, 2024. The Group paid Shangshi Financial Leasing Co., Ltd. \$26,008 thousand (RMB5,702 thousand) to repurchase on above the default claim of \$28,663 thousand (RMB6,285 thousand) and recognize as accounts receivable. In addition, reclassify the allowance for losses under other non-current liability \$27,900 thousand (RMB6,285 thousand) to accounts receivable.

3. The Group signed the joint construction contracts with other companies as follows:

Construction method	Project name or land lot No.
Joint construction with allocation of buildings	Me island phase III B1
Joint construction	Nan Jing Jian Kang
Joint construction and investment with allocation of buildings	Tucheng Yongfu (Note)

Note: As joint investors and builders, the Group and Honor Construction Ltd. endorsed each other as stipulated in the contract. Please refer to Note 13 for details.

- (b) Significant contingencies:

- While the Group acquired the Quanzhou store, the assignor, Quanzhou FuHua Co., Ltd., failed to comply with the term of the contract, which stated that the assignor should repay the mortgage loan secured by the 4th floor of the Quanzhou store with the consideration paid by the Group to release the mortgage. Therefore, the mortgagee filed an application to freeze the rent earned from the 4th floor of the Quanzhou store in June 2020. The Group evaluates that the creditor still has means to repay the mortgage loan; hence, the 4th floor of the Quanzhou store should not be at risk of impairment.

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2. A subsidiary of the Group, Chongqing Optics Valley Grand Ocean Commercial Development Co., Ltd., negotiated with the lessor, Chongqing Zhengsheng Real Estate Ltd. (hereinafter referred to as "Chongqing Zhengsheng"), for rent concession and shortening of lease term in 2020 because the business was out of expectation and the rental was higher than market price in the vicinity. However, the negotiation was futile. In November 2020, Chongqing Zhengsheng filed a lawsuit with the court, claiming that the Group should pay both the rental for the use of the space beyond the agreed area and the overdue rentals accumulated during the previous years. The Group has recognized rental of 51,253 thousand (RMB11,564 thousand) in lease liabilities in accordance with both the force majeure deadline stipulated by the government and the original lease contract. The Group also counterclaimed the rental pricing in this case and requested for rent reduction. On June 26, 2023, the court ruled against the Group, which shall repay the outstanding rents payable of \$18,076 thousand (RMB4,087 thousand) for the excess of the agreed area, and the amount was recognized as operating expenses. In addition, the Group shall pay the default payment and related litigation expenses totaling \$12,167 thousand (RMB2,751 thousand), and the amount was recognized as operating expenses as well as other gains and losses. As of December 31, 2024, the aforementioned amounts have been paid in full.
3. Chongqing Optics Valley Grand Ocean Commercial Development Ltd., a subsidiary of the Group, has incurred continuous operating losses. It ceased operation on October 31, 2022 and terminated the lease contract in advance with the owner, Chongqing Zhengsheng Real Estate Co., Ltd. ("Chongqing Zhengsheng"). However, Chongqing Zhengsheng filed a litigation against Chongqing Optics Valley Grand Ocean Commercial Development Ltd. on August 17, 2023. Chongqing Zhengsheng's claims were as follows:

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- (1) Demanding the Group to pay early termination default payment of \$129,003 thousand (RMB28,285 thousand) under the lease contract. The default payment was offset by a performance bond of \$29,645 thousand (RMB6,500 thousand). In addition, the Group estimated and recognized \$123,867 thousand (RMB27,159 thousand) as other payables; On September 19, 2024, in accordance with the court's first-instance judgment, the overvalued early termination default payment of \$107,467 thousand (RMB24,207 thousand) were reversed and recognized as other gains and losses.
- (2) Demanding the Group to settle rentals overdue and the default payments totaling \$116,520 thousand (RMB25,548 thousand) as of the handover date, for which the Group has estimated and recognized amount as other payables. On September 19, 2024, in accordance with the court's first-instance judgment, the overvalued rent and default payments of \$1,012 thousand (RMB228 thousand) were reversed and recognized as other gains and losses.
- (3) Demanding the Group to pay the rental, penalty and occupancy fee totaling \$20,502 thousand (RMB4,618 thousand) owed by Huanyang Cinema from the site clearance date to the litigation date. However, the Group had already sent a mail by post to prove the handover of the site. Besides, the Group was no longer able to use the underlying subject. Therefore, the Group deemed the Chongqing Zhengsheng's request to be ungrounded, and the Group should not be liable for compensation. According to the first-instance judgment of the court on September 19, 2024, the Group should pay Huanyang Cinema demolition and occupancy fees of \$12,168 thousand (RMB2,668 thousand), which were recognized as other payables and other gains and losses.

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- (4) Demanding the Group to refund the reduced portion of rent for prior years, the penalty fee and related litigation expenses totaling \$36,422 thousand (RMB8,204 thousand). However, the Group had already refunded the reduced portion of rentals to Chongqing Zhengsheng. The Group deemed the Chongqing Zhengsheng's request to be ungrounded, hence the Group should not be liable for compensation. According to the first-instance judgment of the court on September 19, 2024, the Group should pay a total of \$3,334 thousand (RMB731 thousand) for site restoration fees and related litigation expenses, which were recognized as other payables and other gains and losses.

Chongqing Zhengsheng applied property protection to the court on September 7, 2023. The court froze the Group's bank deposit of \$28,706 thousand (RMB6,294 thousand) recognized in other financial assets - current and the equity of \$228,041 thousand (RMB50,000 thousand) in Nanjing Grand Ocean Classic Commercial Ltd., a subsidiary of the Group.

The Group assessed that the aforementioned amounts had been included in the accounts in accordance with the first-instance judgment of the court. However, Chongqing Zhengsheng disagreed with the judgment of the court and appointed a lawyer to file an appeal, and the second-instance judgment of the court on November 21, 2024 upheld the results of the first-instance judgment, and the Group settled the case with Chongqing Zhengsheng on December 30, 2024. As of December 31, 2024, the remaining \$108,639 thousand (RMB23,820 thousand) has not yet been paid and is recognized as other payables.

4. Hubei Huayu filed a lawsuit against Grand Ocean Classic Commercial Group Ltd. and Wuhan Optics Valley Grand Ocean Commercial Development Co., Ltd. in the 3rd quarter of 2021 for the dispute over the equity investment in Hubei Huayu prior to 2017, claiming damages amounting to RMB93 million. On July 28, 2022, the court ruled in the first instance that the Group won the case, but Hubei Huayu refused to accept the court's judgment and appointed a lawyer to file an appeal, which is still in court. Later, on August 16, 2024 the court finally ruled in favor of the Group.

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5. On August 31, 2023, Wuhan Hanyang Grand Ocean Jingdian Commercial Ltd., a subsidiary, ceased operation due to continuing losses and requested early termination of its lease with the landlord, Wuhan Trade State-owned Holdings Group Co., Ltd. (hereinafter referred to as "Wuhan Trade"). On November 26, 2023, Wuhan Trade filed a lawsuit with the court to request the following:
- (1) Demanding the Group to pay the rentals overdue, for which the Group has estimated and recognized an amount in lease liabilities. In addition, the Group recognized a default payment for early contract termination amounting to \$207,549 thousand (RMB45,507 thousand) in other payables. Moreover, the performance bond of \$22,804 thousand (RMB5,000 thousand) was not refunded, for which the Group has recognized losses on bad debts in other gains and losses in 2023. In accordance with the first-instance judgment of the court on June 14, 2024, the rent for September 2023 was additionally estimated at \$15,152 thousand (RMB3,413 thousand), and the liquidated damages for early termination of the overestimation were reversed at \$22,198 thousand (RMB5,000 thousand), recognized as other gains and losses;
 - (2) Demanding the Group to pay \$33,674 thousand (RMB7,585 thousand) for lease losses caused by premature termination of lease contract. According to the first-instance judgment of the court on June 14, 2024, the Group has no obligation to compensate.
 - (3) Demanding the Group to refund the reduced portion of rentals and the default payments totaling \$85,105 thousand (RMB19,170 thousand), for which the Group has estimated and recognized \$85,643 thousand (RMB18,778 thousand) as other payables. According to the first-instance judgment of the court on June 14, 2024, the Group had no obligation to compensate, so the aforementioned amount was reversed and recorded as other gains and losses;
 - (4) Demanding the Group to refund the rentals of \$21,270 thousand (RMB4,791 thousand) paid during the 5-month rent-free period in prior years. According to the first-instance judgment of the court on June 14, 2024, the Group has no obligation to compensate.

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- (5) Demanding the Group to pay the demolition fees and related litigation expenses totaling \$10,397 thousand (RMB2,342 thousand) for the cinema on the 5th floor that is to be demolished. According to the first-instance judgment of the court on June 14, 2024, the Group should pay litigation expenses of \$1,327 thousand (RMB291 thousand), which were recorded as other payables and other gains and losses.

On December 21, 2023, Wuhan Trade filed an application for property preservation with the court. The court legally frozen the bank deposits of the Group of \$306 thousand (RMB67 thousand), and the amount was recognized as other current financial assets.

The Group assessed that the aforementioned amounts had been included in the accounts in accordance with the first-instance judgment of the court. However, Wuhan Trade disagreed with the judgment of the court and appointed a lawyer to file an appeal, and the second-instance judgment of the court on September 29, 2024 upheld the results of the first-instance judgment, and the Group settled the case with Wuhan Trade on December 2, 2024. As of December 31, 2024, the remaining \$99,996 thousand (RMB21,925 thousand) has not yet been paid and is recognized as other payables.

6. On August 31, 2023, Wuhan Hanyang Grand Ocean Jingdian Commercial Ltd., a subsidiary of the Group, ceased operation due to continuing losses and terminated its lease with a brand vendor, Wuhan Laopai Catering Management Co., Ltd. ("Laopai") before the end of contract term. On December 20, 2023, Laopai filed a request for arbitration to demand the refund of performance bond and default payment for early termination, renovation losses and related litigation expenses totaling \$27,085 thousand (RMB6,101 thousand). According to the arbitration ruling on October 12, 2024, the Group should compensate Laopai for the aforementioned expenses in total of \$25,016 thousand (RMB5,485 thousand), which has been estimated and recognized as other payables and other gains and losses.

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7. In May 2022, Sure Success Steamship S.A. ("SSS"), the Group's subsidiary, contracted with Perfect Bulk Limited ("PB") to lease a bulk carrier named Ever Success to it. As PB failed to pay the remaining rentals and the differences in fuel oil prices totaling USD431 thousand as well as the fuel expenses paid on behalf of PB of USD350 thousand (\$11,475 thousand recognized as other current assets). In July 2023, the Group filed a lawsuit with the London Court of International Arbitration. In addition, the Group applied to the South African court in August 2023 and was approved to arrest PB's ship Tai Harmony. PB has provided a deposit of \$28,720 thousand (USD876 thousand) to lift the seizure of the vessel. During September 2023, PB also filed a counterclaim with the India court, claiming that the Group was liable for business losses caused by its refusal to carry steel rolls and container during the lease period and applying for the seizure of Ever Success, a vessel of subsidiary SSS to use it as the security for the counterclaim. In October 2023, the Group provided the court with a deposit of \$81,227 thousand (USD2,478 thousand) to lift the seizure of the vessel (recognized as other non-current financial assets). The aforementioned case has now been consolidated and is under arbitration in London, United Kingdom. Both parties presented their statements in March 2025. According to the opinion of the appointed legal counsel, the counterclaim amount by PB is estimated to fall within the range of USD1,500 thousand to USD2,000 thousand.

The Group refused to load PB's cargo under the contract on the basis that the charterer's restrictions on the use of the vessel and the rolled materials loading manual and the IMSBC (International Maritime Solid Bulk Cargo Code) were specified in the contract; therefore, PB's claim was ungrounded, and the Group shall not be liable for compensation.

In the second quarter of 2024, the Group applied to the South African court for an additional deposit of \$14,278 thousand (USD436 thousand) that PB should deposit and was approved. PB has appealed to the South African court and applied to cancel the deposit and subsequent additional deposit. Totalling \$42,998 thousand (USD1,312 thousand), the application was rejected by the court on July 23, 2024. Later, PB then filed an appeal with the Supreme Court on August 22, 2024 and on December 9, 2024 filed an application with the Court to prove that the legal representative of PB had no shareholding relationship with Tai Harmony prior to the seizure of the vessel, which the case is still pending in the court.

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements****(10) Losses due to major disasters: None.****(11) Significant subsequent events: None.****(12) Other**

- (a) The employee benefit expenses, depreciation and amortization, categorized by function, were as follows:

	For the years ended December 31					
By function	2024			2023		
By item	Cost of sales	Operating expense	Total	Cost of sales	Operating expense	Total
Employee benefit expenses						
Salary	352,586	498,455	851,041	343,761	595,166	938,927
Health and labor insurance	-	5,743	5,743	-	6,027	6,027
Pension	-	54,597	54,597	-	58,978	58,978
Others	25,664	95,719	121,383	22,702	130,246	152,948
Depreciation	438,782	1,545,737	1,984,519	438,458	1,559,801	1,998,259
Amortization	61,450	5,251	66,701	51,712	7,007	58,719

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(13) Other disclosures

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the year ended December 31, 2024:

1. Loans to others: Please refer to Table 1.
2. Guarantees and endorsements for other parties: Please refer to Table 2.
3. Holding of marketable securities at the reporting date (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 3.
4. Individual securities acquired or disposed of with accumulated amount exceeding the lower of \$300 million or 20% of the capital stock: None.
5. Acquisition of individual real estate with amount exceeding the lower of \$300 million or 20% of the capital stock: None.
6. Disposal of individual real estate with amount exceeding the lower of \$300 million or 20% of the capital stock: None.
7. Related-party transactions for purchases and sales with amounts exceeding the low of \$100 million or 20% of the capital stock: None.
8. Receivables from related parties of \$100 million or 20% of paid-in capital or more: Please refer to Table 4.
9. Trading in derivative instruments: Please refer to Notes 6(b) and (w).
10. Business relationships and significant intercompany transactions: Please refer to Table 5.

(b) Information on investees: Please refer to Table 6.

(c) Information on investment in mainland China: Please refer to Table 7.

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

(d) Major shareholders:

Unit: Shares

Shareholder's name	Shareholding	Shares	Percentage
Henghua Investment Co., Ltd.		57,065,945	6.91%
Capital Securities trusted custody Investment account of Lukfook Financial (HK) Ltd.		46,358,716	5.62%

Note: (1) The information of major shareholders in this table is based on the last business day of each quarter, and is calculated based on the shareholders holding more than 5% of the Company's common shares (including treasury shares) that have been issued without physical registration. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration due to different bases of preparation and calculation.

(2) In the case of the above information, if a shareholder delivers shares to the trust, the shares will be individually disclosed by the trustee who opened the trust account. In accordance with the Securities and Exchange Act, significant shareholders reported insider holdings of more than 10% in the Company, including individual holdings, plus entrusted shares whose utilization was at discretion of the owners. For information on the reported insider holdings, please refer to the Market Observation Post System website.

(14) Segment information

(a) General information

The Group has 4 reportable segments: the Marine Transportation Segment, the Investment Segment, the Department Store Segment, and the Rental Segment. The Marine Transportation Segment mainly engages in international maritime transportation and related businesses. The Investment Segment's main operating activities are domestic and international investment. The Department Store Segment mainly retails general merchandise. The Rental Segment mainly engages in car finance lease. The reportable segments are the Group's strategic divisions. They offer different products and services, and are managed separately because they require different technology and marketing strategies. Most of the strategic divisions were acquired separately.

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

(b) The Group's operating segment information and reconciliation were as follows:

	<u>Shipping department</u>	<u>Investing department</u>	<u>Department store department</u>	<u>Rental department</u>	<u>Construction department</u>	<u>Reconciliation and elimination</u>	<u>Total</u>
2024							
Revenue:							
Revenue from external customers	\$ 1,583,988	7,012	3,234,915	24,077	-	-	4,849,992
Intersegment revenues	-	1,574	-	-	-	(1,574)	-
Interest income	2,506	85,380	34,434	383	15,861	(66,939)	71,625
Total revenue	<u>\$ 1,586,494</u>	<u>93,966</u>	<u>3,269,349</u>	<u>24,460</u>	<u>15,861</u>	<u>(68,513)</u>	<u>4,921,617</u>
Interest expense	\$ 130,350	72,989	662,011	28,516	41,953	(70,802)	865,017
Share of profit (loss) of associates accounted for using equity method	-	28,021	-	-	(1,723)	-	26,298
Reportable segment profit or loss	<u>\$ 166,324</u>	<u>(52,078)</u>	<u>(447,575)</u>	<u>(81,908)</u>	<u>(38,171)</u>	<u>-</u>	<u>(453,408)</u>
Investments accounted for using equity method	\$ -	738,250	-	-	8,710	-	746,960
Reportable segment assets	<u>\$ 7,250,457</u>	<u>5,144,884</u>	<u>24,215,428</u>	<u>209,596</u>	<u>1,359,115</u>	<u>(3,286,047)</u>	<u>34,893,433</u>
Reportable segment liabilities	<u>\$ 1,989,991</u>	<u>4,021,755</u>	<u>19,429,121</u>	<u>501,079</u>	<u>1,136,395</u>	<u>(3,286,047)</u>	<u>23,792,294</u>
	<u>Shipping department</u>	<u>Investing department</u>	<u>Department store department</u>	<u>Rental department</u>	<u>Other department</u>	<u>Reconciliation and elimination</u>	<u>Total</u>
2023							
Revenue:							
Revenue from external customers	\$ 1,623,355	6,923	3,820,133	51,512	-	-	5,501,923
Intersegment revenues	-	1,566	-	-	-	(1,566)	-
Interest income	5,077	92,074	27,598	3,954	161	(61,621)	67,243
Total revenue	<u>\$ 1,628,432</u>	<u>100,563</u>	<u>3,847,731</u>	<u>55,466</u>	<u>161</u>	<u>(63,187)</u>	<u>5,569,166</u>
Interest expense	\$ 154,637	70,317	688,683	44,620	42,760	(64,872)	936,145
Share of profit (loss) of associates accounted for using equity method	-	(284,817)	(15,074)	-	11,147	-	(288,744)
Reportable segment profit or loss	<u>\$ 249,129</u>	<u>(452,263)</u>	<u>(1,861,600)</u>	<u>(238,908)</u>	<u>(1,234)</u>	<u>-</u>	<u>(2,304,876)</u>
Investments accounted for using equity method	\$ -	466,177	-	-	15,333	-	481,510
Reportable segment assets	<u>\$ 7,244,607</u>	<u>4,680,495</u>	<u>24,236,402</u>	<u>368,353</u>	<u>1,374,742</u>	<u>(2,535,646)</u>	<u>35,368,953</u>
Reportable segment liabilities	<u>\$ 2,301,079</u>	<u>3,814,000</u>	<u>19,163,603</u>	<u>565,420</u>	<u>1,113,851</u>	<u>(2,535,646)</u>	<u>24,422,307</u>

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (c) Product and service information

For the revenue from the external customers of the Group, please refer to Note 6(t).

- (d) Geographic information

The segment revenue based on the geographical location of customers, please refer to Note 6(t) for Geographic information.

- (e) Major customers

The major customers of the Group were less than 10% of the operating revenue.

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Table 1 Loans to Others
(December 31, 2024)

(Expressed in Thousands of New Taiwan Dollars)																	
No.	Creditor	Borrower	General ledger account	Is a related party (Y/N)	Maximum outstanding balance	Closing balance	Actual amount drawn down	Range of interest rates	Nature of loan	Amount of transaction with the borrower	Reason for short-term financing	Loss allowance	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Note
													Item	Value			
0	First Steamship Co., Ltd.	Royal Sunway Development Co., Ltd.	Other receivables - related parties	Y	1,000,000	750,000	688,000	3.25%	2	-	Business operation	-	Cashier's order	750,000	3,608,136	3,608,136	
1	Royal Sunway Development Co., Ltd.	Jiawang Assets Development Co., Ltd.	Other receivables - related parties	Y	16,200	16,200	16,200	6.00%	2	-	Business operation	-	Cashier's order	16,200	89,088	89,088	
2	First Steamship S. A.	Ahead Capital Ltd.	Other receivables - related parties	Y	721,270	721,270	694,517	0.00%	2	-	Business operation	-	-	-	10,970,202	10,970,202	
2	First Steamship S. A.	Media Assets Global Ltd.	Other receivables - related parties	Y	393,420	393,420	367,225	0.00%	2	-	Business operation	-	-	-	10,970,202	10,970,202	
2	First Steamship S. A.	First Steamship Co., Ltd.	Other receivables - related parties	Y	491,775	491,775	276,214	0.00%	2	-	Business operation	-	-	-	1,462,694	1,462,694	
2	First Steamship S. A.	Grand Ocean Retail Group Ltd.	Other receivables - related parties	Y	786,840	622,915	590,130	5.35%	2	-	Business operation	-	Cashier's order	622,915	1,462,694	1,462,694	
2	First Steamship S. A.	Mariner Finance Ltd.	Other receivables - related parties	Y	458,990	429,484	363,915	0.00%	2	-	Business operation	-	-	-	10,970,202	10,970,202	
3	Nature Sources Ltd.	First Steamship S.A.	Other receivables - related parties	Y	295,065	295,065	294,737	0.00%	2	-	Business operation	-	-	-	884,880	884,880	
4	Heritage Riches Ltd.	First Steamship S.A.	Other receivables - related parties	Y	32,785	32,785	23,277	0.00%	2	-	Business operation	-	-	-	84,828	84,828	
5	Grand Citi Ltd.	Grand Ocean Retail Group Ltd.	Other receivables - related parties	Y	1,770,390	1,770,390	1,334,628	3.95%	2	-	Business operation	-	-	-	83,399,120	83,399,120	
5	Grand Citi Ltd.	Grand Ocean Classic Commercial Group Ltd.	Other receivables - related parties	Y	286,869	286,869	236,047	0.00%	2	-	Business operation	-	-	-	83,399,120	83,399,120	
6	Mariner Finance Ltd.	Hainan Sanhe Licheng Business Service Co., Ltd.	Other receivables - related parties	Y	22,804	-	-	8.40%	1	-	Business transaction	-	-	-	-	-	Note 9
7	Grand Ocean Classic Commercial Group Ltd.	Hengyang Grand Ocean Commercial Development Ltd.	Other receivables - related parties	Y	337,501	314,697	311,960	0.00%	2	-	Business operation	-	-	-	66,511,480	66,511,480	
7	Grand Ocean Classic Commercial Group Ltd.	Quanzhou Grand Ocean Commercial Ltd.	Other receivables - related parties	Y	1,828,889	1,505,071	1,502,790	0.00%	2	-	Business operation	-	-	-	66,511,480	66,511,480	
7	Grand Ocean Classic Commercial Group Ltd.	Fuzhou Grand Ocean Classic Commercial Ltd.	Other receivables - related parties	Y	1,509,631	1,509,631	1,394,699	0.00%	2	-	Business operation	-	-	-	66,511,480	66,511,480	
7	Grand Ocean Classic Commercial Group Ltd.	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Other receivables - related parties	Y	656,530	22,804	-	0.00%	2	-	Business operation	-	-	-	66,511,480	66,511,480	
7	Grand Ocean Classic Commercial Group Ltd.	Fuzhou Jiaruixing Business Administration Limited	Other receivables - related parties	Y	225,760	202,956	195,203	0.00%	2	-	Business operation	-	-	-	66,511,480	66,511,480	
7	Grand Ocean Classic Commercial Group Ltd.	Fuzhou Grand Ocean Commercial Ltd.	Other receivables - related parties	Y	375,356	375,356	275,018	0.00%	2	-	Business operation	-	-	-	66,511,480	66,511,480	
7	Grand Ocean Classic Commercial Group Ltd.	Hefei Grand Ocean Classic Commercial Department Ltd.	Other receivables - related parties	Y	22,804	-	-	0.00%	2	-	Business operation	-	-	-	66,511,480	66,511,480	
7	Grand Ocean Classic Commercial Group Ltd.	Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd.	Other receivables - related parties	Y	136,824	136,824	134,544	0.00%	2	-	Business operation	-	-	-	66,511,480	66,511,480	
7	Grand Ocean Classic Commercial Group Ltd.	Grand Ocean Retail Group Ltd.	Other receivables - related parties	Y	688,485	688,485	688,485	3.95%	2	-	Business operation	-	-	-	66,511,480	66,511,480	
8	Fuzhou Grand Ocean Commercial Ltd.	Fuzhou Grand Ocean Classic Commercial Ltd.	Other receivables - related parties	Y	88,936	-	-	0.00%	2	-	Business operation	-	-	-	19,828,360	19,828,360	
8	Fuzhou Grand Ocean Commercial Ltd.	Fuzhou Jiaruixing Business Administration Limited	Other receivables - related parties	Y	34,206	34,206	34,206	0.00%	2	-	Business operation	-	-	-	19,828,360	19,828,360	
8	Fuzhou Grand Ocean Commercial Ltd.	Wuhan Grand Ocean Classic Commercial Development Ltd.	Other receivables - related parties	Y	301,014	223,480	223,480	0.00%	2	-	Business operation	-	-	-	19,828,360	19,828,360	
9	Nanjing Grand Ocean Classic Commercial Ltd.	Grand Ocean Classic Commercial Group Ltd.	Other receivables - related parties	Y	2,575,312	2,386,037	2,364,145	0.10%	2	-	Business operation	-	-	-	20,541,440	20,541,440	
10	Wuhan Grand Ocean Classic Commercial Development Ltd.	Grand Ocean Classic Commercial Group Ltd.	Other receivables - related parties	Y	273,650	108,045	43,510	0.00%	2	-	Business operation	-	-	-	17,930,020	17,930,020	
10	Wuhan Grand Ocean Classic Commercial Development Ltd.	Shiyan Ocean Modern Shopping Co., Ltd.	Other receivables - related parties	Y	440,118	440,118	372,162	0.00%	2	-	Business operation	-	-	-	17,930,020	17,930,020	
10	Wuhan Grand Ocean Classic Commercial Development Ltd.	Hengyang Grand Ocean Commercial Development Ltd.	Other receivables - related parties	Y	168,749	168,749	133,175	0.00%	2	-	Business operation	-	-	-	17,930,020	17,930,020	

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No.	Creditor	Borrower	General ledger account	Is a related party (Y/N)	Maximum outstanding balance	Closing balance	Actual amount drawn down	Range of interest rates	Nature of loan	Amount of transaction with the borrower	Reason for short-term financing	Loss allowance	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Note
													Item	Value			
10	Wuhan Grand Ocean Classic Commercial Development Ltd.	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Other receivables - related parties	Y	45,608	-	-	0.00%	2	-	Business operation	-	-	-	17,930,020	17,930,020	
10	Wuhan Grand Ocean Classic Commercial Development Ltd.	Chongqing Optics Valley Grand Ocean Commercial Development Ltd.	Other receivables - related parties	Y	45,608	45,608	31,926	0.00%	2	-	Business operation	-	-	-	17,930,020	17,930,020	
10	Wuhan Grand Ocean Classic Commercial Development Ltd.	Wuhan Hanyang Grand Ocean Jingdian Commercial Ltd.	Other receivables - related parties	Y	45,608	45,608	44,149	0.00%	2	-	Business operation	-	-	-	17,930,020	17,930,020	
11	Yichang Grand Ocean Commercial Ltd.	Grand Ocean Classic Commercial Group Ltd.	Other receivables - related parties	Y	1,416,134	928,127	890,729	0.00%	2	-	Business operation	-	-	-	3,984,390	3,984,390	
11	Yichang Grand Ocean Commercial Ltd.	Wuhan Grand Ocean Classic Commercial Development Ltd.	Other receivables - related parties	Y	91,216	91,216	57,010	0.00%	2	-	Business operation	-	-	-	3,984,390	3,984,390	
11	Yichang Grand Ocean Commercial Ltd.	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Other receivables - related parties	Y	283,682	283,682	238,075	0.00%	2	-	Business operation	-	-	-	3,984,390	3,984,390	
12	Hefei Grand Ocean Classic Commercial Department Ltd.	Grand Ocean Classic Commercial Group Ltd.	Other receivables - related parties	Y	337,500	337,500	310,135	0.00%	2	-	Business operation	-	-	-	2,571,320	2,571,320	
12	Hefei Grand Ocean Classic Commercial Department Ltd.	Shanghai Jingxuan- Commercial Management Co., Ltd.	Other receivables - related parties	Y	319,257	-	-	0.00%	2	-	Business operation	-	-	-	2,571,320	2,571,320	
13	Shanghai Jingxuan- Commercial Management Co., Ltd.	Grand Ocean Classic Commercial Group Ltd.	Other receivables - related parties	Y	31,926	31,926	31,926	0.00%	2	-	Business operation	-	-	-	356,220	356,220	
14	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Grand Ocean Classic Commercial Group Ltd.	Other receivables - related parties	Y	243,319	45,608	9,122	0.00%	2	-	Business operation	-	-	-	17,088,670	17,088,670	
14	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Wuhan Grand Ocean Classic Commercial Development Ltd.	Other receivables - related parties	Y	106,723	68,412	54,274	0.00%	2	-	Business operation	-	-	-	17,088,670	17,088,670	
14	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Chongqing Optics Valley Grand Ocean Commercial Development Ltd.	Other receivables - related parties	Y	501,689	501,689	348,607	0% / 3.2%	2	-	Business operation	-	-	-	17,088,670	17,088,670	
14	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Wuhan Hanyang Grand Ocean Jingdian Commercial Ltd.	Other receivables - related parties	Y	45,608	45,608	25,085	0.00%	2	-	Business operation	-	-	-	17,088,670	17,088,670	
15	Quanzhou Grand Ocean Commercial Ltd.	Sanhohsiensen Trade Ltd.	Other receivables	N	4,561	4,561	4,561	0.00%	2	-	Business operation	4,561	-	-	47,070	47,070	Note 7

- Note 1: The maximum balance through the end of the month is based on the exchange rate at the end of the month*maximum balance of foreign-currency loans.
- Note 2: In accordance with the loans to others procedures of First Steamship Co., Ltd., the total amount of loans and the amount of loans to a single company are limited to 40% of the net worth of the company's most recent financial statements.
- Note 3: In accordance with the loans to others procedures of First Steamship S. A. and subsidiaries, the total amount of loans and the amount of loans to a single company are limited to 40% of the net worth of the company's most recent financial statements. For non-ROC companies in which First Steamship Co., Ltd. and First Steamship S.A. directly and indirectly hold 100% of the voting shares, the amount of the loan is limited to three times the net worth of the company's most recent financial statements.
- Note 4: In accordance with the loans to others procedures of Grand Ocean Retail Group Ltd. and its subsidiaries, the total amount of loans shall not exceed 40% of the net worth of the lending company's most recent financial statements, and the amount of individual transactions shall not exceed the amount of business transactions between the two parties. For direct and indirect holdings of 100% of the voting shares of non-ROC companies, the amount of the loan is limited to 40% of the lending company's net worth as shown in the most recent financial statements. Furthermore, for cases involving non-ROC companies in which the Company directly or indirectly holds 100% of the voting shares, or where such non-ROC companies directly or indirectly hold 100% of the Company's voting shares, the total amount and individual amount loans shall be limited to 1,000% of the lending company's net worth as shown in its most recent financial statements.
- Note 5: In accordance with the loans to others procedures of Mariner Finance Ltd., the total amount of loans and the amount of loans to a single company are limited to 40% of the net worth of Mariner Finance Ltd. as shown in its most recent financial statements. If the company provides loans for business transactions, the amount of individual loans shall not exceed the amount of business transactions between the two parties. In addition, for direct and indirect holdings of 100% of the voting shares of non-ROC companies, the amount of loans is limited to three times of the net worth of the company's most recent financial statements.
- Note 6: In accordance with the loans to others procedures of Royal Sunway Development Co., Ltd., the total amount of loans and the amount of loans to a single company are limited to 40% of the net worth of the company's most recent financial statements.
- Note 7: Quanzhou Grand Ocean Commercial Ltd. granted a loan of \$4,561 thousand to Sanhohsiensen Trade Ltd. and the court ruled in favor of Quanzhou Grand Ocean Commercial Ltd. in the second trial, but the Group assessed that it would be difficult to recover the loan, so an allowance for doubtful debt was recognized for the entire amount.
- Note 8: The loans and transactions between the Company and the above subsidiaries, except for Jiawang Assets Development Co., Ltd. have been eliminated when preparing consolidated financial statements.
- Note 9: The total amount of Mariner Finance Ltd.'s loan exceeded the limit, and the amount was fully recovered in April 2024, and the loan and remaining credit line were canceled. After review, the company has not exceeded the limit for the current period.

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Table 2 Guarantees and Endorsements for Other Parties

(December 31, 2024)

(Expressed in Thousands of New Taiwan Dollars)

No.	Endorser /guarantor	Party being endorsed/ guaranteed		Limit on endorsements/ guarantees provided for a the single party	Maximum outstanding endorsement/ guarantee amount in current period	Outstanding endorsement/ guarantee amount at end of period	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of endorser/guarantor	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 parties in China
		Company name	Relationship										
0	The Company	Shining Steamship International S.A.	2	27,061,023	748,154	748,154	555,850	-	8.29%	27,061,023	Y	N	N
0	The Company	Best Steamship S. A.	2	27,061,023	295,065	295,065	113,777	-	3.27%	27,061,023	Y	N	N
0	The Company	Excellent Steamship International S.A.	2	27,061,023	740,941	740,941	582,612	-	8.21%	27,061,023	Y	N	N
0	The Company	Alliance Steamship S.A.	2	27,061,023	655,700	655,700	91,798	-	7.27%	27,061,023	Y	N	N
0	The Company	Reliance Steamship S.A.	2	27,061,023	229,495	229,495	91,798	-	2.54%	27,061,023	Y	N	N
0	The Company	Grand Steamship S.A.	2	27,061,023	133,074	133,074	66,537	-	1.48%	27,061,023	Y	N	N
0	The Company	Longevity Navigation S.A.	2	27,061,023	393,420	393,420	140,976	-	4.36%	27,061,023	Y	N	N
0	The Company	Praise Maritime S.A.	2	27,061,023	813,068	813,068	127,690	-	9.01%	27,061,023	Y	N	N
0	The Company	Sure Success Steamship S.A.	2	27,061,023	280,312	280,312	59,505	-	3.11%	27,061,023	Y	N	N
0	The Company	Mariner Finance Ltd.	2	27,061,023	65,570	65,570	21,310	-	0.73%	27,061,023	Y	N	Y
0	The Company	Grand Ocean Retail Group Ltd.	2	27,061,023	917,980	262,280	-	-	2.91%	27,061,023	Y	N	N
0	The Company	Royal Sunway Development Co., Ltd.	2	27,061,023	1,419,500	1,285,900	342,700	945,000	14.26%	27,061,023	Y	N	N
1	First Steamship S.A.	Alliance Steamship S.A.	4	18,283,670	655,700	655,700	91,798	-	17.93%	18,283,670	N	N	N
1	First Steamship S.A.	Sure Success Steamship S.A.	4	18,283,670	198,349	198,349	59,505	-	5.42%	18,283,670	N	N	N
1	First Steamship S.A.	Reliance Steamship S.A.	4	18,283,670	229,495	229,495	91,798	-	6.28%	18,283,670	N	N	N
2	Royal Sunway Development Co., Ltd.	Honor Construction Ltd.	5	2,227,200	426,500	426,500	88,090	-	191.50%	4,454,400	N	N	N
3	Grand Citi Ltd.	Grand Ocean Retail Group Ltd.	3	25,072,950	163,925	-	-	-	0.00%	25,072,950	N	Y	N
4	Grand Ocean Classic Commercial Group Ltd.	Grand Ocean Retail Group Ltd.	3	36,379,710	1,344,185	1,180,260	852,410	Note 12	17.75%	36,379,710	N	Y	N
4	Grand Ocean Classic Commercial Group Ltd.	Wuhan Grand Ocean Classic Commercial Development Ltd.	2	36,379,710	615,711	615,711	448,516	-	9.26%	36,379,710	Y	N	Y
5	Fuzhou Grand Ocean Classic Commercial Ltd.	Grand Ocean Classic Commercial Group Ltd.	3	8,193,970	2,052,369	2,052,369	1,763,480	-	53783.25%	8,193,970	N	Y	Y
6	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Grand Ocean Classic Commercial Group Ltd.	3	17,562,660	2,348,822	2,052,369	1,763,480	2,066,467	120.10%	17,562,660	N	Y	Y
7	Fuzhou Grand Ocean Commercial Ltd.	Grand Ocean Classic Commercial Group Ltd.	3	12,110,980	2,052,369	-	-	-	0.00%	12,110,980	N	Y	Y
7	Fuzhou Grand Ocean Commercial Ltd.	Wuhan Grand Ocean Classic Commercial Development Ltd.	2	12,110,980	615,711	615,711	448,516	539,454	31.05%	12,110,980	Y	N	Y
8	Quanzhou Grand Ocean Commercial Ltd.	Grand Ocean Classic Commercial Group Ltd.	3	8,401,380	2,052,369	2,052,369	1,763,480	1,127,918	1744.11%	8,401,380	N	Y	Y
9	Wuhan Grand Ocean Classic Commercial Development Ltd.	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	2	32,173,695	456,082	456,082	228,041	1,124,361	25.44%	32,173,695	Y	N	Y

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- Note 1: The maximum balance through the end of the month is based on the exchange rate at the end of the month*maximum balance of foreign-currency endorsements/guarantees
- Note 2: The description of the No. columns is as follows:
- The number of the Company is 0.
 - The investee companies are numbered sequentially by company, starting with the number 1, and the same company code should be used for the same company.
- Note 3: The relationship between the endorser/guarantor and the party being endorsed/guaranteed can be divided into the following seven types, and it shall be indicated accordingly:
- (1) Companies with a business relationship.
 - (2) The endorser/guarantor company directly and indirectly owns more than 50% voting shares of the endorsed/guaranteed company.
 - (3) The endorsed/guaranteed company directly and indirectly owns more than 50% voting shares of the endorser/guarantor company.
 - (4) The endorser/guarantor company directly and indirectly owns more than 90% voting shares the endorsed/guaranteed company.
 - (5) Companies that provide mutual guarantees in accordance with contractual agreements due to the need for undertaking construction projects, either between peers in the same industry or among co-developers.
 - (6) Companies for which all contributing shareholders provide endorsements and guarantees in proportion to their shareholding due to joint investment relationships.
 - (7) Joint and several guarantees provided among industry peers for the performance of presale house sales contracts in accordance with the Consumer Protection Act.
- Note 4: According to the Company's endorsement and guarantee procedures, the total amount of endorsement and guarantee and the amount of endorsement and guarantee to a single enterprise are limited to three times of the shareholders' equity in the Company's most recent financial statements.
- Note 5: According to First Steamship S.A. and subsidiaries' endorsement and guarantee procedures, the total amount of endorsements and guarantees and the amount of endorsements and guarantees to a single enterprise are limited to five times of the net worth as shown in the company's most recent financial statements.
- Note 6: According to Mariner Finance Ltd. and its subsidiaries' endorsement and guarantee procedures, the total endorsement and guarantee amount and the endorsement and guarantee amount to a single company are limited to five times of the net worth as shown in Mariner Finance Ltd.'s most recent financial statements.
- Note 7: According to Grand Ocean Retail Group Ltd. and its subsidiaries' endorsement and guarantee procedures, the total amount of endorsement and guarantee and the amount of endorsement and guarantee to a single company are limited to ten times of the net worth as shown in the company's most recent financial statements. After review, the company has not exceeded the limit for the current period.
- Note 8: According to Grand Ocean Retail Group Ltd. and its subsidiaries' endorsement and guarantee procedures, for companies in which more than 50% of shares are directly or indirectly held, the total amount of endorsements and guarantees provided by the subsidiary Grand Citi Ltd., as well as the amount provided to any single company, shall be limited to three times of the total assets of Grand Citi Ltd. as shown in the most recent financial statements.
- Note 9: According to Grand Ocean Retail Group Ltd. and its subsidiaries' endorsement and guarantee procedures, for companies in which more than 50% of shares are directly or indirectly held, the total amount of endorsements and guarantees provided by Grand Ocean Classic Commercial Group Co., Ltd. and its subsidiaries, as well as the amount provided to any single company, shall be limited to five times of the total assets of Grand Ocean Classic Commercial Group Co., Ltd. and its subsidiaries as shown in the most recent financial statements.
- Note 10: According to Royal Sunway Development Co., Ltd.'s endorsement and guarantee procedures, the total amount of endorsement and guarantee shall be limited to twenty times of the net worth of the company's most recent financial statements, and the amount of endorsement and guarantee for a single company shall be limited to ten times of the net worth as shown in the company's most recent financial statements.
- Note 11: For the endorsement and guarantee provided for Royal Sunway Development Co., Ltd. by the Company, Royal Sunway Development Co., Ltd. issued a cashier's order in the amount of \$340,900 thousand as collateral.
- Note 12: For the endorsement and guarantee provided, standby letters of credit (Standby L/C) and time deposits in the amount of \$696,793 thousand were pledged as collateral.
- Note 13: Grand Ocean Retail Group Ltd.'s subsidiaries, Fuzhou Grand Ocean Classic Commerce Ltd., Wuhan Optics Valley Grand Ocean Commercial Development Ltd., and Quanzhou Grand Ocean Commercial Ltd. jointly endorsed and guaranteed the subsidiary, Grand Ocean Classic Commercial Group Co., Ltd. in the total amount of \$6,157,107 thousand at the end of the period with the actual risk exposure being \$2,052,369 thousand.
- Grand Ocean Retail Group Ltd.'s subsidiaries, Grand Ocean Classic Commercial Group Ltd. and Fuzhou Grand Ocean Commercial Ltd., jointly endorsed and guaranteed the subsidiary, Wuhan Grand Ocean Classic Commercial Development Ltd. in the total amount of \$1,231,422 thousand at the end of the period with the actual risk exposure being \$615,711 thousand.

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Table 3 Holding of Marketable Securities at the reporting date (excluding investment in subsidiaries, associates and joint ventures)
(December 31, 2024)

(Expressed in Thousands of New Taiwan Dollars)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	End of the period					Note
				Shares	Carrying amount	Shareholding ratio	Highest interim shareholding ratio	Fair value	
First Steamship Co., Ltd.	Corporate bonds of AT&T Inc	-	Financial assets at fair value through profit or loss - current	240	7,968	-	-	7,968	
First Steamship Co., Ltd.	Corporate bonds of Biogen Inc.	-	Financial assets at fair value through profit or loss - current	240	7,115	-	-	7,115	
First Steamship Co., Ltd.	Unsecured convertible bonds of PRO Brand Technology (TW) Inc.	A subsidiary of the associate	Financial assets at fair value through profit or loss - current	3	97,038	-	-	97,038	
Ahead Capital Ltd.	Shares of Wanjia Group Holdings Ltd.	-	Financial assets at fair value through profit or loss - current	1,772,000	374	0.32%	0.32%	374	
Ahead Capital Ltd.	Shares of China Construction Bank Corporation	-	Financial assets at fair value through profit or loss - current	70,000	1,915	0.00%	0.00%	1,915	
Ahead Capital Ltd.	Shares of Industrial and Commercial Bank of China Ltd.	-	Financial assets at fair value through profit or loss - current	85,000	1,870	0.00%	0.00%	1,870	
Ahead Capital Ltd.	Shares of China Minsheng Banking Corp., Ltd.	-	Financial assets at fair value through profit or loss - current	42,480	617	0.00%	0.00%	617	
Ahead Capital Ltd.	Shares of Bank of China Ltd.	-	Financial assets at fair value through profit or loss - current	70,000	1,173	0.00%	0.00%	1,173	
Ahead Capital Ltd.	Shares of Tian An Australia Ltd.	-	Financial assets at fair value through profit or loss - current	1,513,412	6,018	1.75%	1.75%	6,018	
Media Assets Global Ltd.	Shares of Tian An Australia Ltd.	-	Financial assets at fair value through profit or loss - current	12,763	51	0.01%	0.01%	51	
Heritage Riches Ltd.	Shares of Tian An Australia Ltd.	-	Financial assets at fair value through profit or loss - current	1,225,653	4,874	1.42%	1.42%	4,874	
Grand Ocean Group Ltd.	Funds of Allianz Income and Growth	-	Financial assets at fair value through profit or loss - current	46,510	12,667	-	-	12,667	

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Table 4 Receivables from Related Parties of \$100 Million or 20% of Paid-in Capital or More
(December 31, 2024)

(Expressed in Thousands of New Taiwan Dollars)

Creditor	Counterparty	Relationship	Balance of accounts receivables of related parties	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Loss allowance
					Amount	Action taken		
The Company	Royal Sunway Development Co., Ltd.	Subsidiary with 55% of shareholding	691,955	-	-	-	-	-
First Steamship S.A.	The Company	The parent company	276,214	-	-	-	-	-
First Steamship S.A.	Ahead Capital Ltd.	Subsidiary with 100% of shareholding	694,517	-	-	-	-	-
First Steamship S.A.	Media Assets Global Ltd.	Subsidiary with 100% of shareholding	367,225	-	-	-	-	-
First Steamship S.A.	Grand Ocean Retail Group Ltd.	Subsidiary with 46.83% of shareholding	615,655	-	-	-	-	-
First Steamship S.A.	Mariner Finance Ltd.	Same ultimate parent company	370,553	-	-	-	-	-
Nature Sources Ltd.	First Steamship S.A.	The parent company	294,737	-	-	-	-	-
Mariner Finance Ltd.	Zhuke Technology (Zhuke Group)	Associate	359,025	-	-	-	-	314,395
Mariner Finance Ltd.	Hainan Sanhe Licheng Business Service Co., Ltd.	Associate	156,134	-	-	-	-	154,036
Grand Citi Ltd.	Grand Ocean Retail Group Ltd.	The parent company	1,334,628	-	-	-	-	-
Grand Citi Ltd.	Grand Ocean Classic Commercial Group Ltd.	Subsidiary with 100% of shareholding	236,047	-	-	-	-	-
Grand Ocean Classic Commercial Group Ltd.	Hengyang Grand Ocean Commercial Development Ltd.	Subsidiary with 100% of shareholding	311,960	-	-	-	-	-
Grand Ocean Classic Commercial Group Ltd.	Quanzhou Grand Ocean Commercial Ltd.	Subsidiary with 100% of shareholding	1,502,790	-	-	-	-	-
Grand Ocean Classic Commercial Group Ltd.	Fuzhou Grand Ocean Classic Commercial Ltd.	Subsidiary with 100% of shareholding	1,394,699	-	-	-	-	-
Grand Ocean Classic Commercial Group Ltd.	Fuzhou Jiaruixing Business Administration Limited	Subsidiary with 100% of shareholding	195,203	-	-	-	-	-
Grand Ocean Classic Commercial Group Ltd.	Fuzhou Grand Ocean Commercial Ltd.	Subsidiary with 100% of shareholding	275,018	-	-	-	-	-
Grand Ocean Classic Commercial Group Ltd.	Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd.	Subsidiary with 100% of shareholding	134,544	-	-	-	-	-
Grand Ocean Classic Commercial Group Ltd.	Grand Ocean Retail Group Ltd.	The parent company	688,485	-	-	-	-	-
Fuzhou Grand Ocean Commercial Ltd.	Wuhan Grand Ocean Classic Commercial Development Ltd.	Grand Ocean Classic Commercial Group Ltd.'s subsidiary with 100% of shareholding	223,480	-	-	-	-	-
Nanjing Grand Ocean Classic Commercial Ltd.	Grand Ocean Classic Commercial Group Ltd.	Grand Ocean Classic Commercial Group Ltd.'s subsidiary with 100% of shareholding	2,364,145	-	-	-	-	-
Wuhan Grand Ocean Classic Commercial Development Ltd.	Shiyan Ocean Modern Shopping Co., Ltd.	Grand Ocean Classic Commercial Group Ltd.'s subsidiary with 100% of shareholding	372,162	-	-	-	-	-
Wuhan Grand Ocean Classic Commercial Development Ltd.	Hengyang Grand Ocean Commercial Development Ltd.	Grand Ocean Classic Commercial Group Ltd.'s subsidiary with 100% of shareholding	133,175	-	-	-	-	-
Yichang Grand Ocean Commercial Ltd.	Grand Ocean Classic Commercial Group Ltd.	Grand Ocean Classic Commercial Group Ltd.'s subsidiary with 100% of shareholding	890,729	-	-	-	-	-
Yichang Grand Ocean Commercial Ltd.	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Grand Ocean Classic Commercial Group Ltd.'s subsidiary with 100% of shareholding	238,075	-	-	-	-	-
Hefei Grand Ocean Classic Commercial Department Ltd.	Grand Ocean Classic Commercial Group Ltd.	Grand Ocean Classic Commercial Group Ltd.'s subsidiary with 100% of shareholding	310,135	-	-	-	-	-
Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Chongqing Optics Valley Grand Ocean Commercial Development Ltd.	Grand Ocean Classic Commercial Group Ltd.'s subsidiary with 100% of shareholding	348,607	-	-	-	-	-

Note: Except for Hainan Sanhe Licheng Business Service Co., Ltd. and Zhuke Technology(Zhuke Group) the above amounts have been eliminated when preparing the consolidated financial statements.

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Table 5 Business Relationships and Significant Intercompany Transactions
(December 31, 2024)

(Expressed in Thousands of New Taiwan Dollars)

No. (Note 1)	Trader name	Counterparty	Relationship with the trader (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets
0	The Company	Royal Sunway Development Co., Ltd.	1	Other receivables - related parties	691,955	Mutual agreement	1.98%
1	First Steamship S.A.	The Company	2	Other receivables - related parties	276,214	Mutual agreement	0.79%
1	First Steamship S.A.	Ahead Capital Ltd.	1	Other receivables - related parties	694,517	Mutual agreement	1.99%
1	First Steamship S.A.	Media Assets Global Ltd.	1	Other receivables - related parties	367,225	Mutual agreement	1.05%
1	First Steamship S.A.	Grand Ocean Retail Group Ltd.	1	Other receivables - related parties	615,655	Mutual agreement	1.76%
1	First Steamship S.A.	Mariner Finance Ltd.	3	Other receivables - related parties	370,553	Mutual agreement	1.06%
2	Nature Sources Ltd.	First Steamship S.A.	2	Other receivables - related parties	294,737	Mutual agreement	0.84%
3	Grand Citi Ltd.	Grand Ocean Retail Group Ltd.	2	Other receivables - related parties	1,334,628	Mutual agreement	3.82%
3	Grand Citi Ltd.	Grand Ocean Classic Commercial Group Ltd.	1	Other receivables - related parties	236,047	Mutual agreement	0.68%
4	Grand Ocean Classic Commercial Group Ltd.	Hengyang Grand Ocean Commercial Development Ltd.	1	Other receivables - related parties	311,960	Mutual agreement	0.89%
4	Grand Ocean Classic Commercial Group Ltd.	Quanzhou Grand Ocean Commercial Ltd.	1	Other receivables - related parties	1,502,790	Mutual agreement	4.31%
4	Grand Ocean Classic Commercial Group Ltd.	Fuzhou Grand Ocean Classic Commercial Ltd.	1	Other receivables - related parties	1,394,699	Mutual agreement	4.00%
4	Grand Ocean Classic Commercial Group Ltd.	Fuzhou Jiaruixing Business Administration Ltd.	1	Other receivables - related parties	195,203	Mutual agreement	0.56%
4	Grand Ocean Classic Commercial Group Ltd.	Fuzhou Grand Ocean Commercial Ltd.	1	Other receivables - related parties	275,018	Mutual agreement	0.79%
4	Grand Ocean Classic Commercial Group Ltd.	Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd.	1	Other receivables - related parties	134,544	Mutual agreement	0.39%
4	Grand Ocean Classic Commercial Group Ltd.	Grand Ocean Retail Group Ltd.	2	Other receivables - related parties	688,485	Mutual agreement	1.97%
5	Fuzhou Grand Ocean Commercial Ltd.	Fuzhou Jiaruixing Business Administration Ltd.	1	Other receivables - related parties	34,206	Mutual agreement	0.10%
5	Fuzhou Grand Ocean Commercial Ltd.	Wuhan Grand Ocean Classic Commercial Development Ltd.	1	Other receivables - related parties	223,480	Mutual agreement	0.64%
6	Nanjing Grand Ocean Classic Commercial Ltd.	Grand Ocean Classic Commercial Group Ltd.	2	Other receivables - related parties	2,364,145	Mutual agreement	6.78%
7	Wuhan Grand Ocean Classic Commercial Development Ltd.	Grand Ocean Classic Commercial Group Ltd.	2	Other receivables - related parties	43,510	Mutual agreement	0.12%
7	Wuhan Grand Ocean Classic Commercial Development Ltd.	Shiyan Ocean Modern Shopping Co., Ltd.	1	Other receivables - related parties	372,162	Mutual agreement	1.07%
7	Wuhan Grand Ocean Classic Commercial Development Ltd.	Hengyang Grand Ocean Commercial Development Ltd.	1	Other receivables - related parties	133,175	Mutual agreement	0.38%
7	Wuhan Grand Ocean Classic Commercial Development Ltd.	Chongqing Optics Valley Grand Ocean Commercial Development Ltd.	1	Other receivables - related parties	31,926	Mutual agreement	0.09%
7	Wuhan Grand Ocean Classic Commercial Development Ltd.	Wuhan Hanyang Grand Ocean Jingdian Commercial Ltd.	1	Other receivables - related parties	44,149	Mutual agreement	0.13%
8	Yichang Grand Ocean Commercial Ltd.	Grand Ocean Classic Commercial Group Ltd.	2	Other receivables - related parties	890,729	Mutual agreement	2.55%
8	Yichang Grand Ocean Commercial Ltd.	Wuhan Grand Ocean Classic Commercial Development Ltd.	1	Other receivables - related parties	57,010	Mutual agreement	0.16%
8	Yichang Grand Ocean Commercial Ltd.	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	1	Other receivables - related parties	238,075	Mutual agreement	0.68%
9	Hefei Grand Ocean Classic Commercial Department Ltd.	Grand Ocean Classic Commercial Group Ltd.	2	Other receivables - related parties	310,135	Mutual agreement	0.89%
10	Shanghai Jingxuan Business Administration., Ltd.	Grand Ocean Classic Commercial Group Ltd.	2	Other receivables - related parties	31,926	Mutual agreement	0.09%
11	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Grand Ocean Classic Commercial Group Ltd.	2	Other receivables - related parties	9,122	Mutual agreement	0.03%
11	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Wuhan Grand Ocean Classic Commercial Development Ltd.	1	Other receivables - related parties	54,274	Mutual agreement	0.16%
11	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Chongqing Optics Valley Grand Ocean Commercial Development Ltd.	1	Other receivables - related parties	348,607	Mutual agreement	1.00%
11	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Wuhan Hanyang Grand Ocean Jingdian Commercial Ltd.	1	Other receivables - related parties	25,085	Mutual agreement	0.07%

Note 1: Companies are numbered as follows:
1. “0” for the parent Company.
2. Subsidiaries are numbered from “1”.

Note 2: Relationship with the trader shall be indicated as follows:
1. The parent company to the subsidiary.
2. The subsidiary to the parent company.
3. The subsidiary to another subsidiary.

Note 3: All above amount had been eliminated when preparing the consolidated financial statements.

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Table 6 Information on Investees (Excluding Information on Investment in China)
(December 31, 2024)

(Expressed in Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main business activities	Initial investment amount		Shares held as at end of period			Highest interim shareholding or financing ratio	(Loss) Profit of the investee for the current period	Investment (loss) income recognized by the Company for the current period	Note
				End of the period	End of last year	Shares	Ratio	Carrying amount				
The Company	Royal Sunway Development Co., Ltd.	Taiwan	Real estate development, rental and leasing of building	165,000	165,000	16,500,000	55.00%	122,496	55.00%	(38,171)	(20,994)	Subsidiary
The Company	First Steamship S.A.	Panama	Investment holding company, international transportation and shipping agency	1,947,429	1,947,429	594	100.00%	3,656,734	100.00%	(186,301)	(186,301)	Subsidiary
The Company	First Mariner Holding Ltd.	British Virgin Islands	Investment holding company	1,616,301	1,646,594	49,300,000	100.00%	(285,215)	100.00%	(81,294)	(81,294)	Subsidiary
The Company	Alliance Steamship S.A.	Panama	Domestic and international transportation	393,420	426,205	120,000	100.00%	441,651	100.00%	3,777	3,777	Subsidiary
The Company	Advantage Steamship Co., Ltd.	Liberia	Domestic and international transportation	-	-	-	100.00%	(20)	100.00%	(20)	(20)	Subsidiary (Note 6)
The Company	Best Steamship S.A.	Panama	Domestic and international transportation	557,345	557,345	170,000	100.00%	557,290	100.00%	11,401	11,401	Subsidiary
The Company	Black Sea Steamship S.A.	Panama	Domestic and international transportation	360,635	360,635	110,000	100.00%	334,460	100.00%	(22,180)	(22,180)	Subsidiary
The Company	Excellent Steamship International S.A.	Panama	Domestic and international transportation	295,065	295,065	90,000	100.00%	355,052	100.00%	28,678	28,678	Subsidiary
The Company	Grand Steamship S.A.	Panama	Domestic and international transportation	524,560	557,345	160,000	100.00%	609,535	100.00%	19,692	19,692	Subsidiary
The Company	Longevity Navigation S.A.	Panama	Domestic and international transportation	442,598	442,598	135,000	100.00%	480,994	100.00%	26,396	26,396	Subsidiary
The Company	Mighty Steamship Co., Ltd.	Liberia	Domestic and international transportation	-	-	-	100.00%	(20)	100.00%	(20)	(20)	Subsidiary (Note 6)
The Company	Praise Maritime S.A.	Panama	Domestic and international transportation	606,523	606,523	185,000	100.00%	688,127	100.00%	44,628	44,628	Subsidiary
The Company	Reliance Steamship S.A.	Panama	Domestic and international transportation	393,420	426,205	120,000	100.00%	437,274	100.00%	4,945	4,945	Subsidiary
The Company	Ship Bulker Steamship S.A.	Panama	Domestic and international transportation	393,420	442,598	120,000	100.00%	404,938	100.00%	(4,920)	(4,920)	Subsidiary
The Company	Shining Steamship International S.A.	Panama	Domestic and international transportation	314,736	314,736	96,000	100.00%	351,293	100.00%	33,598	33,598	Subsidiary
The Company	Sure Success Steamship S.A.	Panama	Domestic and international transportation	468,826	508,168	143,000	100.00%	599,892	100.00%	20,348	20,348	Subsidiary

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Name of investor	Name of investee	Location	Main business activities	Initial investment amount		Shares held as at end of period			Highest interim shareholding or financing ratio	(Loss) Profit of the investee for the current period	Investment (loss) income recognized by the Company for the current period	Note
				End of the period	End of last year	Shares	Ratio	Carrying amount				
The Company	Grand Ocean Retail Group Ltd.	Cayman Islands	Investment holding company	814,024	814,024	19,552,000	10.00%	478,631	10.00%	(511,891)	(51,189)	Second-tier subsidiary (Note 4)
The Company	Da Yu Financial Holdings Ltd.	Hong Kong	Corporate finance advisory and asset management services	440,763	238,434	663,320,000	29.11%	738,250	29.11%	87,308	28,021	Associate
The Company	Sandmartin International Holdings Ltd.	Hong Kong	Media & entertainment platforms services	258,475	258,475	473,869,283	38.52%	0	38.52%	0	0	Associate
Royal Sunway Development Co., Ltd.	Jiawang Assets Development Co., Ltd.	Taiwan	Real estate trading and leasing	9,800	9,800	980,000	49.00%	8,710	49.00%	(3,517)	(1,723)	Associate
Ahead Capital Ltd.	Grand Ocean Retail Group Ltd.	Cayman Islands	Investment holding company	475,383	475,383	3,500,000	1.79%	85,675	1.79%	(511,891)	Note 1	Second-tier subsidiary
First Steamship S.A.	Grand Ocean Retail Group Ltd.	Cayman Islands	Investment holding company	2,688,370	2,688,370	91,560,000	46.83%	2,241,427	46.83%	(511,891)	Note 1	Second-tier subsidiary
First Steamship S.A.	Ahead Capital Ltd.	British Virgin Islands	Investment holding company	508,168	508,168	1,550	100.00%	(593,443)	100.00%	(7,907)	Note 1	Second-tier subsidiary
First Steamship S.A.	Heritage Riches Ltd.	British Virgin Islands	Investment holding company	328	32,785	5	100.00%	28,276	100.00%	1,861	Note 1	Second-tier subsidiary
First Steamship S.A.	Media Assets Global Ltd.	British Virgin Islands	Investment holding company	163,925	163,925	50,000	100.00%	(367,129)	100.00%	983	Note 1	Second-tier subsidiary
First Steamship S.A.	Nature Sources Ltd.	Hong Kong	Investment holding company	276,378	276,378	8,430,000	100.00%	294,960	100.00%	(122)	Note 1	Second-tier subsidiary
First Mariner Holding Ltd.	First Mariner Capital Ltd.	British Virgin Islands	Investment holding company	1,079,282	1,106,887	32,920,000	100.00%	(291,755)	100.00%	(81,048)	Note 1	Second-tier subsidiary
First Mariner Holding Ltd.	Mariner Far East Ltd.	Hong Kong	Investment holding company	124,583	124,583	3,800,000	100.00%	4,475	100.00%	(56)	Note 1	Second-tier subsidiary
First Mariner Capital Ltd.	Mariner Capital Ltd.	Hong Kong	Investment holding company	918,308	918,308	28,010,000	100.00%	(292,839)	100.00%	(82,082)	Note 1	Second-tier subsidiary
Grand Citi Ltd.	Sandmartin International Holdings Ltd.	Hong Kong	Media & entertainment platforms services	83,054	83,054	44,197,255	3.59%	0	3.59%	0	Note 1	Associate

Note 1: Disclosure is exempted in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Note 2: This consolidated financial statements is the primary report of the Company’s second-tier subsidiary, Grand Ocean Retail Group Ltd. Accordingly, the disclosure of information related to its overseas investees is limited to the relevant information of the holding company in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers.”

Note 3: The amounts presented in this table are expressed based on spot exchange rates and average exchange rates as of the reporting date.

Note 4: The Company pledged 10,000,000 shares as collateral.

Note 5: Except for Da Yu Financial Holdings Limited, Sandmartin International Holdings Ltd., and Jiawang Assets Development Co., Ltd., all others have been eliminated when preparing the consolidated financial statements.

Note 6: Investment has not yet been made.

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Table 7 Information on Investment in Mainland China
(December 31, 2024)

1. Information on investment in China

(Expressed in Thousands of New Taiwan Dollars)

Investee in China	Main business activities	Paid-in capital			Investment method (Note 1)	Accumulated remittance from Taiwan to China as of the beginning of period		Remittance from Taiwan to China/remittance back to Taiwan for the current period		Accumulated amount of remittance from Taiwan as of the end of period	Profit (loss) of the investee for the current period	Ownership held by the Company (directly or indirectly)	Investment (loss) income recognized by the Company for the current period	Carrying amount at the end of period	Remittance of investment income back to Taiwan as of the end of period
								Remitted	Received						
Grand Ocean Classic Commercial Group Ltd.	Holding, wholesale of cosmetics, clothing, shoes and hats, gold and silver jewelry, packaging, food, household electrical appliances, communication equipment and handicrafts.	3,876,697	(CNY 850,000)	-	1	1,898,850	(USD 57,918)	-	-	1,898,850	(340,468)	58.62%	(199,582)	3,898,903	-
Beijing Shouhai International Economy Technology Consultation Services Limited	Providing personnel technical support and training for ship operations, supply of spare parts, supplies and repairs of ships, commercial advice and technical services	-	-	-	1	5,347	(USD 163)	-	-	5,347	-	-	-	-	-
Mariner Finance Ltd. (Note 4)	Automobile finance and lease	876,910	(USD 26,747)	-	1	876,910	(USD 26,747)	-	-	876,910	(81,955)	100.00%	(81,955)	(291,483)	-
Shanghai Youxin Car Leasing Ltd.	Automobile lease	22,804	(CNY 5,000)	(Note 6)	1	(Note 7)		-	-	-	(6,813)	100.00%	(6,813)	(56,175)	-
Nanjing Youcheng Car Leasing Ltd.	Automobile lease	-	-	(Note 6)	1	(Note 7)		-	-	-	3,119	-	3,119	-	-
Wuhan Youxin Car Leasing Ltd.	Automobile lease	4,561	(CNY 1,000)	(Note 6)	1	(Note 7)		-	-	-	(1)	100.00%	(1)	(6,521)	-
Chongqing Youren Car Leasing Ltd.	Automobile lease	4,561	(CNY 1,000)	(Note 6)	1	(Note 7)		-	-	-	(1)	100.00%	(1)	(11,508)	-
Fuzhou Youli Car Leasing Ltd.	Automobile lease	4,561	(CNY 1,000)	(Note 6)	1	(Note 7)		-	-	-	(1)	100.00%	(1)	(366)	-
Qingdao Youcheng Car Leasing Ltd.	Automobile lease	9,122	(CNY 2,000)	(Note 6)	1	(Note 7)		-	-	-	(1)	100.00%	(1)	(13,946)	-
Dongguan Youcheng Car Leasing Ltd.	Automobile lease	4,561	(CNY 1,000)	(Note 6)	1	(Note 7)		-	-	-	-	100.00%	-	(4,903)	-
Guangzhou Youqiang Car Leasing Ltd.	Automobile lease	4,561	(CNY 1,000)	(Note 6)	1	(Note 7)		-	-	-	(1)	100.00%	(1)	(1,333)	-
Changsha Youli Car Service Ltd.	Automobile lease	4,561	(CNY 1,000)	(Note 6)	1	(Note 7)		-	-	-	(1)	100.00%	(1)	(1,609)	-
Xian Youcheng Car Service Ltd.	Automobile lease	4,561	(CNY 1,000)	(Note 6)	1	(Note 7)		-	-	-	-	100.00%	-	(3,897)	-
Chengdu Youcheng Car Leasing Ltd.	Automobile lease	4,561	(CNY 1,000)	(Note 6)	1	(Note 7)		-	-	-	(2)	100.00%	(2)	(292)	-
Lianyungang Youren Car Service Ltd.	Automobile lease	4,561	(CNY 1,000)	(Note 6)	1	(Note 7)		-	-	-	(1)	100.00%	(1)	(1,073)	-
Jinan Youli Car Leasing Ltd.	Automobile lease	22,804	(CNY 5,000)	(Note 6)	1	(Note 7)		-	-	-	(1)	100.00%	(1)	(4,743)	-
Urumqi Taroko Car Rental Co., Ltd.	Automobile lease	9,122	(CNY 2,000)	(Note 6)	1	(Note 7)		-	-	-	(5,790)	100.00%	(5,790)	(6,891)	-
Hainan Sanhe Licheng Business Service Co., Ltd.	Travel car rental	22,804	(CNY 5,000)	-	1	(Note 7)		-	-	-	-	50.00%	-	-	-
Shanghai Zhuke Technology Co., Ltd.	Travel car rental	91,216	(CNY 20,000)	-	1	(Note 7)		-	-	-	-	55.00%	-	-	-

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FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

2. Limit on investment in China

Accumulated investment in China as of the end of the period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (M.O.E.A.)	Ceiling on investments in China imposed by the Investment Commission of M.O.E.A.
2,781,107	3,986,056	6,660,683
USD 84,828	USD 121,582	(Note 3)

Note 1: The investment was made through a company located in a third jurisdiction, which subsequently invested in China.

Note 2: Grand Ocean Classic Commercial Group Ltd. is an offshore company and is not subject to the "Review Principles of Investment and Engagement of Technological Cooperation in China."

Note 3: Limit calculation: Consolidated equity value for the current period × 60% = NTD 11,101,139 thousand × 60% = NTD 6,660,683 thousand.

Note 4: The investment income and losses are recognized based on the financial statements audited by an international accounting firm that has a cooperative relationship with a CPA firm in the Republic of China.

Note 5: The amounts presented in this table are expressed based on spot exchange rates and average exchange rates as of the reporting date.

Note 6: Capital verification has not yet been conducted.

Note 7: It was remitted through the subsidiary, Mariner Finance Ltd.

Note 8: Except for Hainan Sanhe Licheng Business Service Co., Ltd. and Shanghai Zhuke Technology Co., Ltd., the above investees have been eliminated when preparing the consolidated financial statements.

3. Information on significant transactions: The Group's significant direct or indirect transactions with its investees in China from January 1 to December 31, 2024 (which have been eliminated at the time of the preparation of the consolidated financial statements), please refer to “Information on significant transactions” for details.