

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

FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES

Consolidated Financial Statements and Independent Auditors' Review Report

For the nine months ended September 30, 2025 and 2024

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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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Independent Auditors' Review Report

To the Board of Directors of First Steamship Co., Ltd.:

Introduction

We have audited the consolidated financial statements of First Steamship Co., Ltd. and its subsidiaries, which comprise the consolidated balance sheet as of September 30, 2025 and 2024, the consolidated statements of comprehensive income for the three months and nine months ended September 30, 2025 and 2024, the statements of changes in equity and cash flows for the nine months ended September 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of material accounting policies. 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 International Accounting Standard No. 34, Interim Financial Reporting, as endorsed and made effective by the Financial Supervisory Commission, are the responsibility of management. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

Scope of Review

Except as described in the Basis for Qualified Conclusion paragraph, we conducted our review in accordance with Statement on Auditing Standards No. 2410, Review of Financial Statements. A review of consolidated financial statements consists principally of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The scope of a review is substantially less than that of an audit conducted in accordance with auditing standards, and consequently, we do not express an audit opinion.

Basis for Qualified Conclusion

As described in Note 4(2) to the consolidated financial statements, certain immaterial subsidiaries included in the consolidated financial statements are based on the financial statements of the investee companies for the same period, which have not been reviewed by independent auditors. As of September 30, 2025, the total assets of these subsidiaries amounted to \$326,763 thousand, representing 1.07% of consolidated total assets; total liabilities amounted to \$619,583 thousand, representing 3.00% of consolidated total liabilities. For the three-month and nine-month periods ended September 30, 2025, the comprehensive income amounted to \$5,152 thousand and \$(1,406) thousand, representing 2.02% and 0.10% of consolidated comprehensive income, respectively.

Except as described in the preceding paragraph, as disclosed in Note 6(6) to the consolidated financial statements, the equity-method investments in First Steamship Co., Ltd. and its subsidiaries amounted to \$891,636 thousand and \$738,024 thousand as of September 30, 2025 and 2024, respectively. The shares of profit or loss of associates and joint ventures accounted for under the equity method for the three-month and nine-month periods ended September 30, 2025 and 2024 amounted to \$35,861 thousand, \$12,322 thousand, \$56,362 thousand, and \$42,961 thousand, respectively, and were based on the financial statements of the investee companies for the same periods, which have not been reviewed by independent auditors.

Qualified Conclusion

Based on our review and the review reports of other auditors (see Other Matter paragraph), except for the possible adjustments to the consolidated financial statements that might have been determined had the financial statements of the investee companies referred to in the Basis for Qualified Conclusion paragraph been reviewed by auditors, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements are not presented fairly, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No. 34, Interim Financial Reporting, as endorsed and made effective by the Financial Supervisory Commission, to present fairly the consolidated financial position of First Steamship Co., Ltd. and its subsidiaries as of September 30, 2025 and 2024, and their consolidated financial performance for the three-month and nine-month periods then ended, as well as their consolidated cash flows for the nine-month period then ended.

Other Matter

Among the subsidiaries included in the accompanying consolidated financial statements, the financial statements of Mariner Finance Ltd. were not reviewed by us but were reviewed by other auditors. Accordingly, with respect to the amounts included in the consolidated financial statements relating to Mariner Finance Ltd., our review is based solely on the review report of the other auditors. As of September 30, 2024, Mariner Finance Ltd. had total assets of \$221,635 thousand, representing 1% of consolidated total assets. For the three-month and nine-month periods ended September 30, 2024, its net operating revenues amounted to \$4,762 thousand and \$20,915 thousand, respectively, each representing 0.43% and 0.58% of consolidated net operating revenues, respectively.

The engagement partners on the reviews resulting in this independent auditors' review report are Jun-Ming Pan and Shu-Ying Chang.

KPMG

Taipei, Taiwan (Republic of China)

November 13, 2025

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

FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES**Consolidated Balance Sheets****September 30, 2025, December 31, 2024, and September 30, 2024****(Expressed in Thousands of New Taiwan Dollars)**

Assets	September 30, 2025		December 31, 2024		September 30, 2024		
	Amount	%	Amount	%	Amount	%	
Current assets:							
1100	Cash and cash equivalents (Note 6(a))	\$ 349,271	1	1,123,799	3	1,040,929	3
1110	Current financial assets at fair value through profit or loss (Notes 6(b) and 7)	118,055	-	141,680	-	168,768	-
1170	Accounts receivable, net (Notes 6(c), 7 and 9)	172,005	1	246,944	1	247,891	1
1200	Other accounts receivable (Notes 6(d), (w) and 7)	51,037	-	77,536	-	61,754	-
1300	Inventories	178,154	1	251,546	1	207,846	1
1320	Inventories (for construction business) (Notes 6(e), 8 and 9)	1,759,987	6	1,773,733	5	1,765,991	5
1476	Other current financial assets (Notes 6(k), (w), 7 and 8)	614,438	2	637,647	2	499,072	1
1479	Other current assets (Note 9)	279,676	1	297,474	1	313,696	1
1480	Incremental cost of obtaining a contract - current	30,816	-	13,782	-	-	-
	Total current assets	3,553,439	12	4,564,141	13	4,305,947	12
Non-current assets:							
1535	Non-current financial assets at amortized cost (Note 7)	-	-	-	-	19,900	-
1550	Investments accounted for using equity method (Notes 6(f) and 7)	891,636	3	746,960	2	738,024	2
1600	Property, plant and equipment (Notes 6(h) and 8)	10,841,502	35	12,207,724	35	12,128,024	35
1755	Right-of-use assets (Notes 6(i), 7 and 8)	10,294,905	34	11,751,521	34	11,900,981	34
1760	Investment property (Note 8)	138,413	-	139,143	-	139,387	-
1780	Intangible assets (Note 6(j))	1,609,065	5	1,752,654	5	1,745,914	5
1840	Deferred tax assets (Note 6(q))	2,538,506	8	2,847,072	8	2,912,612	8
1935	Long-term lease payments receivable (Notes 6(c) and 7)	-	-	295	-	995	-
1975	Net defined benefit asset, non-current	4,478	-	4,478	-	2,975	-
1980	Other non-current financial assets (Notes 6(k), (w), 8 and 9)	546,411	2	578,129	2	956,707	3
1990	Other non-current assets (Notes 6(d), (s) and 7)	255,654	1	301,316	1	281,968	1
	Total non-current assets	27,120,570	88	30,329,292	87	30,827,487	88
	Total assets	\$ 30,674,009	100	34,893,433	100	35,133,434	100

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES**Consolidated Balance Sheets (Continued)****September 30, 2025, December 31, 2024, and September 30, 2024****(Expressed in Thousands of New Taiwan Dollars)**

	September 30, 2025		December 31, 2024		September 30, 2024	
	Amount	%	Amount	%	Amount	%
Liabilities and Equity						
Current liabilities:						
2100	\$ 3,659,462	12	3,682,065	11	3,968,002	11
2110	99,830	-	99,840	-	99,856	-
2130	69,548	-	27,262	-	-	-
2151	144	-	-	-	69	-
2170	721,967	2	1,069,446	3	687,316	2
2200	711,128	2	1,010,327	3	1,120,836	3
2230	41,145	-	54,223	-	31,566	-
2280	947,582	3	827,918	2	922,594	3
2322	2,021,236	7	2,776,284	8	2,183,882	6
2399	55,089	-	70,930	-	65,508	-
	<u>8,327,131</u>	<u>26</u>	<u>9,618,295</u>	<u>27</u>	<u>9,079,629</u>	<u>25</u>
Total current liabilities						
Non-current liabilities:						
2500	31,389	-	31,389	-	31,389	-
2540	1,217,571	4	1,395,929	4	2,047,111	6
2570	1,974,558	7	2,281,354	7	2,318,479	7
2580	8,596,679	28	9,873,207	28	9,965,018	28
2645	533,908	2	592,120	2	594,287	2
	<u>12,354,105</u>	<u>41</u>	<u>14,173,999</u>	<u>41</u>	<u>14,956,284</u>	<u>43</u>
Total non-current liabilities						
Total liabilities						
	<u>20,681,236</u>	<u>67</u>	<u>23,792,294</u>	<u>68</u>	<u>24,035,913</u>	<u>68</u>
Equity attributable to owners of parent (Note 6(r))						
3100	8,247,761	27	8,247,761	24	8,247,761	24
3200	355,902	1	836,382	2	836,382	2
3300	(634,660)	(2)	(288,220)	(1)	(123,006)	-
3400	(459,176)	(1)	224,418	1	(27,228)	-
	7,509,827	25	9,020,341	26	8,933,909	26
36XX	2,482,946	8	2,080,798	6	2,163,612	6
	<u>9,992,773</u>	<u>33</u>	<u>11,101,139</u>	<u>32</u>	<u>11,097,521</u>	<u>32</u>
Total equity						
Total liabilities and equity						
	<u>\$ 30,674,009</u>	<u>100</u>	<u>34,893,433</u>	<u>100</u>	<u>35,133,434</u>	<u>100</u>

(Please refer to Notes to the Consolidated Financial Statements)

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

FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income****For the Three Months and Nine Months Ended September 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	For the three months ended		For the three months ended		For the nine months ended		For the nine months ended	
	September 30, 2025		September 30, 2024		September 30, 2025		September 30, 2024	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenues (Notes 6(p) and (t))	\$ 980,554	100	1,111,182	100	3,147,023	100	3,600,917	100
5000 Operating costs (Notes 6(p) and (v))	<u>391,335</u>	<u>40</u>	<u>403,321</u>	<u>36</u>	<u>1,228,382</u>	<u>39</u>	<u>1,283,455</u>	<u>36</u>
Gross profit from operations	589,219	60	707,861	64	1,918,641	61	2,317,462	64
Operating expenses:								
6000 Operating expenses (Notes 6(o) and 7)	655,242	67	788,923	71	2,064,262	66	2,265,835	63
6450 Expected credit loss (Notes 6(c) and 7)	<u>272</u>	<u>-</u>	<u>3,326</u>	<u>-</u>	<u>14,915</u>	<u>-</u>	<u>41,265</u>	<u>1</u>
6300	<u>655,514</u>	<u>67</u>	<u>792,249</u>	<u>71</u>	<u>2,079,177</u>	<u>66</u>	<u>2,307,100</u>	<u>64</u>
Net operating (loss)	(<u>66,295</u>)	(<u>7</u>)	(<u>84,388</u>)	(<u>7</u>)	(<u>160,536</u>)	(<u>5</u>)	<u>10,362</u>	<u>-</u>
Non-operating income and expenses:								
7100 Interest income (Notes 6(v) and 7)	5,436	-	21,239	2	22,286	-	54,084	2
7010 Other income (Note 6(v))	463	-	2,433	-	1,937	-	3,197	-
7020 Other gains and losses (Notes 6(v) and 9)	(14,026)	(1)	136,394	12	30,504	1	275,610	8
7050 Finance costs (Notes 6(o), (v) and 7)	(166,995)	(17)	(210,516)	(19)	(537,472)	(17)	(657,201)	(18)
7055 Gain (loss) on reversal of impairments of expected credit (Notes 6(w) and 7)	1,204	-	490	-	(9,488)	-	19,940	-
7060 Share of profit or loss of associates accounted for using equity method (Note 6(f))	<u>35,861</u>	<u>4</u>	<u>12,322</u>	<u>1</u>	<u>56,362</u>	<u>2</u>	<u>42,961</u>	<u>1</u>
	(<u>138,057</u>)	(<u>14</u>)	(<u>37,638</u>)	(<u>4</u>)	(<u>435,871</u>)	(<u>14</u>)	(<u>261,409</u>)	(<u>7</u>)
7900 Net loss before income tax	(204,352)	(21)	(122,026)	(11)	(596,407)	(19)	(251,047)	(7)
7950 Less: Income tax expenses (Note 6(q))	(<u>5,862</u>)	(<u>1</u>)	<u>1,800</u>	<u>-</u>	<u>1,338</u>	<u>-</u>	<u>17,783</u>	<u>-</u>
Net loss	(<u>198,490</u>)	(<u>20</u>)	(<u>123,826</u>)	(<u>11</u>)	(<u>597,745</u>)	(<u>19</u>)	(<u>268,830</u>)	(<u>7</u>)
8300 Other comprehensive income (loss) after tax:								
8360 Items that may be reclassified subsequently to profit or loss (Notes 6(g) and (s))								
8361 Exchange differences on translation of foreign financial statements	423,007	43	(175,264)	(16)	(712,174)	(23)	403,581	11
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	30,558	3	(14,135)	(1)	(57,921)	(2)	17,088	-
8399 Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Components of other comprehensive income that will be reclassified to profit or loss	<u>453,565</u>	<u>46</u>	(<u>189,399</u>)	(<u>17</u>)	(<u>770,095</u>)	(<u>25</u>)	<u>420,669</u>	<u>11</u>
8300 Other comprehensive income (loss) after tax	<u>453,565</u>	<u>46</u>	(<u>189,399</u>)	(<u>17</u>)	(<u>770,095</u>)	(<u>25</u>)	<u>420,669</u>	<u>11</u>
Comprehensive income	<u>\$ 255,075</u>	<u>26</u>	(<u>313,225</u>)	(<u>28</u>)	(<u>1,367,840</u>)	(<u>44</u>)	<u>151,839</u>	<u>4</u>
Net loss attributable to:								
8610 Owners of parent	(<u>\$ 71,479</u>)	(<u>7</u>)	(<u>58,115</u>)	(<u>5</u>)	(<u>278,287</u>)	(<u>9</u>)	(<u>122,042</u>)	(<u>3</u>)
8620 Non-controlling interest	(<u>127,011</u>)	(<u>13</u>)	(<u>65,711</u>)	(<u>6</u>)	(<u>319,458</u>)	(<u>10</u>)	(<u>146,788</u>)	(<u>4</u>)
	(<u>\$ 198,490</u>)	(<u>20</u>)	(<u>123,826</u>)	(<u>11</u>)	(<u>597,745</u>)	(<u>19</u>)	(<u>268,830</u>)	(<u>7</u>)
Comprehensive income (loss) attributable to:								
8710 Owners of parent	\$ 264,105	27	(242,246)	(22)	(961,881)	(31)	204,754	5
8720 Non-controlling interest	(<u>9,030</u>)	(<u>1</u>)	(<u>70,979</u>)	(<u>6</u>)	(<u>405,959</u>)	(<u>13</u>)	(<u>52,915</u>)	(<u>1</u>)
	<u>\$ 255,075</u>	<u>26</u>	(<u>313,225</u>)	(<u>28</u>)	(<u>1,367,840</u>)	(<u>44</u>)	<u>151,839</u>	<u>4</u>
Losses per share (Note 6(s)):								
9750 Basic losses per share (NT dollars)	(<u>\$ 0.09</u>)		(<u>0.07</u>)		(<u>0.34</u>)		(<u>0.15</u>)	
9850 Diluted losses per share (NT dollars)	(<u>\$ 0.09</u>)		(<u>0.07</u>)		(<u>0.34</u>)		(<u>0.15</u>)	

(Please refer to Notes to the Consolidated Financial Statements)

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

FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Changes in Equity****For the Nine Months Ended September 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)****Equity attributable to owners of parent**

	Capital stock		Retained earnings				Total other equity interest	Total equity attributable to owners of parent	Non-controlling interest	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings		Exchange differences on translation of foreign financial statements			
						Total				
Balance on January 1, 2024	\$ 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	-	-	-	-	(122,042)	(122,042)	-	(122,042)	(146,788)	(268,830)
Other comprehensive income (loss) after tax	-	-	-	-	-	-	326,796	326,796	93,873	420,669
Comprehensive income	-	-	-	-	(122,042)	(122,042)	326,796	204,754	(52,915)	151,839
Appropriation and distribution of retained earnings:										
Legal reserve to offset losses	-	-	(8,289)	-	8,289	-	-	-	-	-
Special reserve to offset losses	-	-	-	(303,885)	303,885	-	-	-	-	-
Changes in other capital surplus:										
Changes in equity of associates accounted for using equity method	-	-	-	-	(964)	(964)	-	(964)	-	(964)
Capital surplus to offset losses	-	(1,095,839)	-	-	1,095,839	1,095,839	-	-	-	-
Balance on September 30, 2024	\$ 8,247,761	836,382	-	-	(123,006)	(123,006)	(27,228)	8,933,909	2,163,612	11,097,521
Balance on January 1, 2025	\$ 8,247,761	836,382	-	-	(288,220)	(288,220)	224,418	9,020,341	2,080,798	11,101,139
Net loss	-	-	-	-	(278,287)	(278,287)	-	(278,287)	(319,458)	(597,745)
Other comprehensive income (loss) after tax	-	-	-	-	-	-	(683,594)	(683,594)	(86,501)	(770,095)
Comprehensive income	-	-	-	-	(278,287)	(278,287)	(683,594)	(961,881)	(405,959)	(1,367,840)
Difference arising from subsidiary's share price and its carrying value	-	(480,480)	-	-	(68,153)	(68,153)	-	(548,633)	808,107	259,474
Balance on September 30, 2025	\$ 8,247,761	355,902	-	-	(634,660)	(634,660)	(459,176)	7,509,827	2,482,946	9,992,773

(Please refer to Notes to the Consolidated Financial Statements)

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Nine Months Ended September 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended	
	September 30,	
	2025	2024
Cash flows from operating activities:		
Net loss before income tax	(\$ 596,407) (	251,047)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation	1,369,407	1,488,880
Amortization	56,070	49,078
Expected credit loss	24,403	21,325
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	951 (	16,287)
Interest expense	537,472	657,201
Operating costs (interest expense)	318	7,457
Interest income	(22,286) (	54,084)
Dividend income	(288) (	323)
Share of gain of associates accounted for using equity method	(56,362) (	42,961)
Loss from disposal of property, plant and equipment	2,076	8,796
Loss from disposal of intangible assets	779	962
Reverse to gain on compensation for store shutdown and litigations	-	(205,769)
Total adjustments to reconcile profit	1,912,540	1,914,275
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets mandatorily measured at fair value through profit or loss	20,643	17,922
Accounts receivable	45,724	83,039
Other receivables	27,558	17,048
Inventories	71,468 (	13,620)
Other current assets	10,105	18,223
Incremental cost for obtaining contracts	(17,034)	-
Total changes in operating assets	158,464	122,612
Changes in operating liabilities:		
Financial liabilities at fair value through profit or loss	-	3,576
Contract liabilities	42,286	-
Notes payable	144	69
Accounts payable	(283,823) (	625,715)
Other payables	(294,633) (	45,087)
Other current liabilities	(11,420) (	13,834)
Total changes in operating liabilities	(547,446) (	680,991)
Total changes in operating assets and liabilities	(388,982) (558,379)
Total adjustments	1,523,558	1,355,896

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (Continued)

For the Nine Months Ended September 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended	
	September 30,	
	2025	2024
Cash inflow generated from operations	927,151	1,104,849
Interest received	9,603	38,823
Dividends received	11,180	5,223
Interest paid	(539,175)	(669,303)
Income taxes paid	(42,973)	(45,109)
Net cash inflow from operating activities	<u>365,786</u>	<u>434,483</u>
Cash flows from (used in) investing activities:		
Dispose of financial assets measured at amortized cost	-	40,000
Acquisition of investments accounted for using equity method	(157,127)	(202,329)
Proceeds from disposal of investments accounted for using equity method	5,508	6,382
Acquisition of property, plant and equipment	(40,395)	(87,031)
Proceeds from disposal of property, plant and equipment	1,595	25,057
Decrease in other receivables	-	81,145
Acquisition of intangible assets	(1,371)	(139)
Proceeds from disposal of intangible assets	34,278	10,629
Increase in other financial assets	(17,655)	(54,398)
Increase in other non-current assets	(46,242)	(17,500)
Net cash used in outflow from investing activities	<u>(221,409)</u>	<u>(198,184)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	135,266	212,265
(Decrease) increase in short-term notes and bills payable	(10)	99,856
Proceeds from long-term loans	510,159	49,720
Repayments of long-term loans	(1,261,030)	(969,184)
Decrease in guarantee deposits received	(22,537)	(2,523)
Repayments of lease liabilities	(513,702)	(473,224)
Changes in non-controlling interests	259,474	-
Net cash flows used in financing activities	<u>(892,380)</u>	<u>(1,083,090)</u>
Effect of exchange rate changes on cash and cash equivalents	(26,525)	53,488
Decrease in cash and cash equivalents	(774,528)	(793,303)
Cash and cash equivalents at beginning of period	1,123,799	1,834,232
Cash and cash equivalents at end of period	<u>\$ 349,271</u>	<u>1,040,929</u>

(Please refer to Notes to the Consolidated Financial Statements)

FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the nine months ended September 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

First Steamship Co., 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 original name of the Company was I-Shou Shipping Co., Ltd., which then changed to First Steamship Co., Ltd. at the shareholders' meeting held on May 3, 1997, which was approved by the competent authority for the purpose of business operation. 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 have been approved for issuance by the Board of Directors on November 13, 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, 2025, and has not had a significant impact on the financial report of the Group.

- Amendments to IAS 21 "Lack of Exchangeability"

- (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, 2026, would not have a significant impact on its consolidated financial statements.

- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- Amendments to IFRS 9 and IFRS 7 "Revision of Classification and Measurement of Financial Instruments"

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements (Continued)

- Annual Improvements to IFRSs and IASs
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

(c) The impact of IFRS 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"	<p>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.</p> <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 (MPMs): 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 how to reconcile it to an amount determined under IFRSs and IASs. 	<p>January 1, 2027</p> <p>Note: The Financial Supervisory Commission issued a press release on September 25, 2025, announcing that Taiwan will adopt IFRS 18 in 2028.</p>

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements (Continued)

- 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.

The Group is evaluating the impact on its consolidated financial position and consolidated 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 19 "Subsidiaries without Public Accountability: Disclosures" and amendments to IFRS 19

(4) Summary of significant accounting policies

(a) Statement of compliance

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 International Accounting Standard 34 "Interim Financial Reporting," as endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. These consolidated financial statements do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements (Continued)

Except as otherwise noted below, the significant accounting policies adopted in the preparation of these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2025. For related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2025.

(b) Basis of consolidation

i. 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			Note
			September 30, 2025	December 31, 2024	September 30, 2024	
First Steamship Co., Ltd.	Royal Sunway Development Co., Ltd.	Real estate development, rental and leasing of building	55.00%	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%	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%	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%	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%	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%	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%	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%	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%	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%	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%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

Name of investor	Name of Subsidiary	Principal activity	Shareholding			Note
			September 30, 2025	December 31, 2024	September 30, 2024	
First Steamship Co., Ltd.	ALLIANCE STEAMSHIP S.A.	International transportation and shipping agency	100.00%	100.00%	100.00%	shares 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%	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%	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%	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%	100.00%	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%	100.00%	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%	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%	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%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
FIRST STEAMSHIP S.A.	GRAND OCEAN RETAILGROUP LTD.	Investment holding company	28.67%	46.83%	46.83%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares (Note 2)
FIRST STEAMSHIP S.A.	HERITAGE RICHES LTD.	Investment holding company	100.00%	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	0.34%	1.79%	1.79%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares (Note 2)
FIRST MARINER HOLDING LTD.	FIRST MARINER CAPITAL LTD.	Investment holding company	100.00%	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%	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%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares

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Notes to the Consolidated Financial Statements (Continued)

Name of investor	Name of Subsidiary	Principal activity	Shareholding			Note
			September 30, 2025	December 31, 2024	September 30, 2024	
MARINER CAPITAL LTD.	Mariner Finance Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares (Note 3)
Mariner Finance Ltd.	Shanghai Youxin Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares (Note 3)
Mariner Finance Ltd.	Wuhan Youxin Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares (Note 3)
Mariner Finance Ltd.	Qingdao Youcheng Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares (Note 3)
Mariner Finance Ltd.	Chongqing Youren Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares (Note 3)
Mariner Finance Ltd.	Fuzhou Youli Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares (Note 3)
Mariner Finance Ltd.	Dongguan Youcheng Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares (Note 3)
Mariner Finance Ltd.	Guangzhou Youqiang Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares (Note 3)
Mariner Finance Ltd.	Changsha Youli Car Service Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares (Note 3)
Mariner Finance Ltd.	Xian Youcheng Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares (Note 3)
Mariner Finance Ltd.	Chengdu Youcheng Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares (Note 3)
Mariner Finance Ltd.	Lianyungang Youren Car Service Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares (Note 3)
Mariner Finance Ltd.	Jinan Youli Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares (Note 3)
Mariner Finance Ltd.	Urumqi Taroko Car Rental Co., Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares (Note 3)
GRAND OCEAN RETAIL GROUP LTD.	GRAND CITI LTD.	Investment holding company	100.00%	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 CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

Name of investor	Name of Subsidiary	Principal activity	Shareholding			Note
			September 30, 2025	December 31, 2024	September 30, 2024	
GRAND CITI LTD.	Grand Ocean Classic Commercial Group Co., Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	100.00%	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Grand Ocean Classic Commercial Group Co., Ltd.	Nanjing Grand Ocean Classic Commercial Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	100.00%	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Grand Ocean Classic Commercial Group Co., Ltd.	Fuzhou Grand Ocean Commercial Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	100.00%	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Grand Ocean Classic Commercial Group Co., Ltd.	Quanzhou Grand Ocean Commercial Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	100.00%	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
Grand Ocean Classic Commercial Group Co., Ltd.	Shanghai Jingxuan-Commercial Management Co., Ltd.	Management consultancy, e-commerce business, and trading of cosmetics, apparels, shoes, hat etc.	100.00%	100.00%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares (Note 3)
Grand Ocean Classic Commercial Group Co., 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%	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%	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%	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%	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%	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%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares (Note 3)

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements (Continued)**

Name of investor	Name of Subsidiary	Principal activity	Shareholding			Note
			September 30, 2025	December 31, 2024	September 30, 2024	
Fuzhou Grand Ocean Commercial Ltd.	Fuzhou Grand Ocean Chen Hsuan Commercial Ltd.	Management consultancy, e-commerce business, and trading of cosmetics, apparels, shoes, hat etc.	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%	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%	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%	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%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares
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%	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%	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%	100.00%	A subsidiary in which the Company directly (indirectly) owns more than 50% of the shares

Note 1: 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.

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

Note 2: For strategic operational reasons, the Group sold 35,200 thousand shares of the company at \$6.8 per share to a non-related party, Trinity Gold Limited (total proceeds of \$239,360 thousand) in May 2025, and subsequently sold 3,138 thousand shares of the company on the public market from June to September 2025 (total proceeds of \$20,114 thousand). As a result, the Group's total shareholding decreased to 39.01%, and a reduction of \$480,480 thousand in capital surplus and \$68,153 thousand in retained earnings was recognized due to the difference between the actual disposal price of the subsidiary shares and their carrying amount. The Group concluded that it still has control over the company despite holding less than 50% of the voting rights, because it remains the single largest shareholder, the remaining equity is widely held by numerous other shareholders, and the Group is able to obtain a majority of votes at shareholders' meetings even without contractual arrangements.

Note 3: The company is not a major subsidiary, its financial statements of the nine months ended September 30, 2025 have not been reviewed by auditors.

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

(c) Income Tax

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. And allocate current income tax expense and deferred income tax expense according to the estimated proportion of current income tax expense and deferred income tax expense for the whole year.

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled and be recognized directly in equity or other comprehensive income as tax expense.

(d) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-time events.

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

In preparing these consolidated financial statements in accordance with the Regulations and IAS 34 "Interim Financial Reporting" as endorsed by the FSC, management is required to make judgments and estimates regarding future events, including climate-related risks and opportunities, which may affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Except as described below, in preparing the consolidated financial report, the significant judgments made by management when adopting the accounting policies of the consolidated company and the main sources of estimation uncertainty are consistent with Note 5 of the consolidated financial statements for the year ended December 31, 2025.

(a) Judgment about substantive control over investees

The Group holds 39.01% of the voting shares of GRAND OCEAN RETAIL GROUP LTD., making it the single largest shareholder. The remaining equity is widely held by numerous other shareholders, and the Group is able to obtain a majority of votes at shareholders' meetings even without contractual arrangements. Therefore, the Group has determined that it continues to have control over the company despite holding less than 50% of the voting rights.

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Notes to the Consolidated Financial Statements (Continued)

(6) Explanation of significant accounts

Except the following explanation mentioned below, the explanation of significant accounts described in the consolidated financial statements are the same as those in the consolidated financial statements for the year ended December 31, 2025. For related information, please refer to Note 6 of the consolidated financial statements for the year ended December 31, 2025.

(a) Cash and cash equivalents

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Pretty cash	\$ 21,797	29,596	29,545
Cash in bank	327,474	1,011,681	838,258
Time deposits	<u>-</u>	<u>82,522</u>	<u>173,126</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 349,271</u>	<u>1,123,799</u>	<u>1,040,929</u>

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

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Current financial assets at fair value through profit or loss:			
Non-derivative financial assets			
- current			
Shares of stock of listed companies	\$ 12,004	16,892	17,817
Open fund	11,997	12,667	12,273
Domestic corporate bonds	94,054	97,038	64,801
Foreign corporate bonds	<u>-</u>	<u>15,083</u>	<u>73,877</u>
Total	<u>\$ 118,055</u>	<u>141,680</u>	<u>168,768</u>
Held-for-trading financial liabilities:			
Non-derivative financial liabilities -- non-current			
Beneficial landowners	<u>\$ 31,389</u>	<u>31,389</u>	<u>31,389</u>

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

- 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.
- 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. As of September 30, 2025, December 31, 2024, and September 30, 2024, the Group received the cost of holding and development from the Sanlinger Investment Development Co., Ltd., based on pro rata basis at the amount of 10,989 thousand.
- 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.

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(c) Account receivables	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Current			
Accounts receivable	\$ 212,885	217,640	184,618
Less: Loss allowance	(63,759)	(48,757)	(20,795)
	<u>149,126</u>	<u>168,883</u>	<u>163,823</u>
Leases payment receivables (included operating lease)	699,218	794,495	791,020
Less: Unearned financing income	(108,459)	(115,724)	(114,687)
Loss allowance	(567,880)	(600,710)	(592,265)
	<u>22,879</u>	<u>78,061</u>	<u>84,068</u>
Subtotal of current asset	<u>172,005</u>	<u>246,944</u>	<u>247,891</u>
Non-current			
Lease receivables	-	1,121	4,426
Less: Unearned financing income	-	(6)	(241)
Loss allowance	-	(820)	(3,190)
Subtotal of non-current asset	<u>-</u>	<u>295</u>	<u>995</u>
Total accounts receivable, net	<u>\$ 172,005</u>	<u>247,239</u>	<u>248,886</u>

i. 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:

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Notes to the Consolidated Financial Statements (Continued)

	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>September 30,</u> <u>2024</u>
Lease receivables	\$ 427,562	503,502	498,668
Less: Loss allowance	(425,642)	(456,774)	(450,438)
	<u>\$ 1,920</u>	<u>46,728</u>	<u>48,230</u>

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

	<u>September 30, 2025</u>		
	<u>Gross carrying</u> <u>amount of leases</u> <u>payment receivable</u>	<u>Weighted-</u> <u>average loss</u> <u>rate</u>	<u>Loss</u> <u>allowance</u> <u>provision</u>
Current	\$ 3,599	0.89%	32
1 to 30 days past due	9	11.11%	1
31 to 60 days past due	19	5.26%	1
61 to 90 days past due	103	17.48%	18
More than 91 days past due (Note)	<u>159,467</u>	89.16%	<u>142,186</u>
	<u>\$ 163,197</u>		<u>142,238</u>

	<u>December 31, 2024</u>		
	<u>Gross carrying</u> <u>amount of leases</u> <u>payment receivable</u>	<u>Weighted-</u> <u>average loss</u> <u>rate</u>	<u>Loss</u> <u>allowance</u> <u>provision</u>
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)	<u>171,365</u>	84.44%	<u>144,701</u>
	<u>\$ 176,384</u>		<u>144,756</u>

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements (Continued)

	September 30, 2024		
	Gross carrying amount of leases payment receivable	Weighted- average loss rate	Loss allowance provision
Current	\$ 5,108	0.90%	46
1 to 30 days past due	548	8.21%	45
61 to 90 days past due	268	17.91%	48
More than 91 days past due (Note)	<u>175,926</u>	82.35%	<u>144,878</u>
	<u>\$ 181,850</u>		<u>145,017</u>

Note: As of September 30, 2025, December 31, 2024, and September 30, 2024, the Group had filed lawsuits for collecting the overdue receivables from leasing business with total amount of \$119,620 thousand (RMB27,918 thousand), \$127,657 thousand (RMB27,990 thousand), and \$127,902 thousand (RMB28,318 thousand), respectively. The Group assessed the recoverability of those overdue receivables, and recognized provision for allowance of \$90,475 thousand (RMB21,116 thousand), \$96,825 thousand (RMB21,230 thousand), and \$94,834 thousand (RMB20,997 thousand) less unearned interests 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 for was 2 to 3 days, and there is 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 and include general economic and related industry information.

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

	September 30, 2025		
	Gross carrying amount of accounts receivable	Weighted- average loss rate	Loss allowance provision
Current	\$ 111,177	0%	-
1 to 90 days past due	27,621	0%	-
91 to 180 days past due	10,952	0%~12%	1,273
181 to 270 days past due	8,521	0%~92%	7,872
271 to 365 days past due	12,049	100%	12,049
More than 365 days past due	<u>42,565</u>	100%	<u>42,565</u>
	<u>\$ 212,885</u>		<u>63,759</u>
		December 31, 2024	
	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	0%~75%	14,672
271 to 365 days past due	9,383	100%	9,383
More than 365 days past due	<u>24,666</u>	100%	<u>24,666</u>
	<u>\$ 213,243</u>		<u>48,757</u>

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements (Continued)

	September 30, 2024		
	Gross carrying amount of accounts receivable	Weighted- average loss rate	Loss allowance provision
Current	\$ 139,928	0%	-
1 to 90 days past due	15,838	0%	-
91 to 180 days past due	8,462	0%~32%	2,702
181 to 270 days past due	2,367	100%	2,367
271 to 365 days past due	484	100%	484
More than 365 days past due	15,242	100%	15,242
	<u>\$ 182,321</u>		<u>20,795</u>

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

	September 30, 2025		
	Gross carrying amount of accounts receivable	Weighted- average loss rate	Loss allowance provision
Current	<u>\$ -</u>	-	<u>-</u>

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

	September 30, 2024		
	Gross carrying amount of accounts receivable	Weighted- average loss rate	Loss allowance provision
Current	<u>\$ 2,297</u>	-	<u>-</u>

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

	For the nine months ended September 30	
	2025	2024
Balance at January 1	\$ 650,287	543,369
Impairment losses recognized	14,915	41,265
Amount written off due to irrecoverability during the year	-	(19,829)
Reclassification (Note 9(a))	-	27,854
Foreign exchange gain	(33,563)	23,591
Balance at September 30	<u>\$ 631,639</u>	<u>616,250</u>

- iii. 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:

	September 30, 2025	December 31, 2024	September 30, 2024
Less than one year	\$ 699,218	794,495	791,020
One to two years	-	1,121	4,426
Total investments in lease	699,218	795,616	795,446
Unearned finance income	(108,459)	(115,730)	(114,928)
Present value of lease payments receivable	<u>\$ 590,759</u>	<u>679,886</u>	<u>680,518</u>

Note: Loss allowance is not deducted.

- iv. Please refer to Note 6(w) for other credit risk information.

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(d) Other receivables

	September 30,	December 31,	September 30,
	2025	2024	2024
Other receivables - loans (Note 7)	\$ 16,200	16,200	16,200
Other receivables - investment	261,367	278,210	275,516
Other receivables - lease deposit	61,063	64,998	64,369
Other receivables - others	68,277	86,768	67,800
Less: Loss allowance	(355,870)	(368,640)	(362,131)
	<u>\$ 51,037</u>	<u>77,536</u>	<u>61,754</u>

- i. 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. The Group's evaluates the aforementioned other receivables as financial assets with low credit risk. Therefore, loss allowances for the period were measured based on 12-month ECLs. Please refer to Note 6(w) for other credit risk information.

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- ii. 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 of being conservative and stable. As of September 30, 2025, December 31, 2024, and September 30, 2024, loss allowances of \$61,063 thousand (RMB14,252 thousand), \$64,998 thousand (RMB14,252 thousand), and \$64,369 thousand (RMB14,252 thousand) were recognized, respectively.

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- iii. 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.

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- (4) Under the premise of a written consent of the Group, Damahua may use the completed commercial housing of the Citong Road project that meets the national sales conditions to compensate the Group's in the form of "debt-for-property" as a supplementary method of paying the debt transfer fee.

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's 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 implement 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.

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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 has recognized allowances for ECLs on the aforementioned accounts receivable. As of September 30, 2025, December 31, 2024, and September 30, 2024, the outstanding accounts receivable and the corresponding allowance for doubtful accounts amounted to \$261,367 thousand (RMB61,000 thousand), \$278,210 thousand (RMB61,000 thousand), and \$275,516 thousand (RMB61,000 thousand), respectively.

- iv. On June 28, 2023, the Group entered into a share repurchase and urban investment termination agreement with Shanghai Dongfa Dao Catering Management Co., Ltd. regarding Nanjing Dayang Dongfa Dao Catering Co., Ltd. The total share repurchase price was \$30,157 thousand (RMB7,000 thousand), and the share transfer was completed on August 30, 2023. The repurchase price is being collected in installments in accordance with the agreement. As of September 30, 2025, December 31, 2024, and September 30, 2024, the outstanding amounts receivable were \$3,599 thousand (RMB840 thousand), \$9,669 thousand (RMB2,120 thousand), and \$11,744 thousand (RMB2,600 thousand), respectively. These amounts are recorded as other receivables and non-current assets—others as follows: \$3,599 thousand (RMB840 thousand), \$0, \$8,757 thousand (RMB1,920 thousand), \$912 thousand (RMB200 thousand), and \$8,672 thousand (RMB1,920 thousand), \$3,072 thousand (RMB680 thousand), respectively.

(e) Inventories (Construction Segment)

	September 30, 2025	December 31, 2024	September 30, 2024
Land held for construction site	\$ 213,597	232,976	540,327
Construction in progress	1,224,691	1,219,058	903,965
Buildings and land held for sale	41,931	41,931	41,931
Prepayment for land purchases and development expenses	279,768	279,768	279,768
	<u>\$ 1,759,987</u>	<u>1,773,733</u>	<u>1,765,991</u>

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

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

Investee	September 30, 2025	December 31, 2024	September 30, 2024
Jiawang Assets Development Co., Ltd.	\$ 21,044	8,710	9,452
Da Yu Financial Holdings Ltd.	870,592	738,250	728,572
Sandmartin International Holdings Ltd.	-	-	-
Hainan Sanhe Licheng Business Service Co., Ltd.	-	-	-
Shanghai Zhuke Technology Co., Ltd.	-	-	-
	<u>\$ 891,636</u>	<u>746,960</u>	<u>738,024</u>

i. 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:

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amount of individually insignificant associates' equity	<u>\$ 891,636</u>	<u>746,960</u>	<u>738,024</u>

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Attributable to the Group:				
Net gain from continuing operations	\$ 35,861	12,322	56,362	42,961
Other comprehensive income (loss)	30,558	(14,135)	(57,921)	17,088
Comprehensive income (loss)	<u>\$ 66,419</u>	<u>(1,813)</u>	<u>(1,559)</u>	<u>60,049</u>

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Dividends received from Da Yu Financial Holdings Ltd. for the three-month and nine-month periods ended September 30, 2025, amounted to \$0 and \$10,892 thousand respectively for each period.

The fair values of the Group's associates that already traded on the stock exchange as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Da Yu Financial Holdings Ltd.	\$ 494,456	187,547	197,321
Sandmartin International Holdings Ltd.	Note	168,420	328,346

Note: Trading was suspended from April 2, 2025; therefore, no fair value is available.

- ii. The Group's approved the resolution to participate in the cash capital increase of 331,660 thousand shares and 331,660 thousand shares in Da Yu Financial Holdings Limited in accordance with the shareholding ratio by the Board of Directors on August 27, 2025 and January 17, 2024, respectively. The subscription price is HK\$0.12 and HK\$0.15 per share, with a total amount of \$157,127 thousand and \$202,329 thousand, respectively. The relevant legal registration procedures have been completed.

- iii. Guarantees

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

- iv. The equity method of investments on uncensored

The share of profits and losses and other comprehensive profits and losses enjoyed by investment and merger companies using the equity method are calculated based on financial reports that have not been reviewed by accountants.

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(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		
		September 30, 2025	December 31, 2024	September 30, 2024
GRAND OCEAN	China/Cayman	60.99%	41.38%	41.38%
RETAIL GROUP LTD.	Islands			

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.:

	September 30, 2025	December 31, 2024	September 30, 2024
Current assets	\$ 1,206,331	2,037,348	1,668,336
Non-current assets	19,709,516	22,178,080	22,801,456
Current liabilities	(5,880,881)	(6,662,622)	(5,963,098)
Non-current liabilities	(11,107,608)	(12,766,499)	(13,533,202)
Net assets	<u>\$ 3,927,358</u>	<u>4,786,307</u>	<u>4,973,492</u>
Non-controlling interests	<u>\$ 2,395,297</u>	<u>1,980,574</u>	<u>2,058,032</u>

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Sales revenue	<u>\$ 600,992</u>	<u>707,967</u>	<u>2,045,528</u>	<u>2,398,821</u>
Net loss	(\$ 203,198)	(155,086)	(593,798)	(326,165)
Other comprehensive income (loss)	194,946	(12,733)	(265,151)	226,856
Comprehensive income (loss)	<u>(\$ 8,252)</u>	<u>(167,819)</u>	<u>(858,949)</u>	<u>(99,309)</u>
Net loss, attributable to non-controlling interests	<u>(\$ 124,311)</u>	<u>(64,174)</u>	<u>(306,883)</u>	<u>(134,967)</u>
Comprehensive income (loss), attributable to non-controlling interests	<u>(\$ 6,330)</u>	<u>(69,442)</u>	<u>(393,384)</u>	<u>(41,094)</u>

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	For the nine months ended	
	September 30	
	2025	2024
Net cash flows from operating activities	\$ 53,167	(24,175)
Net cash flows from investing activities	(15,516)	(125,423)
Net cash flows from financing activities	(636,746)	(339,277)
Effect of change in exchange rates	(39,047)	32,364
Decrease in cash and cash equivalents	<u>(\$ 638,142)</u>	<u>(456,511)</u>

(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, 2025	\$ 126,409	4,895,587	35,768	10,911,454	235,970	6,865,132	22,495	23,092,815
Additions	-	-	-	-	1,532	2,726	45,483	49,741
Reclassifications	-	-	-	-	320	50,772	(51,092)	-
Disposals and obsolescence	-	-	(9,621)	-	(6,576)	(9,102)	-	(25,299)
Effect of change in exchange rates	-	(291,845)	(2,124)	(778,795)	(14,031)	(415,784)	(1,197)	(1,503,776)
Balance at September 30, 2025	<u>\$ 126,409</u>	<u>4,603,742</u>	<u>24,023</u>	<u>10,132,659</u>	<u>217,215</u>	<u>6,493,744</u>	<u>15,689</u>	<u>21,613,481</u>
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	-	-	2,901	-	3,544	48,274	27,804	82,523
Reclassifications	-	-	-	-	7,547	2,266	(9,813)	-
Disposals and obsolescence	-	-	(81,464)	-	(2,701)	(6,362)	-	(90,527)
Effect of change in exchange rates	-	191,035	3,074	312,850	9,026	269,428	1,701	787,114
Balance at September 30, 2024	<u>\$ 126,409</u>	<u>4,848,903</u>	<u>34,222</u>	<u>10,533,705</u>	<u>233,196</u>	<u>6,757,524</u>	<u>54,584</u>	<u>22,588,543</u>
Depreciation and impairment loss:								
Balance at January 1, 2025	\$ -	1,607,779	19,423	4,132,446	178,415	4,944,711	2,317	10,885,091
Depreciation this year	-	74,432	2,937	314,927	8,505	216,998	-	617,799
Disposals and obsolescence	-	-	(6,888)	-	(5,776)	(8,964)	-	(21,628)
Effect of change in exchange rates	-	(95,167)	(1,160)	(302,088)	(10,638)	(300,230)	-	(709,283)
Balance at September 30, 2025	<u>\$ -</u>	<u>1,587,044</u>	<u>14,312</u>	<u>4,145,285</u>	<u>170,506</u>	<u>4,852,515</u>	<u>2,317</u>	<u>10,771,979</u>

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Vessels</u>	<u>Office equipment</u>	<u>Leasehold Improvement</u>	<u>Construction in progress</u>	<u>Total</u>
Balance at January 1, 2024	\$ -	1,430,543	59,372	3,456,941	160,810	4,393,579	2,317	9,503,562
Depreciation this year	-	76,587	5,211	323,779	8,765	241,808	-	656,150
Disposals and obsolescence	-	-	(48,103)	-	(2,432)	(6,139)	-	(56,674)
Effect of change in exchange rates	-	59,474	1,658	102,006	6,730	187,613	-	357,481
Balance at September 30, 2024	<u>\$ -</u>	<u>1,566,604</u>	<u>18,138</u>	<u>3,882,726</u>	<u>173,873</u>	<u>4,816,861</u>	<u>2,317</u>	<u>10,460,519</u>
Carrying amounts:								
January 1, 2025	<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>
September 30, 2025	<u>\$ 126,409</u>	<u>3,016,698</u>	<u>9,711</u>	<u>5,987,374</u>	<u>46,709</u>	<u>1,641,229</u>	<u>13,372</u>	<u>10,841,502</u>
January 1, 2024	<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>
September 30, 2024	<u>\$ 126,409</u>	<u>3,282,299</u>	<u>16,084</u>	<u>6,650,979</u>	<u>59,323</u>	<u>1,940,663</u>	<u>52,267</u>	<u>12,128,024</u>

- i. 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.
- ii. The Group's assessment of the recoverable amount of impairment of non-financial assets and the key assumptions used are consistent with those disclosed in the consolidated financial statements for the second quarter of 2025, with no significant changes. Please refer to Note 6(j) of the consolidated financial statements for the second quarter of 2025.
- iii. 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

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements (Continued)**

	<u>Land</u>	<u>Buildings</u>	<u>Machine and transportation equipment</u>	<u>Total</u>
Costs of right-of-use assets:				
Balance at January 1, 2025	\$ 3,442,452	13,559,599	80,483	17,082,534
Additions	-	1,803	-	1,803
Derecognition	-	(4,722)	-	(4,722)
Effect of change in exchange rates	(208,405)	(820,986)	(3,717)	(1,033,108)
Balance at September 30, 2025	<u>\$ 3,234,047</u>	<u>12,735,694</u>	<u>76,766</u>	<u>16,046,507</u>
Balance at January 1, 2024	\$ 3,272,698	12,136,586	77,456	15,486,740
Additions	-	753,780	-	753,780
Effect of change in exchange rates	136,418	520,182	2,432	659,032
Balance at September 30, 2024	<u>\$ 3,409,116</u>	<u>13,410,548</u>	<u>79,888</u>	<u>16,899,552</u>
Depreciation and impairment loss:				
Balance at January 1, 2025	\$ 724,858	4,553,875	52,280	5,331,013
Depreciation this period	67,338	676,043	7,497	750,878
Derecognition	-	(4,722)	-	(4,722)
Effect of change in exchange rates	(44,175)	(278,671)	(2,721)	(325,567)
Balance at September 30, 2025	<u>\$ 748,021</u>	<u>4,946,525</u>	<u>57,056</u>	<u>5,751,602</u>
Balance at January 1, 2024	\$ 598,651	3,347,341	38,908	3,984,900
Depreciation this period	69,353	754,753	7,895	832,001
Effect of change in exchange rates	26,276	153,836	1,558	181,670
Balance at September 30, 2024	<u>\$ 694,280</u>	<u>4,255,930</u>	<u>48,361</u>	<u>4,998,571</u>
Carrying amounts:				
January 1, 2025	<u>\$ 2,717,594</u>	<u>9,005,724</u>	<u>28,203</u>	<u>11,751,521</u>
September 30, 2025	<u>\$ 2,486,026</u>	<u>7,789,169</u>	<u>19,710</u>	<u>10,294,905</u>
January 1, 2024	<u>\$ 2,674,047</u>	<u>8,789,245</u>	<u>38,548</u>	<u>11,501,840</u>
September 30, 2024	<u>\$ 2,714,836</u>	<u>9,154,618</u>	<u>31,527</u>	<u>11,900,981</u>

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Notes to the Consolidated Financial Statements (Continued)

(j) Intangible assets

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

	<u>Goodwill</u>	<u>Trademark</u>	<u>License plate</u>	<u>Other</u>	<u>Total</u>
Cost:					
Balance at January 1, 2025	\$ 1,524,652	459,518	81,507	47,187	2,112,864
Separately acquired	-	-	-	1,371	1,371
Disposal and derecognition	-	-	(35,057)	-	(35,057)
Effect of change in exchange rates	(92,303)	(32,798)	(4,782)	(2,863)	(132,746)
Balance at September 30, 2025	<u>\$ 1,432,349</u>	<u>426,720</u>	<u>41,668</u>	<u>45,695</u>	<u>1,946,432</u>
Balance at January 1, 2024	\$ 1,449,468	430,434	101,428	44,402	2,025,732
Separately acquired	-	-	-	139	139
Disposal and derecognition	-	-	(11,591)	-	(11,591)
Effect of change in exchange rates	60,419	13,176	4,007	1,853	79,455
Balance at September 30, 2024	<u>\$ 1,509,887</u>	<u>443,610</u>	<u>93,844</u>	<u>46,394</u>	<u>2,093,735</u>
Accumulated amortization and impairment loss:					
Balance at January 1, 2025	\$ -	322,328	5,341	32,541	360,210
Amortization	-	-	-	2,467	2,467
Effect of change in exchange rates	-	(23,006)	(323)	(1,981)	(25,310)
Balance at September 30, 2025	<u>\$ -</u>	<u>299,322</u>	<u>5,018</u>	<u>33,027</u>	<u>337,367</u>
Balance at January 1, 2024	\$ -	301,928	5,078	27,608	334,614
Amortization	-	-	-	2,554	2,554
Effect of change in exchange rates	-	9,242	212	1,199	10,653
Balance at September 30, 2024	<u>\$ -</u>	<u>311,170</u>	<u>5,290</u>	<u>31,361</u>	<u>347,821</u>

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

	<u>Goodwill</u>	<u>Trademark</u>	<u>License plate</u>	<u>Other</u>	<u>Total</u>
Carrying amounts:					
January 1, 2025	<u>\$ 1,524,652</u>	<u>137,190</u>	<u>76,166</u>	<u>14,646</u>	<u>1,752,654</u>
September 30, 2025	<u>\$ 1,432,349</u>	<u>127,398</u>	<u>36,650</u>	<u>12,668</u>	<u>1,609,065</u>
January 1, 2024	<u>\$ 1,449,468</u>	<u>128,506</u>	<u>96,350</u>	<u>16,794</u>	<u>1,691,118</u>
September 30, 2024	<u>\$ 1,509,887</u>	<u>132,440</u>	<u>88,554</u>	<u>15,033</u>	<u>1,745,914</u>

i. Impairment losses of goodwill

The Group's assessment of the recoverable amount of department store retail cash-generating unit and the key assumptions used are consistent with those disclosed in the consolidated financial statements for the second quarter of 2025, with no significant changes. Please refer to Note 6(j) of the consolidated financial statements for the second quarter of 2025.

ii. Impairment testing of license plates

The Group's assessment of the recoverable amount of license plates cash-generating unit and the key assumptions used have not changed the consolidated financial statements for the year ended December 31, 2024. Please refer to Note 6(j) of the consolidated financial statements for the year ended December 31, 2024.

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Other financial assets – current			
Lease deposits	\$ 252	291	290
Restricted deposits	611,644	635,149	496,171
Debt claims – vehicle purchases	34,278	36,487	36,133
Other	2,542	2,207	2,611
Less: Loss allowance	(34,278)	(36,487)	(36,133)
	<u>\$ 614,438</u>	<u>637,647</u>	<u>499,072</u>

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements (Continued)**

	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>September 30,</u> <u>2024</u>
Other financial assets — non-current			
Lease deposits	\$ 189,668	201,894	199,934
Prepaid deposit for cooperation agreements	6,467	7,315	7,386
Restricted deposits	196,981	205,003	589,216
Litigation security (Note 9(b))	75,429	81,227	78,415
Prepaid deposit for extended portion of lease	64,271	68,412	67,750
Other	<u>13,595</u>	<u>14,278</u>	<u>14,006</u>
	<u>\$ 546,411</u>	<u>578,129</u>	<u>956,707</u>

- i. 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.
- ii. 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 September 30, 2025, the aforementioned receivables have not been recovered.
- iii. For further credit risk information, please refers to Note 6(w).

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(l) Short-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured bank loans	\$ 380,000	410,000	770,804
Secured bank loans	3,240,861	3,272,065	3,197,198
Other unsecured loans	38,601	-	-
	<u>\$ 3,659,462</u>	<u>3,682,065</u>	<u>3,968,002</u>
Unused credit lines	<u>\$ 809,762</u>	<u>1,087,668</u>	<u>1,004,010</u>
Range of interest rates	<u>2.55%~5.80%</u>	<u>2.31%~6.30%</u>	<u>2.31%~6.50%</u>

i. The Group has entered into a guaranteed loan agreement with a bank and completed the mortgage registration of the subsidiary Fuzhou Grand Ocean Classic Commercial Ltd.'s real estate. As a result, the available credit facility will increase by \$676,983 thousand.

ii. 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:

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured bank loans	\$ 223,801	199,994	201,280
Secured bank loans	2,817,812	3,720,644	3,778,119
Secured note	-	249,720	249,622
Other unsecured loans	195,662	-	-
Other secured loans	1,532	1,855	1,972
Less: Current portion	(2,021,236)	(2,776,284)	(2,183,882)
Total	<u>\$ 1,217,571</u>	<u>1,395,929</u>	<u>2,047,111</u>
Unused credit lines	<u>\$ 467,225</u>	<u>645,888</u>	<u>475,658</u>
Range of interest rates	<u>3.01%~15.60%</u>	<u>1.58%~15.60%</u>	<u>1.74%~15.60%</u>

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

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ii. 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 NT\$9 billion or above.

iii. 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.

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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.

As of December 31, 2024, the Group were still in breach of the agreed financial ratios. On April 15, 2025, the Group issued a statement to the syndicated lending banks explaining the reasons for the financial ratio shortfall and, in accordance with the credit agreement, applied for a waiver of the current financial ratio covenant. Subsequently, the Group also applied to amend the terms of the syndicated loan, including the proposed addition of two vessels as enhanced collateral and the repayment of \$200,000 thousand of Facility A. The proposals for the financial ratio waiver and the amended loan terms are still pending approval by the syndicate banks.

(n) Accounts payable and other payables

	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>September 30,</u> <u>2024</u>
<u>Accounts payable</u>			
Payments for goods purchased for direct sales	\$ 23,731	53,475	53,458
Payments for goods purchased for concessionaire sales	619,117	928,894	536,984
Other	<u>79,119</u>	<u>87,077</u>	<u>96,874</u>
Total	<u><u>\$ 721,967</u></u>	<u><u>1,069,446</u></u>	<u><u>687,316</u></u>
<u>Other payables</u>			
Wages and salaries payable	\$ 106,231	170,409	107,093
Construction contract prices payable	94,635	90,828	94,820
Compensation payable for store shutdown or matters	801	852	1,522
Litigation damages payable	23,502	233,651	375,254
Tax fee	28,292	41,303	33,534

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Notes to the Consolidated Financial Statements (Continued)

	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>September 30,</u> <u>2024</u>
Collect car sales on behalf of related party	-	56,621	56,073
Other	<u>457,667</u>	<u>416,663</u>	<u>452,540</u>
Total	<u>\$ 711,128</u>	<u>1,010,327</u>	<u>1,120,836</u>

(o) Lease liabilities

The lease liabilities of the Group were as follows:

	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>September 30,</u> <u>2024</u>
Current	\$ 947,582	827,918	922,594
Non-current	<u>8,596,679</u>	<u>9,873,207</u>	<u>9,965,018</u>
	<u>\$ 9,544,261</u>	<u>10,701,125</u>	<u>10,887,612</u>

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

The amounts recognized in profit or loss as follows:

	<u>For the three months ended</u> <u>September 30</u>		<u>For the nine months ended</u> <u>September 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest expense of lease liabilities	<u>\$ 101,336</u>	<u>114,699</u>	<u>314,163</u>	<u>346,416</u>
Expenses relating to short-term leases	<u>\$ 216</u>	<u>257</u>	<u>654</u>	<u>782</u>
Expenses relating to leases of low-value, (excluding short-term leases of low-value assets)	<u>\$ 25</u>	<u>126</u>	<u>184</u>	<u>421</u>

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

	<u>For the nine months ended</u> <u>September 30</u>	
	<u>2025</u>	<u>2024</u>
Total cash outflow for leases	<u>\$ 828,703</u>	<u>820,843</u>

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i. 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.

ii. 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

i. 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:

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(1) Bulk carriers

	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>September 30,</u> <u>2024</u>
Less than one year	\$ 384,536	911,021	900,091
One to two years	<u>-</u>	<u>10,572</u>	<u>119,689</u>
Total undiscounted lease payments	<u>\$ 384,536</u>	<u>921,593</u>	<u>1,019,780</u>

(2) Leasing of transportation equipment

	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>September 30,</u> <u>2024</u>
Less than one year	\$ 2,616	7,373	8,386
One to two years	1,675	2,928	2,855
Two to three years	822	1,738	154
Three to four years	<u>444</u>	<u>1,046</u>	<u>1,345</u>
Total undiscounted lease payments	<u>\$ 5,557</u>	<u>13,085</u>	<u>12,740</u>

Maintenance and repair expenses incurred from vessel equipment for the three-month and nine-month periods ended September 30, 2025 and 2024, are as follows:

	<u>For the three months ended</u> <u>September 30</u>		<u>For the nine months ended</u> <u>September 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Operating costs	<u>\$ 16,367</u>	<u>14,651</u>	<u>52,868</u>	<u>43,172</u>

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements (Continued)

(q) Income Tax

i. The components of income tax (gains) were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Current tax expense				
Current period	\$ 7,629	3,234	33,079	36,441
Adjustment for prior periods	18	(2,766)	56	(2,766)
	<u>7,647</u>	<u>468</u>	<u>33,135</u>	<u>33,675</u>
Deferred tax (gain) expense				
Origination and reversal of temporary differences	(13,509)	1,332	(31,797)	(15,892)
	<u>(\$ 5,862)</u>	<u>1,800</u>	<u>1,338</u>	<u>17,783</u>

ii. Deferred tax assets and liabilities

(1) Recognized deferred tax assets and liabilities

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

Deferred tax assets:

	Loss deduction	Leases expenses and others	Total
Balance at January 1, 2025	\$ 48,941	2,798,131	2,847,072
(Debit) Credit Income Statement	(4,217)	(133,752)	(137,969)
Effect of change in exchange rates	(1,777)	(168,820)	(170,597)
Balance at September 30, 2025	<u>\$ 42,947</u>	<u>2,495,559</u>	<u>2,538,506</u>
Balance at January 1, 2024	\$ 72,967	2,709,462	2,782,429
(Debit) Credit Income Statement	-	14,725	14,725
Effect of change in exchange rates	2,237	113,221	115,458
Balance at September 30, 2024	<u>\$ 75,204</u>	<u>2,837,408</u>	<u>2,912,612</u>

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Notes to the Consolidated Financial Statements (Continued)

Deferred tax liabilities:

	Estimated share of subsidiaries' earnings	Leases expenses	Total
Balance at January 1, 2025	\$ 26,373	2,254,981	2,281,354
(Debit) Credit Income Statement	-	(169,766)	(169,766)
Effect of change in exchange rates	(1,248)	(135,782)	(137,030)
Balance at September 30, 2025	<u>\$ 25,125</u>	<u>1,949,433</u>	<u>1,974,558</u>
Balance at January 1, 2024	\$ 25,266	2,202,109	2,227,375
(Debit) Credit Income Statement	-	(1,167)	(1,167)
Effect of change in exchange rates	<u>502</u>	<u>91,769</u>	<u>92,271</u>
Balance at September 30, 2024	<u>\$ 25,768</u>	<u>2,292,711</u>	<u>2,318,479</u>

iii. Examination and Approval

- (1) The Company's tax returns for the years up to 2022 were examined and approved by the tax authorities.
- (2) The tax returns the domestic subsidiaries for the years up to 2023 have been examined and approved by the tax authorities.
- (3) For the years up to 2024, tax returns of subsidiaries in China have been examined and approved by the local tax authority.

(r) Capital and other equity

Except as otherwise noted below, there were no material changes in capital and other equity of the Group for the nine months ended September 30, 2025 and 2024. For related information, please refer to Note 6(r) of the consolidated financial statements for the year ended December 31, 2025.

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i. Capital surplus

The components of the capital surplus were as follows:

	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>September 30,</u> <u>2024</u>
Issuing stock premium	\$ 352,570	352,570	352,570
Difference arising from subsidiary's share price and its carrying value	-	480,480	480,480
Donation from shareholders	<u>3,332</u>	<u>3,332</u>	<u>3,332</u>
	<u>\$ 355,902</u>	<u>836,382</u>	<u>836,382</u>

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.

ii. 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.

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

(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.

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.

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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. Amounts of subsequent reversals pertaining to the net reduction in other shareholders' equity shall qualify for additional distributions.

The Company was pursuant to the resolutions reached in shareholder meetings held on June 18, 2024 for making up losses from special reserves of \$303,885 thousand.

(3) Earnings distribution

It was approved on shareholders' meeting on June 13, 2025 and June 18, 2025 not to distribute dividends for 2024 and 2023, respectively.

iii. Treasury stock

The movement in treasury shares of subsidiaries was as follows:

	(In thousands of shares)	
	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Outstanding as of January 1	3,663	7,709
Sales for the period	-	(1,546)
Outstanding as of September 30	<u>3,663</u>	<u>6,163</u>

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The Group's employees were entitled to exercise treasury share options through advances on salaries. As of September 30, 2025, December 31, 2024, and September 30, 2024, those prepaid salaries amounting to \$130,700 thousand, \$129,316 thousand, and \$128,021 thousand, which were recognized under other non-current assets accounts. 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.

iv. Other equity interests (after tax)

	Exchange differences on translation of foreign financial statements	Non- controlling interest	Total
Balance at January 1, 2025	\$ 224,418	2,080,798	2,305,216
Net loss of non-controlling interests	-	(319,458)	(319,458)
Share of exchange differences on equity accounted associates	(57,921)	-	(57,921)
Difference arising from subsidiary's share price and its carrying value	-	808,107	808,107
Exchange differences on translation of foreign financial statements	(625,673)	(86,501)	(712,174)
Balance at September 30, 2025	<u>(\$ 459,176)</u>	<u>2,482,946</u>	<u>2,023,770</u>
Balance at January 1, 2024	(\$ 354,024)	2,216,527	1,862,503
Net loss of non-controlling interests	-	(146,788)	(146,788)
Share of exchange differences on equity accounted associates	17,088	-	17,088
Exchange differences on translation of foreign financial statements	<u>309,708</u>	<u>93,873</u>	<u>403,581</u>
Balance at September 30, 2024	<u>(\$ 27,228)</u>	<u>2,163,612</u>	<u>2,136,384</u>

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Notes to the Consolidated Financial Statements (Continued)

(s) Losses per share

The Group's earnings per share were calculated as follows:

	<u>For the three months ended</u> <u>September 30</u>		<u>For the nine months ended</u> <u>September 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Basic losses per share				
Net loss attributable to ordinary shareholders of the Company	(\$ <u>71,479</u>)	(<u>58,115</u>)	(<u>278,287</u>)	(<u>122,042</u>)
Weighted average number of ordinary shares	<u>824,776</u>	<u>824,776</u>	<u>824,776</u>	<u>824,776</u>
Basic losses per share (NT dollars)	(<u>\$ 0.09</u>)	(<u>0.07</u>)	(<u>0.34</u>)	(<u>0.15</u>)

For the nine months ended September 30, 2025 and 2024, 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

i. Disaggregation of revenue

	<u>For the three months ended September 30, 2025</u>					
	<u>Shipping Segment</u>	<u>Investing Segment</u>	<u>Department Store Segment</u>	<u>Rental Segment</u>	<u>Construction Segment</u>	<u>Total</u>
Primary geographical markets:						
Taiwan	\$ -	1,887	-	-	13,475	15,362
China	-	-	600,992	1,206	-	602,198
Other	<u>362,994</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>362,994</u>
	<u>\$ 362,994</u>	<u>1,887</u>	<u>600,992</u>	<u>1,206</u>	<u>13,475</u>	<u>980,554</u>
Major products/services lines:						
Commissions revenue (department store revenue-joint sales)	\$ -	-	122,790	-	-	122,790
Sales of merchandise (department store-direct sales)	-	-	86,446	-	-	86,446
Lease revenue (Note)	-	1,887	222,065	1,208	-	225,160

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Notes to the Consolidated Financial Statements (Continued)

	For the three months ended September 30, 2025					Total
	Shipping Segment	Investing Segment	Department Store Segment	Rental Segment	Construction Segment	
Marine transportation revenue (Note)	362,994	-	-	-	-	362,994
Financial lease interest income (Note)	-	-	-	(2)	-	(2)
Service revenue and others	-	-	169,691	-	13,475	183,166
	<u>\$ 362,994</u>	<u>1,887</u>	<u>600,992</u>	<u>1,206</u>	<u>13,475</u>	<u>980,554</u>
	For the three months ended September 30, 2024					
	Shipping Segment	Investing Segment	Department Store Segment	Rental Segment	Construction Segment	Total
Primary geographical markets:						
Taiwan	\$ -	1,757	-	-	-	1,757
China	-	-	707,967	4,762	-	712,729
Other	396,696	-	-	-	-	396,696
	<u>\$ 396,696</u>	<u>1,757</u>	<u>707,967</u>	<u>4,762</u>	<u>-</u>	<u>1,111,182</u>
Major products/services lines:						
Commissions revenue (department store revenue-joint sales)	\$ -	-	157,508	-	-	157,508
Sales of merchandise (department store-direct sales)	-	-	97,316	-	-	97,316
Lease revenue (Note)	-	1,757	251,761	3,334	-	256,852
Marine transportation revenue (Note)	396,696	-	-	-	-	396,696
Financial lease interest income (Note)	-	-	-	1,101	-	1,101
Service revenue and others	-	-	201,382	327	-	201,709
	<u>\$ 396,696</u>	<u>1,757</u>	<u>707,967</u>	<u>4,762</u>	<u>-</u>	<u>1,111,182</u>

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements (Continued)**

	For the nine months ended September 30, 2025					
	Shipping Segment	Investing Segment	Department Store Segment	Rental Segment	Construction Segment	Total
Primary geographical markets:						
Taiwan	\$ -	5,528	-	-	13,475	19,003
China	-	-	2,045,528	6,974	-	2,052,502
Other	<u>1,075,518</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,075,518</u>
	<u>\$ 1,075,518</u>	<u>5,528</u>	<u>2,045,528</u>	<u>6,974</u>	<u>13,475</u>	<u>3,147,023</u>
Major products/services lines:						
Commissions revenue (department store revenue-joint sales)	\$ -	-	493,819	-	-	493,819
Sales of merchandise (department store-direct sales)	-	-	331,094	-	-	331,094
Lease revenue (Note)	-	5,528	689,888	6,688	-	702,104
Marine transportation revenue (Note)	1,075,518	-	-	-	-	1,075,518
Financial lease interest income (Note)	-	-	-	286	-	286
Service revenue and others	<u>-</u>	<u>-</u>	<u>530,727</u>	<u>-</u>	<u>13,475</u>	<u>544,202</u>
	<u>\$ 1,075,518</u>	<u>5,528</u>	<u>2,045,528</u>	<u>6,974</u>	<u>13,475</u>	<u>3,147,023</u>

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements (Continued)**

	For the nine months ended September 30, 2024					Total
	Shipping Segment	Investing Segment	Department Store Segment	Rental Segment	Construction Segment	
Primary geographical markets:						
Taiwan	\$ -	5,237	-	-	-	5,237
China	-	-	2,398,821	20,915	-	2,419,736
Other	<u>1,175,944</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,175,944</u>
	<u>\$ 1,175,944</u>	<u>5,237</u>	<u>2,398,821</u>	<u>20,915</u>	<u>-</u>	<u>3,600,917</u>
Major products/services lines:						
Commissions revenue (department store revenue-joint sales)	\$ -	-	610,874	-	-	610,874
Sales of merchandise (department store-direct sales)	-	-	390,381	-	-	390,381
Lease revenue (Note)	-	5,237	784,042	13,240	-	802,519
Marine transportation revenue (Note)	1,175,944	-	-	-	-	1,175,944
Financial lease interest income (Note)	-	-	-	5,108	-	5,108
Service revenue and others	<u>-</u>	<u>-</u>	<u>613,524</u>	<u>2,567</u>	<u>-</u>	<u>616,091</u>
	<u>\$ 1,175,944</u>	<u>5,237</u>	<u>2,398,821</u>	<u>20,915</u>	<u>-</u>	<u>3,600,917</u>

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

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(u) Employee compensation and directors' remuneration

On June 13, 2025, the Company amended its Articles of Incorporation by resolution of the shareholders' meeting. Under the amended Articles, if the Company has annual profits, no less than 1% shall be allocated as employee remuneration (of which at least 10% must be for junior-level employees), and no more than 3% shall be allocated as remuneration for directors and supervisors. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. Such employees' compensation may be distributed in the form of stock or cash, and its payable to the employees of affiliated companies who meet certain criteria. In accordance with the Articles of Incorporation before amendment, 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 nine months ended September 30, 2025 and 2024, 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.

(v) Non-operating income and expenses

i. Interest income

The details of interest income were as follows:

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	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Cash in bank	\$ 4,959	10,278	18,729	37,743
Loans interest income	245	247	727	646
Open fund	232	246	717	737
Interest income from corporate bonds	-	2,005	2,042	4,248
Dividend of special stock	-	8,426	-	10,272
Other	-	37	71	438
		<u>21,239</u>		
	<u>\$ 5,436</u>		<u>22,286</u>	<u>54,084</u>

ii. Other income

The details of other income were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Dividend income	\$ 62	323	288	323
Subsidy income	401	2,110	1,649	2,874
	<u>\$ 463</u>	<u>2,433</u>	<u>1,937</u>	<u>3,197</u>

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iii. Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Loss from disposal of property, plant and equipment	(\$ 479)	(4,831)	(2,076)	(8,796)
Gain (loss) from disposal of intangible assets	321	(8)	(779)	(962)
Foreign exchange (loss) gain	(24,466)	9,919	7,610	2,681
Valuation gains (losses) on financial assets/liabilities at FVTPL	228	(2,935)	(951)	16,287
Reverse to gain on compensation for store shutdown	-	812	-	47,224
Reverse to gain on compensation losses on litigations	-	96,540	-	158,545
Revenue reclassified from overdue payments	4,265	2,794	10,339	16,673
Miscellaneous revenue (including credit card transaction fees, etc.)	6,105	28,233	16,361	43,958
	<u>(\$ 14,026)</u>	<u>136,394</u>	<u>30,504</u>	<u>275,610</u>

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Notes to the Consolidated Financial Statements (Continued)

iv. Finance costs

The details of finance costs were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Interest expense on bank loans	\$ 61,282	92,942	209,981	301,093
Interest on lease liabilities	101,336	114,699	314,163	346,416
Other financial expense	4,377	2,875	13,328	9,692
	<u>\$ 166,995</u>	<u>210,516</u>	<u>537,472</u>	<u>657,201</u>

Additionally, the Group recognized interest expenses related to the Rental Segment under operating costs amounting to (\$81) thousand, \$2,819 thousand, \$318 thousand, and \$7,457 thousand for the three months and nine months ended September 30, 2025 and 2024, respectively.

(w) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to Note 6(w) of the consolidated financial statements for the year ended December 31, 2024.

i. Credit risk

(1) Credit risk exposure

As of September 30, 2025, December 31, 2024, and September 30, 2024, 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

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

The changes in recognized financial guarantee liabilities related to the above financial guarantees for the nine months ended September 30, 2025 and 2024 are as follows:

	For the nine months ended September 30	
	2025	2024
Balance at January 1	\$ -	31,982
Reversal of impairment losses recognized	-	(4,836)
Reclassification (Note 9(a))	-	(27,854)
Effect of change in exchange rates	-	708
Balance at September 30 (recognized as other current liabilities)	<u>\$ -</u>	<u>-</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 movement in the allowance for impairment for other receivables and other financial assets for the nine months ended September 30, 2025 and 2024 were as follows:

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	For the nine months ended	
	September 30	
	2025	2024
Balance at January 1	\$ 405,127	397,951
Impairment losses recognized (reversal gain)	9,488 (	15,104)
Amount written off due to irrecoverability during the year	- (	798)
Effect of change in exchange rates	(24,467)	16,215
Balance at September 30	<u>\$ 390,148</u>	<u>398,264</u>

ii. Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 1 year	1 - 5 years	Over 5 years
September 30, 2025					
Non-derivative financial liabilities					
Non-interest bearing liabilities	\$ 1,967,147	1,967,147	1,434,540	128	532,479
Floating rate instrument	6,662,474	6,990,284	5,649,459	860,716	480,109
Fixed rate instruments	335,625	366,253	161,786	204,467	-
Lease liabilities	<u>9,544,261</u>	<u>12,185,802</u>	<u>1,337,119</u>	<u>4,842,940</u>	<u>6,005,743</u>
	<u>\$ 18,509,507</u>	<u>21,509,486</u>	<u>8,582,904</u>	<u>5,908,251</u>	<u>7,018,331</u>

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	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1 - 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	<u>10,701,125</u>	<u>13,847,408</u>	<u>1,269,855</u>	<u>5,349,907</u>	<u>7,227,646</u>
	<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>
September 30, 2024					
Non-derivative financial liabilities					
Non-interest bearing liabilities	\$ 2,402,508	2,402,508	1,809,430	135	592,943
Floating rate instrument	5,622,169	6,113,104	3,854,903	1,615,227	642,974
Fixed rate instruments	2,676,682	2,762,927	2,648,362	114,565	-
Lease liabilities	<u>10,887,612</u>	<u>14,171,577</u>	<u>1,375,817</u>	<u>5,329,488</u>	<u>7,466,272</u>
	<u>\$ 21,588,971</u>	<u>25,450,116</u>	<u>9,688,512</u>	<u>7,059,415</u>	<u>8,702,189</u>

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

iii. Market risk

(1) Currency risk

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

	September 30, 2025			December 31, 2024			September 30, 2024			
	Currency	Exchange rate	NTD	Currency	Exchange rate	NTD	Currency	Exchange rate	NTD	
<u>Financial assets</u>										
<u>Monetary items</u>										
USD:NTD	\$	11	30.445	335	234	32.785	7,672	912	31.65	28,865
HKD:NTD		1	3.913	4	10	4.2220	42	-	-	-
HKD:USD		4,110	0.1285	16,079	997	0.1288	4,210	3,426	0.1287	13,955
NTD:USD		2,445	0.0328	2,445	1,082	0.0305	1,082	955	0.0316	955
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD:CNY	-		7.1055	-	650	7.1884	21,310	800	7.0074	25,320

(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. As of September 30, 2025 and 2024, if the NTD or RMB were to appreciate or depreciate by 1% against the USD, EUR, HKD, AUD, and RMB, with all other factors held constant, the net loss before tax for the nine months ended September 30, 2025 and 2024 would increase or Additions by \$189 thousand and \$185 thousand, respectively.

Due to the diverse functional currencies within the Group, information on foreign exchange gains or losses on monetary items is disclosed on an aggregated basis. For the three months and nine months ended September 30, 2025 and 2024, the foreign exchange (losses) gains (including realized and unrealized) were (\$24,466) thousand, \$9,919 thousand, \$7,610 thousand, and \$2,681 thousand, respectively.

(3) Interest rate risk

The details of the Group's exposure to interest rate of financial assets and liabilities please refer to the note on liquidity risk management.

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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 profit before tax would have decreased or increased by \$20,724 thousand and \$13,869 thousand, which is mainly due to the Group's borrowings at variable rates and demand deposits for the nine months ended September 30, 2025, and 2024, respectively, given that all other variable factors remaining constant.

(4) 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:

Prices of securities at the reporting date	For the nine months ended September 30, 2025		For the nine months ended September 30, 2024	
	Other comprehensive income (loss) (before tax)	Net income or loss before tax	Other comprehensive income (loss) (before tax)	Net income or loss before tax
Increase 5%	\$ -	5,903	-	8,438
Decrease 5%	\$ -	(5,903)	-	(8,438)

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iv. 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:

	September 30, 2025				
	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	\$ 24,001	24,001	-	-	24,001
Domestic corporate bonds	94,054	-	-	94,054	94,054
Financial liabilities at fair value through profit or loss					
Non-derivative financial liabilities	\$ 31,389	-	-	31,389	31,389
	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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	September 30, 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	<u>\$ 103,967</u>	<u>30,090</u>	<u>73,877</u>	<u>-</u>	<u>103,967</u>
Domestic corporate bonds	<u>64,801</u>	<u>-</u>	<u>-</u>	<u>64,801</u>	<u>64,801</u>
Financial liabilities at fair value through profit or loss					
Non-derivative financial liabilities	<u>\$ 31,389</u>	<u>-</u>	<u>-</u>	<u>31,389</u>	<u>31,389</u>

(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.

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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.

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.

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(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.

(4) Transfers between Level 1 and Level 2: None.

(5) Reconciliation of Level 3 fair values

	<u>Financial assets and liabilities held for trading</u>	
	<u>Non-derivative financial liabilities - beneficial interests of landowners</u>	<u>Measured at fair value through profit or loss - Investments in bond instruments that are not publicly quoted</u>
January 1, 2025	(\$ 31,389)	97,038
Total gains or losses		
Recognized in		
profit or loss	-	(2,984)
September 30, 2025	<u>(\$ 31,389)</u>	<u>94,054</u>

	<u>Financial assets and liabilities held for trading</u>	
	<u>Non-derivative financial liabilities - beneficial interests of landowners</u>	<u>Measured at fair value through profit or loss - Investments in bond instruments that are not publicly quoted</u>
January 1, 2024	(\$ 27,813)	-
Buy	-	64,801
Issued	(3,576)	-
September 30, 2024	<u>(\$ 31,389)</u>	<u>64,801</u>

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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.

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
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 (45.90%, 39.17%, and 37.79% as of September 30, 2025, December 31, 2024, and September 30, 2024, respectively) Lack of market liquidity and discount (27.56%, 25.43%, and 25.38% as of September 30, 2025, December 31, 2024, and September 30, 2024, respectively) 	<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 (Both were \$307 thousand and \$183 thousand as of September 30, 2025, December 31, 2024, and September 30, 2024, 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:

	Inputs	Variation	Impacts of fair value change on net income or loss	
			Favourable	Unfavourable
September 30, 2025				
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, 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)
September 30, 2024				
Financial assets at fair value through profit or loss				
Investments in bond instruments that are not publicly quoted	Volatility	5%	-	-
	Liquidity discount	5%	-	-
Financial liabilities at fair value through profit or loss				
Liabilities arising from beneficial interests of landowner	Price fluctuation	5%	13,628 (13,403)

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The favourable and unfavourable 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.

(x) Financial risk management

Except as stated below, there were no significant differences of the Group's financial risk management and policies with those disclosed in Note 6(x) of the consolidated financial statements for the year ended December 31, 2025.

(y) Capital Management

Management believes that the objectives, policies and processes of capital management of the Group have been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2025. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2025. Please refer to Note 6(y) of the consolidated financial statements for the year ended December 31, 2025.

(z) Investing and financing activities not affecting cash flow

The Group's investing and financing activities which have non-cash flow for the nine months ended September 30, 2025, and 2024, were as follows:

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

	January 1, 2025	Cash flows	Non-cash changes		September 30, 2025
			Other	Foreign exchange movement	
Short-term borrowings	\$ 3,682,065	135,266	-	(157,869)	3,659,462
Short-term notes and bills payable	99,840	(10)	-	-	99,830
Long-term borrowings	4,172,213	(750,871)	-	(182,535)	3,238,807
Lease liabilities	10,701,125	(513,702)	1,803	(644,965)	9,544,261
Guarantee deposits	592,120	(22,537)	-	(35,675)	533,908
Total liabilities from financing activities	<u>\$ 19,247,363</u>	<u>(1,151,854)</u>	<u>1,803</u>	<u>(1,021,044)</u>	<u>17,076,268</u>

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	January 1, 2024	Cash flows	Non-cash changes		September 30, 2024
			Other (Note)	Foreign exchange movement	
Short-term borrowings	\$ 3,657,193	212,265	-	98,544	3,968,002
Short-term notes and bills payable	-	99,856	-	-	99,856
Long-term borrowings	5,038,796	(919,464)	-	111,661	4,230,993
Lease liabilities	10,269,949	(473,224)	659,833	431,054	10,887,612
Guarantee deposits	573,039	(2,523)	-	23,771	594,287
Total liabilities from financing activities	<u>\$ 19,538,977</u>	<u>(1,083,090)</u>	<u>659,833</u>	<u>665,030</u>	<u>19,780,750</u>

Note: This represents the addition of right-of-use assets of \$753,780 thousand and the reclassification to other payables of \$93,947 thousand.

(7) Related-party transactions

(a) Parent company and ultimate controlling company

First Steamship Co., 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 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
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

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<u>Name of related party</u>	<u>Relationship with the Group</u>
Technology)	
Changsha Zhuke Technology Co., Ltd. (Zhuke Technology)	Associate
Da Yu Financial Holdings Ltd.	Associate
Jiawang Assets Development Co., Ltd. (Jiawang Assets)	Associate
PRO Brand Technology (Tw) Inc. (PBT)	A subsidiary of the associate

(c) Significant transactions with related parties

i. Payables to related parties

The payables to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Other payables	Zhuke			
(Note)	Technology	\$ -	<u>56,621</u>	<u>56,073</u>

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

ii. Leases

(1) Lease liabilities and interest costs

<u>Relationship</u>	<u>Purpose</u>	<u>Lease liabilities</u>		
		<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Other related party	Energy saving renovation engineering equipment	\$ <u>5,184</u>	<u>7,986</u>	<u>8,704</u>

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.

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Relationship	Purpose	Interest expense			
		For the three months ended		For the nine months ended	
		September 30		September 30	
		2025	2024	2025	2024
Other related party	Energy saving renovation engineering equipment	\$ <u>65</u>	<u>109</u>	<u>230</u>	<u>351</u>

(2) Operating lease

Relationship	Purpose	Rent expense			
		For the three months ended		For the nine months ended	
		September 30		September 30	
		2025	2024	2025	2024
Other related parties (Note)	Office building	\$ <u>37</u>	<u>77</u>	<u>113</u>	<u>115</u>

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.

iii. Lease receivables

The Group's significant lease receivables from related parties are as follows:

Account	Relationship	September 30, 2025	December 31, 2024	September 30, 2024
Lease receivables	Hainah Sanhe Licheng	\$ 144,035	153,317	151,874
Lease receivables	Zhuke Technology	283,527	350,185	346,795
Less: Loss allowance - Hainan Sanhe Licheng		(142,115)	(151,219)	(149,796)
Less: Loss allowance - Zhuke Technology		(283,527)	(305,555)	(300,642)
		<u>\$ 1,920</u>	<u>46,728</u>	<u>48,231</u>

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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 credit loss reversal gains of \$3,494 thousand and expected credit loss expenses of \$40,706 thousand for the nine months ended September 30, 2025 and 2024, respectively.

iv. Account receivables-related parties

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

<u>Account</u>	<u>Relationship</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Other receivables (loaning)	Jiawang Assets	\$ 16,200	16,200	16,200
Other receivables (interest)	Hainah Sanhe Licheng	2,647	2,817	2,790
Other receivables (interest)	Zhuke Technology	4,362	4,643	4,598
Other receivables (interest)	Jiawang Assets	1,329	602	357
Other receivables (preferred stock dividend)	Jiawang Assets	6,020	6,020	-
Other receivables (others)	Zhuke Technology	5,396	4,197	479
Less: Loss allowance		(14,077)	(13,329)	(7,867)
		<u>\$ 21,877</u>	<u>21,150</u>	<u>16,557</u>
Other financial assets	Zhuke Technology	\$ 34,278	36,487	36,133
Less: Loss allowance		(34,278)	(36,487)	(36,133)
		<u>\$ -</u>	<u>-</u>	<u>-</u>

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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, after assessing the value of collateral and evaluating subsequent recoveries and other repayment sources, the Group recognized expected credit loss expenses of \$1,459 thousand and expected credit loss reversal gains of \$14,325 thousand for the nine months ended September 30, 2025 and 2024, respectively.

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

	Interest income			
	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Hainan Sanhe	\$ -	2	-	284
Licheng				
Jiawang Assets	<u>245</u>	<u>245</u>	<u>727</u>	<u>362</u>
	<u>\$ 245</u>	<u>247</u>	<u>727</u>	<u>646</u>

- v. 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.
- (1) The credit risk of Hainan Sanhe Licheng has increased significantly; therefore, the Group assessed the value of collateral and the potential default risk of the counterparty over the contract term, and recognized expected credit loss reversal gains of \$3,505 thousand for the nine months ended September 30, 2024.
 - (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. \$22,956 thousand (RMB5,083 thousand) and recognized on accounts receivable. In addition, it reclassifies Other non-current liabilities to accounts receivable.

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vi. Other

- (1) The resolution of the Board of Directors was passed on August 27, 2025 and January 17, 2024 respectively 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.
- (2) 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. The principal amount of \$59,900 thousand was fully recovered as of December 31, 2024, and preferred dividend income of \$10,272 thousand was recognized for the nine months ended September 30, 2024.
- (3) As of December 31, 2024, the Group subscribed for private placement of convertible bonds of PRO Brand Technology (TW) Inc. for \$97,038 thousand (US\$3,000 thousand) and recognized as financial assets at fair value through profit or loss - current.

(d) Key management personnel trade

i. Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Short-term				
employee benefits	\$ 13,071	13,487	39,937	40,349

- ii. The Group granted key management personnel rights to subscribe treasury shares as prepaid salaries. As of September 30, 2025, December 31, 2024, and September 30, 2024, those prepaid salaries amounting to \$37,762 thousand (RMB8,813 thousand), \$40,351 thousand (RMB8,847 thousand), and \$39,960 thousand (RMB8,847 thousand), which were recognized under other non-current assets accounts.

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(8) Pledged assets

The carrying amount of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Inventories-construction industry	Bank loans	\$ 1,480,219	1,473,398	1,465,656
Other financial assets	Bank depository funds	10,954	13,399	12,749
Other financial assets	Frozen deposits due to lease dispute	1,131	35,853	47,524
Other financial assets	Bank loans	723,515	763,925	1,025,114
Other financial assets	Litigation security	75,429	81,227	78,415
Other financial assets	Trust account	73,025	26,975	-
Property, plant and equipment (Note)	Bank and other secured loans	9,476,448	11,018,377	10,883,907
Investment property	Bank loans	138,413	139,143	139,387
		<u>\$ 11,979,134</u>	<u>13,552,297</u>	<u>13,652,752</u>

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

(9) Significant commitments and contingencies

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

(a) Unrecognized contractual commitments

i. The unrecognized contractual commitments of the Group were as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
<u>Contracted price</u>			
Sales of buildings and land	\$ 908,868	405,367	-
Acquisition of buildings and land	665,331	665,331	665,331
Subcontracted construction projects	47,034	47,034	50,389
<u>Received or paid price</u>			

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>September 30,</u> <u>2024</u>
Sales of buildings and land (recognized as contract liabilities-current)	\$ 69,548	27,262	-
Acquisition of buildings and land (prepayment for land purchases and development costs)	259,406	259,406	279,912
Subcontracted construction projects (recognized as inventories)	18,612	18,612	13,755

- ii. 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. 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 the nine months ended September 30, 2025 and 2024, 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.

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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. \$25,756 thousand (RMB5,702 thousand) to repurchase on above the default claim of \$28,385 thousand (RMB6,285 thousand) and recognize as accounts receivable. In addition, reclassify the allowance for losses under other non-current liability \$27,854 thousand (RMB6,285 thousand) to accounts receivable.

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

<u>Construction method</u>	<u>Project name or land lot No.</u>
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:

- i. 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.
- ii. 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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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

- (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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Notes to the Consolidated Financial Statements (Continued)

- (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 and the equity 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. The aforementioned amounts have been fully paid and the asset freeze has been lifted on March 31, 2025.

- iii. Hubei Huayu filed a lawsuit against Grand Ocean Classic Commercial Group Co., 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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- iv. 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 November 21, 2023, Wuhan Trade filed an application for property preservation with the court. The court legally frozen the bank deposits 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, 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. The aforementioned amounts have been fully paid and the asset freeze has been lifted on June 30, 2025.

- v. 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 \$23,502 thousand (RMB5,485 thousand). The Group had already recognized this amount in the 2024 financial statements under other payables and other gains and losses. As of September 30, 2025, the said amount remains unpaid.

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- vi. 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 US\$431 thousand as well as the fuel expenses paid on behalf of PB of US\$350 thousand (\$10,656 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 \$26,670 thousand (US\$876 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 \$75,429 thousand (US\$2,478 thousand) to lift the seizure of the vessel (recognized as other financial assets-non-current). 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 US\$1,500 thousand to US\$2,000 thousand. In June 2025, both parties agreed to suspend the arbitration to engage in discussions. However, no settlement was reached subsequently. Consequently, PB resumed arbitration in September 2025. The Group submitted its pleadings in October 2025 with reference to analysis from maritime experts, and is currently awaiting PB's response.

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.

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In the second quarter of 2024, the Group applied to the South African court for an additional deposit of \$13,259 thousand (US\$436 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. Totaling \$39,929 thousand (US\$1,312 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.

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

(12) Other

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

By function	For the three months ended September 30					
	2025			2024		
	Cost of sales	Operating expense	Total	Cost of sales	Operating expense	Total
By item						
Employee benefit expenses						
Salary	81,690	107,318	189,008	88,716	114,147	202,863
Health and labor insurance	-	1,346	1,346	-	1,356	1,356
Pension	-	12,042	12,042	-	13,421	13,421
Others	5,705	20,665	26,370	5,982	24,638	30,620
Depreciation	102,712	342,636	445,348	109,129	391,683	500,812
Amortization	16,369	939	17,308	15,186	1,164	16,350

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By function By item	For the nine months ended September 30					
	2025			2024		
	Cost of sales	Operating expense	Total	Cost of sales	Operating expense	Total
Employee benefit expenses						
Salary	257,471	339,954	597,425	257,868	329,042	586,910
Health and labor insurance	-	4,278	4,278	-	4,385	4,385
Pension	-	37,567	37,567	-	40,526	40,526
Others	17,558	62,224	79,782	19,647	71,971	91,618
Depreciation	317,582	1,051,825	1,369,407	328,678	1,160,202	1,488,880
Amortization	52,877	3,193	56,070	45,051	4,027	49,078

(b) Seasonality of operations

The Group's retail business is subject to seasonal fluctuations as a result of vacation. Thus, this industry typically has higher revenues and results for the first and fourth quarter of the year.

(13) Other disclosures

(a) Information on significant transactions:

In accordance with the Regulations Governing the Preparation of Financial Reports of Securities Issuers for the nine months ended September 30, 2025, the Group is required to disclose additional information regarding significant transactions as follows:

- i. Loans to other others: Please refer to Table 1.
- ii. Guarantees and endorsements for other parties: Please refer to Table 2.
- iii. Holding of significant marketable securities (not including subsidiaries, associates and joint ventures): Please refer to Table 3.
- iv. Related-party transactions for purchases and sales with amounts exceeding the lower of \$100 million or 20% of the capital stock: None.
- v. Receivables from related parties of \$100 million or 20% of paid-in capital or more: Please refer to Table 4.
- vi. Business relationships and significant intercompany transactions: Please refer to Table 5.

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Notes to the Consolidated Financial Statements (Continued)

- (b) Information on investees: Please refer to Table 6.
- (c) Information on investment in China: Please refer to Table 7.

(14) Segment information

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

	<u>Shipping Segment</u>	<u>Investing Segment</u>	<u>Department Store Segment</u>	<u>Rental Segment</u>	<u>Construction Segment</u>	<u>Reconciliation and elimination</u>	<u>Total</u>
For the three months ended							
September 30, 2025							
Revenue:							
Revenue from external customers	\$ 362,994	1,887	600,992	1,206	13,475	-	980,554
Intersegment revenues	-	398	-	-	-	(398)	-
Total revenue	<u>\$ 362,994</u>	<u>2,285</u>	<u>600,992</u>	<u>1,206</u>	<u>13,475</u>	<u>(398)</u>	<u>980,554</u>
Reportable segment profit or loss	<u>\$ 43,715</u>	<u>(36,839)</u>	<u>(209,060)</u>	<u>3,830</u>	<u>(5,998)</u>	<u>-</u>	<u>(204,352)</u>
For the three months ended							
September 30, 2024							
Revenue:							
Revenue from external customers	\$ 396,696	1,757	707,967	4,762	-	-	1,111,182
Intersegment revenues	-	399	-	-	-	(399)	-
Total revenue	<u>\$ 396,696</u>	<u>2,156</u>	<u>707,967</u>	<u>4,762</u>	<u>-</u>	<u>(399)</u>	<u>1,111,182</u>
Reportable segment profit or loss	<u>\$ 49,002</u>	<u>426</u>	<u>(153,286)</u>	<u>(14,753)</u>	<u>(3,415)</u>	<u>-</u>	<u>(122,026)</u>

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	<u>Shipping Segment</u>	<u>Investing Segment</u>	<u>Department Store Segment</u>	<u>Rental Segment</u>	<u>Construction Segment</u>	<u>Reconciliation and elimination</u>	<u>Total</u>
For the nine months ended September 30, 2025							
Revenue:							
Revenue from external customers	\$1,075,518	5,528	2,045,528	6,974	13,475	-	3,147,023
Intersegment revenues	-	1,195	-	-	-	(1,195)	-
Total revenue	<u>\$1,075,518</u>	<u>6,723</u>	<u>2,045,528</u>	<u>6,974</u>	<u>13,475</u>	<u>(1,195)</u>	<u>3,147,023</u>
Reportable segment profit or loss	<u>\$ 68,142</u>	<u>(39,230)</u>	<u>(592,460)</u>	<u>(4,916)</u>	<u>(27,943)</u>	<u>-</u>	<u>(596,407)</u>
For the nine months ended September 30, 2024							
Revenue:							
Revenue from external customers	\$1,175,944	5,237	2,398,821	20,915	-	-	3,600,917
Intersegment revenues	-	1,172	-	-	-	(1,172)	-
Total revenue	<u>\$1,175,944</u>	<u>6,409</u>	<u>2,398,821</u>	<u>20,915</u>	<u>-</u>	<u>(1,172)</u>	<u>3,600,917</u>
Reportable segment profit or loss	<u>\$ 145,816</u>	<u>6,988</u>	<u>(308,429)</u>	<u>(69,153)</u>	<u>(26,269)</u>	<u>-</u>	<u>(251,047)</u>

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Table 1. Loans to others
(September 30, 2025)

(Expressed in Thousands of New Taiwan Dollars)

No.	Creditor	Borrower	General ledger account	Is a related party (Y/N)	Maximum outstanding balance	Balance at September 30	Actual amount drawn down this period	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	750,000	700,000	680,000	3.25%	2	-	Business operation	-	Cashier's order	700,000	3,003,931	3,003,931	
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	77,911	77,911	
2	First Steamship S. A.	Ahead Capital Ltd.	Other receivables - related parties	Y	669,790	669,790	617,649	0.00%	2	-	Business operation	-	-	-	7,965,141	7,965,141	
2	First Steamship S. A.	Media Assets Global Ltd.	Other receivables - related parties	Y	365,340	365,340	341,014	0.00%	2	-	Business operation	-	-	-	7,965,141	7,965,141	
2	First Steamship S. A.	First Steamship Co., Ltd.	Other receivables - related parties	Y	913,350	913,350	858,020	0.00%	2	-	Business operation	-	-	-	7,965,141	7,965,141	
2	First Steamship S. A.	Grand Ocean Retail Group Ltd.	Other receivables - related parties	Y	578,455	578,455	548,010	4.35%	2	-	Business operation	-	Cashier's order	578,455	1,062,019	1,062,019	
2	First Steamship S. A.	Mariner Finance Ltd.	Other receivables - related parties	Y	398,830	337,941	319,674	0.00%	2	-	Business operation	-	-	-	7,965,141	7,965,141	
3	Nature Sources Ltd.	First Steamship S.A.	Other receivables - related parties	Y	274,005	274,005	273,701	0.00%	2	-	Business operation	-	-	-	821,127	821,127	
4	Heritage Riches Ltd.	First Steamship S.A.	Other receivables - related parties	Y	30,445	30,445	21,616	0.00%	2	-	Business operation	-	-	-	80,205	80,205	
5	Grand Citi Ltd.	Grand Ocean Retail Group Ltd.	Other receivables - related parties	Y	1,644,030	1,644,030	1,237,178	3.6%~3.95%	2	-	Business operation	-	-	-	73,582,460	73,582,460	
5	Grand Citi Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.	Other receivables - related parties	Y	266,394	266,394	219,102	0.00%	2	-	Business operation	-	-	-	73,582,460	73,582,460	

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No.	Creditor	Borrower	General ledger account	Is a related party (Y/N)	Maximum outstanding balance	Balance at September 30	Actual amount drawn down this period	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			
6	Grand Ocean Classic Commercial Group Co., Ltd.	Hengyang Grand Ocean Commercial Development Ltd.	Other receivables - related parties	Y	310,641	310,641	310,641	0.00%	2	-	Business operation	-	-	-	57,570,180	57,570,180	
6	Grand Ocean Classic Commercial Group Co., Ltd.	Quanzhou Grand Ocean Commercial Ltd.	Other receivables - related parties	Y	1,413,954	1,413,954	1,411,812	0.00%	2	-	Business operation	-	-	-	57,570,180	57,570,180	
6	Grand Ocean Classic Commercial Group Co., Ltd.	Fuzhou Grand Ocean Classic Commercial Ltd.	Other receivables - related parties	Y	1,461,087	1,461,087	1,372,607	0.00%	2	-	Business operation	-	-	-	57,570,180	57,570,180	
6	Grand Ocean Classic Commercial Group Co., Ltd.	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Other receivables - related parties	Y	42,848	-	-	0.00%	2	-	Business operation	-	-	-	57,570,180	57,570,180	
6	Grand Ocean Classic Commercial Group Co., Ltd.	Fuzhou Jiaruixing Business Administration Limited	Other receivables - related parties	Y	190,669	190,669	168,389	0.00%	2	-	Business operation	-	-	-	57,570,180	57,570,180	
6	Grand Ocean Classic Commercial Group Co., Ltd.	Fuzhou Grand Ocean Commercial Ltd.	Other receivables - related parties	Y	352,631	352,631	258,368	0.00%	2	-	Business operation	-	-	-	57,570,180	57,570,180	
6	Grand Ocean Classic Commercial Group Co., Ltd.	Wuhan Grand Ocean Classic Commercial Development Ltd.	Other receivables - related parties	Y	49,275	49,275	29,607	0.00%	2	-	Business operation	-	-	-	57,570,180	57,570,180	
6	Grand Ocean Classic Commercial Group Co., Ltd.	Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd.	Other receivables - related parties	Y	214,238	214,238	197,527	0.00%	2	-	Business operation	-	-	-	57,570,180	57,570,180	
6	Grand Ocean Classic Commercial Group Co., Ltd.	Grand Ocean Retail Group Ltd.	Other receivables - related parties	Y	730,680	730,680	669,790	3.6%~3.95%	2	-	Business operation	-	-	-	57,570,180	57,570,180	

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

No.	Creditor	Borrower	General ledger account	Is a related party (Y/N)	Maximum outstanding balance	Balance at September 30	Actual amount drawn down this period	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			
7	Fuzhou Grand Ocean Commercial Ltd.	Fuzhou Jiaruixing Business Administration Limited	Other receivables - related parties	Y	32,136	32,136	32,136	0.00%	2	-	Business operation	-	-	-	16,728,170	16,728,170	
7	Fuzhou Grand Ocean Commercial Ltd.	Wuhan Grand Ocean Classic Commercial Development Ltd.	Other receivables - related parties	Y	209,951	209,951	209,951	0.00%	2	-	Business operation	-	-	-	16,728,170	16,728,170	
8	Nanjing Grand Ocean Classic Commercial Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.	Other receivables - related parties	Y	2,327,285	2,327,285	2,319,786	0.10%	2	-	Business operation	-	-	-	19,635,250	19,635,250	
9	Wuhan Grand Ocean Classic Commercial Development Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.	Other receivables - related parties	Y	101,505	-	-	0.00%	2	-	Business operation	-	-	-	16,034,050	16,034,050	
9	Wuhan Grand Ocean Classic Commercial Development Ltd.	Shiyan Ocean Modern Shopping Co., Ltd.	Other receivables - related parties	Y	434,898	434,898	396,764	0.00%	2	-	Business operation	-	-	-	16,034,050	16,034,050	
9	Wuhan Grand Ocean Classic Commercial Development Ltd.	Hengyang Grand Ocean Commercial Development Ltd.	Other receivables - related parties	Y	179,958	166,246	166,246	0.00%	2	-	Business operation	-	-	-	16,034,050	16,034,050	
9	Wuhan Grand Ocean Classic Commercial Development Ltd.	Chongqing Optics Valley Grand Ocean Commercial Development Ltd.	Other receivables - related parties	Y	89,979	89,979	72,840	0.00%	2	-	Business operation	-	-	-	16,034,050	16,034,050	
9	Wuhan Grand Ocean Classic Commercial Development Ltd.	Wuhan Hanyang Grand Ocean Jingdian Commercial Ltd.	Other receivables - related parties	Y	98,548	98,548	95,640	0.00%	2	-	Business operation	-	-	-	16,034,050	16,034,050	

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

No.	Creditor	Borrower	General ledger account	Is a related party (Y/N)	Maximum outstanding balance	Balance at September 30	Actual amount drawn down this period	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	Yichang Grand Ocean Commercial Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.	Other receivables - related parties	Y	957,634	957,634	942,637	0.00%	2	-	Business operation	-	-	-	4,569,150	4,569,150	
10	Yichang Grand Ocean Commercial Ltd.	Wuhan Grand Ocean Classic Commercial Development Ltd.	Other receivables - related parties	Y	85,694	85,694	80,124	0.00%	2	-	Business operation	-	-	-	4,569,150	4,569,150	
10	Yichang Grand Ocean Commercial Ltd.	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Other receivables - related parties	Y	266,509	185,099	176,530	0.00%	2	-	Business operation	-	-	-	4,569,150	4,569,150	
11	Hefei Grand Ocean Classic Commercial Department Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.	Other receivables - related parties	Y	402,764	402,764	389,910	0.00%	2	-	Business operation	-	-	-	2,709,540	2,709,540	
12	Shanghai Jingxuan-Commercial Management Co., Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.	Other receivables - related parties	Y	29,993	29,993	29,779	0.00%	2	-	Business operation	-	-	-	334,640	334,640	
13	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.	Other receivables - related parties	Y	42,847	42,847	-	0.00%	2	-	Business operation	-	-	-	17,289,010	17,289,010	
13	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Wuhan Grand Ocean Classic Commercial Development Ltd.	Other receivables - related parties	Y	153,179	153,179	153,179	0.00%	2	-	Business operation	-	-	-	17,289,010	17,289,010	
13	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Chongqing Optics Valley Grand Ocean Commercial Development Ltd.	Other receivables - related parties	Y	518,450	518,450	374,887	0%~3.2%	2	-	Business operation	-	-	-	17,289,010	17,289,010	

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements (Continued)**

No.	Creditor	Borrower	General ledger account	Is a related party (Y/N)	Maximum outstanding balance	Balance at September 30	Actual amount drawn down this period	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			
13	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Wuhan Hanyang Grand Ocean Jingdian Commercial Ltd.	Other receivables - related parties	Y	72,840	72,840	71,403	0.00%	2	-	Business operation	-	-	-	17,289,010	17,289,010	
14	Quanzhou Grand Ocean Commercial Ltd.	Sanhohsiensen Trade Ltd.	Other receivables	N	4,285	4,285	4,285	0.00%	2	-	Business operation	4,285	-	-	24,104	24,104	Note 6

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, or between non-ROC companies in which First Steamship Co., Ltd. directly or indirectly holds 100% of the voting shares and First Steamship Co., Ltd. itself, 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 non-ROC companies which do not directly or indirectly own 100% of the voting shares, 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 companies that directly or indirectly hold 100% of the voting shares of non-ROC companies, or non-ROC companies that are directly or indirectly 100% owned by such companies, the total and individual amounts of funds lent to Grand Ocean Retail Group Ltd. shall each be limited to 1000% of the net value based on the most recent financial statements of the lending company.

Note 5: 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 6: Quanzhou Grand Ocean Commercial Ltd. granted a loan of \$4,285 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 7: 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.

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

Table 2. Guarantees and Endorsements for Other Parties
(September 30, 2025)

(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	Endorsement/ guarantee secured by property with a specified collateral amount	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	Alliance Steamship S.A.	2	22,529,481	608,900	-	-	-	0.00%	22,529,481	Y	N	N
0	The Company	Reliance Steamship S.A.	2	22,529,481	213,115	213,115	57,846	-	2.84%	22,529,481	Y	N	N
0	The Company	Grand Steamship S.A.	2	22,529,481	123,576	123,576	35,307	-	1.65%	22,529,481	Y	N	N
0	The Company	Longevity Navigation S.A.	2	22,529,481	130,914	130,914	104,731	-	1.74%	22,529,481	Y	N	N
0	The Company	Praise Maritime S.A.	2	22,529,481	755,036	755,036	62,408	-	10.05%	22,529,481	Y	N	N
0	The Company	Sure Success Steamship S.A.	2	22,529,481	76,113	76,113	59,198	-	1.01%	22,529,481	Y	N	N
0	The Company	Mariner Finance Ltd.	2	22,529,481	60,890	-	-	-	0.00%	22,529,481	Y	N	Y
0	The Company	First Steamship S.A.	2	22,529,481	195,662	195,662	195,662	-	2.61%	22,529,481	Y	N	N
0	The Company	Shining Steamship International S.A.	2	22,529,481	694,755	694,755	462,648	-	9.25%	22,529,481	Y	N	N
0	The Company	Best Steamship S. A.	2	22,529,481	274,005	274,005	81,325	-	3.65%	22,529,481	Y	N	N
0	The Company	Excellent Steamship International S.A.	2	22,529,481	688,057	688,057	504,730	-	9.16%	22,529,481	Y	N	N
0	The Company	Royal Sunway Development Co., Ltd.	2	22,529,481	1,235,900	1,235,900	381,301	945,000	16.46%	22,529,481	Y	N	N
0	The Company	Grand Ocean Retail Group Ltd.	2	22,529,481	243,560	-	-	-	0.00%	22,529,481	Y	N	N
1	First Steamship S.A.	Alliance Steamship S.A.	4	13,275,235	608,900	-	-	-	0.00%	13,275,235	N	N	N

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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	Endorsement/ guarantee secured by property with a specified collateral amount	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										
1	First Steamship S.A.	Reliance Steamship S.A.	4	13,275,235	213,115	213,115	57,846	-	8.03%	13,275,235	N	N	N
2	Royal Sunway Development Co., Ltd.	Honor Construction Ltd.	5	1,947,770	426,500	426,500	88,090	-	218.97%	3,895,540	N	N	N
3	Grand Ocean Classic Commercial Group Co., Ltd.	Grand Ocean Retail Group Ltd.	3	36,076,745	1,096,020	791,570	791,570	Note10	13.75%	36,076,745	N	Y	N
3	Grand Ocean Classic Commercial Group Co., Ltd.	Wuhan Grand Ocean Classic Commercial Development Ltd.	2	36,076,745	578,436	578,436	335,505	-	10.05%	36,076,745	Y	N	Y
4	Fuzhou Grand Ocean Classic Commercial Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.	3	7,186,800	1,928,119	1,928,119	1,476,297	-	-1958.93%	7,186,800	N	Y	Y
5	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.	3	16,849,865	1,928,119	1,928,119	1,476,297	1,901,777	111.52%	16,849,865	N	Y	Y
6	Fuzhou Grand Ocean Commercial Ltd.	Wuhan Grand Ocean Classic Commercial Development Ltd.	2	10,400,395	578,436	578,436	335,505	481,876	34.58%	10,400,395	Y	N	Y

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements (Continued)**

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	Endorsement/ guarantee secured by property with a specified collateral amount	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										
7	Quanzhou Grand Ocean Commercial Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.	3	7,595,220	1,928,119	1,928,119	1,476,297	1,040,327	3199.67%	7,595,220	N	Y	Y
8	Wuhan Grand Ocean Classic Commercial Development Ltd.	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	2	29,296,585	428,471	-	-	-	0.00%	29,296,585	Y	N	Y
8	Wuhan Grand Ocean Classic Commercial Development Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.	3	29,296,585	394,193	394,193	394,189	1,034,697	24.58%	29,296,585	N	Y	Y

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: In accordance with 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: In accordance with 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: In accordance with 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 7: 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.

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

Note 8: 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 9: For the endorsement and guarantee provided for Royal Sunway Development Co., Ltd. by the Company, the Company issued a cashier's order in the amount of \$290,900 thousand as collateral.

Note 10: For the endorsement and guarantee provided, standby letters of credit (Standby L/C) and time deposits in the amount of \$651,276 thousand were pledged as collateral.

Note 11: 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 \$5,784,357 thousand at the end of the period with the actual risk exposure being \$1,928,119 thousand. Grand Ocean Retail Group Ltd.'s subsidiaries, Ocean Crystal Classic Commercial Group Ltd. and Ocean Crystal Classic Commercial Group Ltd., jointly endorsed and guaranteed the subsidiary, Wuhan Grand Ocean Classic Commercial Development Ltd. in the total amount of \$1,156,872 thousand at the end of the period with the actual risk exposure being \$578,436 thousand.

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements (Continued)

Table 3. Holding of Significant Marketable Securities (not Including Subsidiaries, Associates and Joint Ventures)
(September 30, 2025)

(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 (unit)	Carrying amount	Shareholding ratio	Fair value	
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	94,054	-	94,054	
Ahead Capital Ltd.	Shares of Wanjia Group Holdings Ltd.	-	Financial assets at fair value through profit or loss - current	1,772,000	652	0.32%	652	
Ahead Capital Ltd.	Shares of Tian An Australia Ltd.	-	Financial assets at fair value through profit or loss - current	1,513,412	6,243	1.75%	6,243	
Media Assets Global Ltd.	Shares of Tian An Australia Ltd.	-	Financial assets at fair value through profit or loss - current	12,763	53	0.01%	53	
Heritage Riches Ltd.	Shares of Tian An Australia Ltd.	-	Financial assets at fair value through profit or loss - current	1,225,653	5,056	1.42%	5,056	
Grand Ocean Group Ltd.	Funds of Allianz Income and Growth	-	Financial assets at fair value through profit or loss - current	46,510	11,997	-	11,997	

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements (Continued)****Table 4. Receivables from Related Parties of \$100 Million or 20% of Paid-in Capital or More
(September 30, 2025)****(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	685,522	-	-	-	-	-
First Steamship S.A.	The Company	The parent company	857,850	-	-	-	-	-
First Steamship S.A.	Ahead Capital Ltd.	Subsidiary with 100% of shareholding	617,492	-	-	-	-	-
First Steamship S.A.	Media Assets Global Ltd.	Subsidiary with 100% of shareholding	341,014	-	-	-	-	-
First Steamship S.A.	Grand Ocean Retail Group Ltd.	Subsidiary with 28.67% of shareholding	589,791	-	-	-	-	-
First Steamship S.A.	Mariner Finance Ltd.	Same ultimate parent company	325,838	-	-	-	-	-
Nature Sources Ltd.	First Steamship S.A.	The parent company	273,701	-	-	-	-	-
Mariner Finance Ltd.	Zhuke Technology (Zhuke Group)	Associate	293,285	-	-	-	-	293,285
Mariner Finance Ltd.	Hainan Sanhe Licheng Business Service Co., Ltd.	Associate	146,682	-	-	-	-	144,762
Grand Citi Ltd.	Grand Ocean Retail Group Ltd.	The parent company	1,237,178	-	-	-	-	-
Grand Citi Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.	Subsidiary with 100% of shareholding	219,102	-	-	-	-	-
Grand Ocean Classic Commercial Group Co., Ltd.	Hengyang Grand Ocean Commercial Development Ltd.	Subsidiary with 100% of shareholding	310,641	-	-	-	-	-
Grand Ocean Classic Commercial Group Co., Ltd.	Quanzhou Grand Ocean Commercial Ltd.	Subsidiary with 100% of shareholding	1,411,812	-	-	-	-	-
Grand Ocean Classic Commercial Group Co., Ltd.	Fuzhou Grand Ocean Classic Commercial Ltd.	Subsidiary with 100% of shareholding	1,372,607	-	-	-	-	-
Grand Ocean Classic Commercial Group Co., Ltd.	Fuzhou Jiaruixing Business Administration Limited	Subsidiary with 100% of shareholding	168,389	-	-	-	-	-
Grand Ocean Classic Commercial Group Co., Ltd.	Fuzhou Grand Ocean Commercial Ltd.	Subsidiary with 100% of shareholding	258,368	-	-	-	-	-
Grand Ocean Classic Commercial Group Co., Ltd.	Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd.	Subsidiary with 100% of shareholding	197,527	-	-	-	-	-
Grand Ocean Classic Commercial Group Co., Ltd.	Grand Ocean Retail Group Ltd.	The parent company	669,790	-	-	-	-	-
Fuzhou Grand Ocean Commercial Ltd.	Wuhan Grand Ocean Classic Commercial Development Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.'s subsidiary with 100% of shareholding	209,951	-	-	-	-	-
Nanjing Grand Ocean Classic Commercial Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.'s subsidiary with 100% of shareholding	2,319,786	-	-	-	-	-
Wuhan Grand Ocean Classic Commercial Development Ltd.	Shiyan Ocean Modern Shopping Co., Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.'s subsidiary with 100% of shareholding	396,764	-	-	-	-	-

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements (Continued)**

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		
Wuhan Grand Ocean Classic Commercial Development Ltd.	Hengyang Grand Ocean Commercial Development Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.'s subsidiary with 100% of shareholding	166,246	-	-	-	-	-
Yichang Grand Ocean Commercial Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.'s subsidiary with 100% of shareholding	942,637	-	-	-	-	-
Yichang Grand Ocean Commercial Ltd.	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.'s subsidiary with 100% of shareholding	176,530	-	-	-	-	-
Hefei Grand Ocean Classic Commercial Department Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.'s subsidiary with 100% of shareholding	389,910	-	-	-	-	-
Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Wuhan Grand Ocean Classic Commercial Development Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.'s subsidiary with 100% of shareholding	153,179	-	-	-	-	-
Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Chongqing Optics Valley Grand Ocean Commercial Development Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.'s subsidiary with 100% of shareholding	374,887	-	-	-	-	-

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 CO., LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements (Continued)****Table 5. Business Relationships and Significant Intercompany Transactions
(September 30, 2025)****(Expressed in Thousands of New Taiwan Dollars)**

No.	Trader name	Counterparty	Relationship with the trader (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets
				General ledger account	Amount	Transaction terms	
0	The Company	Royal Sunway Development Co., Ltd.	1	Other receivables - related parties	685,522	Mutual agreement	2.23%
1	First Steamship S.A.	The Company	2	Other receivables - related parties	857,850	Mutual agreement	2.80%
1	First Steamship S.A.	Ahead Capital Ltd.	1	Other receivables - related parties	617,492	Mutual agreement	2.01%
1	First Steamship S.A.	Media Assets Global Ltd.	1	Other receivables - related parties	341,014	Mutual agreement	1.11%
1	First Steamship S.A.	Grand Ocean Retail Group Ltd.	1	Other receivables - related parties	589,791	Mutual agreement	1.92%
1	First Steamship S.A.	Mariner Finance Ltd.	3	Other receivables - related parties	325,838	Mutual agreement	1.06%
2	Nature Sources Ltd.	First Steamship S.A.	2	Other receivables - related parties	273,701	Mutual agreement	0.89%
3	Grand Citi Ltd.	Grand Ocean Retail Group Ltd.	2	Other receivables - related parties	1,237,178	Mutual agreement	4.03%
3	Grand Citi Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.	1	Other receivables - related parties	219,102	Mutual agreement	0.71%
4	Grand Ocean Classic Commercial Group Co., Ltd.	Hengyang Grand Ocean Commercial Development Ltd.	1	Other receivables - related parties	310,641	Mutual agreement	1.01%
4	Grand Ocean Classic Commercial Group Co., Ltd.	Quanzhou Grand Ocean Commercial Ltd.	1	Other receivables - related parties	1,411,812	Mutual agreement	4.60%
4	Grand Ocean Classic Commercial Group Co., Ltd.	Fuzhou Grand Ocean Classic Commercial Ltd.	1	Other receivables - related parties	1,372,607	Mutual agreement	4.47%
4	Grand Ocean Classic Commercial Group Co., Ltd.	Fuzhou Jiaruixing Business Administration Limited	1	Other receivables - related parties	168,389	Mutual agreement	0.55%
4	Grand Ocean Classic Commercial Group Co., Ltd.	Fuzhou Grand Ocean Commercial Ltd.	1	Other receivables - related parties	258,368	Mutual agreement	0.84%
4	Grand Ocean Classic Commercial Group Co., Ltd.	Wuhan Grand Ocean Classic Commercial Development Ltd.	1	Other receivables - related parties	29,607	Mutual agreement	0.10%
4	Grand Ocean Classic Commercial Group Co., Ltd.	Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd.	1	Other receivables - related parties	197,527	Mutual agreement	0.64%
4	Grand Ocean Classic Commercial Group Co., Ltd.	Grand Ocean Retail Group Ltd.	2	Other receivables - related parties	669,790	Mutual agreement	2.18%
5	Fuzhou Grand Ocean Commercial Ltd.	Fuzhou Jiaruixing Business Administration Limited	1	Other receivables - related parties	32,136	Mutual agreement	0.10%

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements (Continued)**

No.	Trader name	Counterparty	Relationship with the trader (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets
				General ledger account	Amount	Transaction terms	
5	Fuzhou Grand Ocean Commercial Ltd.	Wuhan Grand Ocean Classic Commercial Development Ltd.	1	Other receivables - related parties	209,951	Mutual agreement	0.68%
6	Nanjing Grand Ocean Classic Commercial Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.	2	Other receivables - related parties	2,319,786	Mutual agreement	7.56%
7	Wuhan Grand Ocean Classic Commercial Development Ltd.	Shiyan Ocean Modern Shopping Co., Ltd.	1	Other receivables - related parties	396,764	Mutual agreement	1.29%
7	Wuhan Grand Ocean Classic Commercial Development Ltd.	Hengyang Grand Ocean Commercial Development Ltd.	1	Other receivables - related parties	166,246	Mutual agreement	0.54%
7	Wuhan Grand Ocean Classic Commercial Development Ltd.	Chongqing Optics Valley Grand Ocean Commercial Development Ltd.	1	Other receivables - related parties	72,840	Mutual agreement	0.24%
7	Wuhan Grand Ocean Classic Commercial Development Ltd.	Wuhan Hanyang Grand Ocean Jingdian Commercial Ltd.	1	Other receivables - related parties	95,640	Mutual agreement	0.31%
8	Yichang Grand Ocean Commercial Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.	2	Other receivables - related parties	942,637	Mutual agreement	3.07%
8	Yichang Grand Ocean Commercial Ltd.	Wuhan Grand Ocean Classic Commercial Development Ltd.	1	Other receivables - related parties	80,124	Mutual agreement	0.26%
8	Yichang Grand Ocean Commercial Ltd.	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	1	Other receivables - related parties	176,530	Mutual agreement	0.58%
9	Hefei Grand Ocean Classic Commercial Department Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.	2	Other receivables - related parties	389,910	Mutual agreement	1.27%
10	Shanghai Jingxuan- Commercial Management Co., Ltd.	Grand Ocean Classic Commercial Group Co., Ltd.	2	Other receivables - related parties	29,779	Mutual agreement	0.10%
11	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Wuhan Grand Ocean Classic Commercial Development Ltd.	1	Other receivables - related parties	153,179	Mutual agreement	0.50%
11	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Chongqing Optics Valley Grand Ocean Commercial Development Ltd.	1	Other receivables - related parties	374,887	Mutual agreement	1.22%
11	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Wuhan Hanyang Grand Ocean Jingdian Commercial Ltd.	1	Other receivables - related parties	71,403	Mutual agreement	0.23%

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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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements (Continued)****Table 6. Information on Investees (Excluding Information on Investment in China)
(September 30, 2025)**

(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			(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%	107,127	(27,943)	(15,369)	Subsidiary
The Company	First Steamship S.A.	Panama	Investment holding company, international transportation and shipping agency	1,808,433	1,808,433	594	100.00%	2,655,047	(213,672)	(213,672)	Subsidiary
The Company	First Mariner Holding Ltd.	British Virgin Islands	Investment holding company	1,500,939	1,500,939	49,300,000	100.00%	(273,333)	(5,348)	(5,348)	Subsidiary
The Company	Alliance Steamship S.A.	Panama	Domestic and international transportation	365,340	365,340	120,000	100.00%	419,037	9,115	9,115	Subsidiary
The Company	Advantage Steamship Co., Ltd.	Liberia	Domestic and international transportation	-	-	-	100.00%	(37)	(19)	(19)	Subsidiary (Note 6)
The Company	Best Steamship S.A.	Panama	Domestic and international transportation	517,565	517,565	170,000	100.00%	498,722	(19,228)	(19,228)	Subsidiary
The Company	Black Sea Steamship S.A.	Panama	Domestic and international transportation	334,895	334,895	110,000	100.00%	307,373	(3,290)	(3,290)	Subsidiary
The Company	Excellent Steamship International S.A.	Panama	Domestic and international transportation	274,005	274,005	90,000	100.00%	349,897	20,654	20,654	Subsidiary
The Company	Grand Steamship S.A.	Panama	Domestic and international transportation	487,120	487,120	160,000	100.00%	552,906	(13,428)	(13,428)	Subsidiary
The Company	Longevity Navigation S.A.	Panama	Domestic and international transportation	411,008	411,008	135,000	100.00%	477,781	31,839	31,839	Subsidiary
The Company	Mighty Steamship Co., Ltd.	Liberia	Domestic and international transportation	-	-	-	100.00%	(37)	(19)	(19)	Subsidiary (Note 6)
The Company	Praise Maritime S.A.	Panama	Domestic and international transportation	563,233	563,233	185,000	100.00%	658,204	19,637	19,637	Subsidiary
The Company	Reliance Steamship S.A.	Panama	Domestic and international transportation	365,340	365,340	120,000	100.00%	405,070	(1,017)	(1,017)	Subsidiary
The Company	Ship Bulker Steamship S.A.	Panama	Domestic and international transportation	365,340	365,340	120,000	100.00%	362,027	(14,334)	(14,334)	Subsidiary
The Company	Shining Steamship International S.A.	Panama	Domestic and international transportation	292,272	292,272	96,000	100.00%	354,929	29,375	29,375	Subsidiary
The Company	Sure Success Steamship S.A.	Panama	Domestic and international transportation	435,364	435,364	143,000	100.00%	565,732	8,857	8,857	Subsidiary
The Company	Grand Ocean Retail Group Ltd.	Cayman Islands	Investment holding company	814,024	814,024	19,552,000	10.00%	392,736	(593,798)	(59,380)	Second-tier subsidiary (Note 4)

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements (Continued)**

Name of investor	Name of investee	Location	Main business activities	Initial investment amount		Shares held as at end of period			(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	Da Yu Financial Holdings Ltd.	Hong Kong	Corporate finance advisory and asset management services	597,890	440,763	994,980,000	29.11%	870,592	146,588	44,027	Associate
The Company	Sandmartin International Holdings Ltd.	Hong Kong	Media & entertainment platforms services	258,475	258,475	473,869,283	38.52%	0	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%	21,044	25,171	12,334	Associate
Ahead Capital Ltd.	Grand Ocean Retail Group Ltd.	Cayman Islands	Investment holding company	83,618	441,453	661,000	0.34%	13,353	(593,798)	Note 1	Second-tier subsidiary
First Steamship S.A.	Grand Ocean Retail Group Ltd.	Cayman Islands	Investment holding company	1,528,568	2,496,490	56,061,000	28.67%	1,125,973	(593,798)	Note 1	Second-tier subsidiary
First Steamship S.A.	Ahead Capital Ltd.	British Virgin Islands	Investment holding company	471,898	471,898	1,550	100.00%	(597,205)	(6,408)	Note 1	Second-tier subsidiary
First Steamship S.A.	Heritage Riches Ltd.	British Virgin Islands	Investment holding company	304	304	5	100.00%	26,735	488	Note 1	Second-tier subsidiary
First Steamship S.A.	Media Assets Global Ltd.	British Virgin Islands	Investment holding company	152,225	152,225	50,000	100.00%	(340,966)	(41)	Note 1	Second-tier subsidiary
First Steamship S.A.	Nature Sources Ltd.	Hong Kong	Investment holding company	256,651	256,651	8,430,000	100.00%	273,709	(202)	Note 1	Second-tier subsidiary
First Mariner Holding Ltd.	First Mariner Capital Ltd.	British Virgin Islands	Investment holding company	1,002,249	1,002,249	32,920,000	100.00%	(279,259)	(5,198)	Note 1	Second-tier subsidiary
First Mariner Holding Ltd.	Mariner Far East Ltd.	Hong Kong	Investment holding company	115,691	115,691	3,800,000	100.00%	4,071	(86)	Note 1	Second-tier subsidiary
First Mariner Capital Ltd.	Mariner Capital Ltd.	Hong Kong	Investment holding company	852,764	852,764	28,010,000	100.00%	(280,199)	(5,129)	Note 1	Second-tier subsidiary
Grand Citi Ltd.	Sandmartin International Holdings Ltd.	Hong Kong	Media & entertainment platforms services	77,126	77,126	44,197,255	3.59%	0	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 CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

Table 7. Information on investment in China
(September 30, 2025)

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 Co., Ltd.	Holding, wholesale of cosmetics, clothing, shoes and hats, gold and silver jewelry, packaging, food, household electrical appliances, communication equipment and handicrafts.	3,642,003	(CNY 850,000)	-	(1)	1,763,322	(USD 57,918)	-	-	1,763,322	(493,607)	39.01%	(192,556)	2,245,813	-
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)	4,965	(USD 163)	-	-	4,965	-	-	-	-	-
Mariner Finance Ltd. (Note 4)	Automobile finance and lease	814,321	(USD 26,747)	-	(1)	814,321	(USD 26,747)	-	-	814,321	(4,916)	100.00%	(4,916)	(278,731)	-
Shanghai Youxin Car Leasing Ltd.	Automobile lease	21,424	(CNY 5,000)	(Note 6)	(1)	Note (7)		-	-	-	(3,755)	100.00%	(3,755)	(56,513)	-
Wuhan Youxin Car Leasing Ltd.	Automobile lease	4,285	(CNY 1,000)	(Note 6)	(1)	Note (7)		-	-	-	-	100.00%	-	(6,127)	-

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements (Continued)

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						
Chongqing Youren Car Leasing Ltd.	Automobile lease	4,285	(CNY 1,000)	(Note 6)	(1)	Note (7)	-	-	-	-	100.00%	-	(10,812)	-
Fuzhou Youli Car Leasing Ltd.	Automobile lease	4,285	(CNY 1,000)	(Note 6)	(1)	Note (7)	-	-	-	(1)	100.00%	(1)	(345)	-
Qingdao Youcheng Car Leasing Ltd.	Automobile lease	8,569	(CNY 2,000)	(Note 6)	(1)	Note (7)	-	-	-	-	100.00%	-	(13,102)	-
Dongguan Youcheng Car Leasing Ltd.	Automobile lease	4,285	(CNY 1,000)	(Note 6)	(1)	Note (7)	-	-	-	-	100.00%	-	(4,606)	-
Guangzhou Youqiang Car Leasing Ltd.	Automobile lease	4,285	(CNY 1,000)	(Note 6)	(1)	Note (7)	-	-	-	-	100.00%	-	(1,253)	-
Changsha Youli Car Service Ltd.	Automobile lease	4,285	(CNY 1,000)	(Note 6)	(1)	Note (7)	-	-	-	(1)	100.00%	(1)	(1,513)	-
Xian Youcheng Car Service Ltd.	Automobile lease	4,285	(CNY 1,000)	(Note 6)	(1)	Note (7)	-	-	-	-	100.00%	-	(3,661)	-
Chengdu Youcheng Car Leasing Ltd.	Automobile lease	4,285	(CNY 1,000)	(Note 6)	(1)	Note (7)	-	-	-	-	100.00%	-	(274)	-
Lianyungang Youren Car Service Ltd.	Automobile lease	4,285	(CNY 1,000)	(Note 6)	(1)	Note (7)	-	-	-	-	100.00%	-	(1,008)	-
Jinan Youli Car Leasing Ltd.	Automobile lease	21,424	(CNY 5,000)	(Note 6)	(1)	Note (7)	-	-	-	-	100.00%	-	(4,456)	-
Urumqi Taroko Car Rental Co., Ltd.	Automobile lease	8,569	(CNY 2,000)	(Note 6)	(1)	Note (7)	-	-	-	(4)	100.00%	(4)	(6,478)	-
Hainan Sanhe Licheng Business Service Co., Ltd.	Travel car rental	21,424	(CNY 5,000)	-	(1)	Note (7)	-	-	-	-	50.00%	-	-	-

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FIRST STEAMSHIP CO., LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements (Continued)**

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						
Shanghai Zhuke Technology Co., Ltd.	Travel car rental	85,694	(CNY 20,000)	-	(1)	Note (7)	-	-	-	-	55.00%	-	-	-

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.
2,582,608 USD 84,828	3,701,555 USD 121,582	5,995,664 (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 Retail 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 \times 60% = NTD9,992,773 thousand \times 60% = NTD5,995,664 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 for the nine months ended September 30, 2025 (which have been eliminated at the time of the preparation of the consolidated financial statements), please refer to "Information on significant transactions" for details.