

Stock Code: 2601

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

**FIRST STEAMSHIP COMPANY LTD.  
AND SUBSIDIARIES**

**Consolidated Financial Statements With  
Independent Auditors' Review Report**

**For the Years Ended December 31, 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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## Statement

For the fiscal year 2025 (from January 1, 2025, to December 31, 2025), the companies required to be included in the preparation of the affiliated enterprise consolidated financial statements under the "Regulations Governing the Preparation of Affiliated Enterprises Business Reports, Affiliated Enterprises Consolidated Financial Statements and Related Reports," are the same as those required to be included under IFRS 10, recognized by the Financial Supervisory Commission for the preparation of consolidated financial statements of parent and subsidiary companies. The relevant information that should be disclosed in the affiliated enterprise consolidated financial statements has already been disclosed in the aforesaid parent-subsidiary consolidated financial statements, thus a separate affiliated enterprise consolidated financial statement is not prepared.

Hereby declare

Company Name: First Steamship Co., Ltd.

Chairman: Kuo Jen-Hao

Date: March 30, 2026

## **Independent Auditors' Review Report**

To the Board of Directors First Steamship Company Ltd.:

### **Audit opinion**

We have audited the accompanying consolidated balance sheets of First Steamship Co., Ltd. and its subsidiaries ("the Group") as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity, and cash flows for the year ended December 31, 2025 and 2024, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the audit reports of other auditors (please refer to the Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and consolidated cash flows for the year ended December 31, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards endorsed and issued into effect by the Financial Supervisory Commission, along with International Accounting Standards, Interpretations, and Interpretations Announcements.

### **Basis for Audit Opinion**

The audit was conducted in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards. The responsibilities of the auditor under these standards will be further explained in the section on the auditor's responsibilities for the audit of the consolidated financial statements. The personnel of the firm to which the accountant belongs have complied with the Code of Ethics for Professional Accountants, maintained an independent stance with the Group, and fulfilled other responsibilities under those standards. Based on our audit results and the audit reports of other auditors, we believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the Group's consolidated financial statements for the year ended December 31, 2025. These matters have been addressed in the context of the audit of the consolidated financial statements as a whole and in forming our audit opinion. We do not provide a separate opinion on these matters. The key audit matters that we believe should be communicated in audit reports are as follows:

1. Transfer of profit or loss from discontinued operations

For the accounting policies regarding recognition, please refer to Note 4(i) of the Notes to the Consolidated Financial Statements; for the explanation on the loss of control over subsidiaries, please refer to Notes 6(f), 6(g), and 12(b) of the Notes to the Consolidated Financial Statements.

Explanation of key audit matters:

In December 2025, the Group resolved by the board of directors to sell a portion of its equity interest in Grand Ocean Retail Group Ltd., and the transfer was completed on December 30, 2025. As a result, the Group's consolidated shareholding decreased to 29.01%. In accordance with IFRS 10, it determined that control over the entity was lost; thus, assets and liabilities were derecognized as of the loss of control date, and its income and expenses ceased to be included in the consolidated financial statements from that date. Additionally, in accordance with the conditions set by IFRS 5, it was determined that the criteria for classification as a discontinued operation were met, and the results of the discontinued operations were separately disclosed in the income statement. The accuracy and reasonableness of the equity transaction and the reclassification of accounts, as well as the correct recognition of the gain or loss on disposal, have a significant impact on the financial statements. Therefore, we have determined this to be one of the key audit matters.

The audit procedures in response:

Obtain the minutes of the board resolution executing the equity transaction and the equity transaction contract signed by both parties to evaluate the authenticity of the equity transaction; assess whether management's judgment regarding the loss of control over the investee company complies with relevant accounting standards; conduct an audit analysis of accounts reclassified as discontinued operations to evaluate the reasonableness of the reclassified accounts and confirm whether the composition of the reclassified accounts complies with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"; perform combined control and substantive tests related to the components of discontinued operations' profit and loss, including confirmation, detailed testing, substantive analytical procedures, and cutoff tests to verify the accuracy of the book value; consider the appropriateness of disclosures related to discontinued operations in the consolidated financial statements; and verify the correctness of the calculation of the gain or loss on disposal.

**Other Matter**

We did not audit the financial statements of Mariner Finance Ltd., a subsidiary of the Group. Those statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Mariner Finance Ltd., is based solely on the report of other auditor. The total assets of Mariner Finance Ltd., as of December 31, 2025 and 2024, constituted 1% of the consolidated total assets, and the net sales revenue for the year ended December 31, 2025 and 2024, constituted 1% of the consolidated total sales revenue.

We did not audit the financial statements of certain associates of the Group, which represented the investments in other entities accounted for using the equity method. Those statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for some other related parties, is based solely on the report of other auditor. The amount of investments accounted for using the equity method for certain other related parties as of December 31, 2025 and 2024, constituted 8% and 2% of the consolidated total assets, and the share of loss of associates accounted for using the equity method for the year ended December 31, 2025 and 2024, constituted (3)% and (6)% of the consolidated loss before income tax.

First Steamship Co., Ltd. has prepared the financial reports for the years 2025 and 2024, which have been audited by our accountant with an unqualified opinion and an added Other Matter paragraph for reference.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretations Announcements endorsed and issued into effect by the Financial Supervisory Commission. They are also responsible for maintaining the necessary internal control relevant to the preparation of consolidated financial statements to ensure they are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the financial reporting process.

**The auditor's responsibilities for the audit of the consolidated financial statements.**

The purpose of our audit of the consolidated financial statements is to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an audit report. Reasonable assurance is a high level of assurance, but an audit conducted in accordance with auditing standards does not guarantee that a material misstatement in the consolidated financial statements will be detected. Misstatements may arise from fraud or error. If individual amounts or aggregates of misstatements could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements, they are considered to be material.

In conducting the audit in accordance with auditing standards, we exercised professional judgment and maintained professional skepticism.

The auditor also performed the following tasks:

1. Identify and assess the risks of material misstatement in the consolidated financial statements due to fraud or error; design and implement appropriate responses to the assessed risks; and obtain sufficient and appropriate audit evidence to provide a basis for our audit opinion. Since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control, the risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error.
2. Obtain the necessary understanding of internal control relevant to the audit in order to design appropriate audit procedures under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluating the appropriateness of the accounting policies adopted by management and the reasonableness of the accounting estimates and related disclosures made by them.
4. Based on the audit evidence obtained, conclude on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If the auditor believes that there is a material uncertainty related to events or conditions, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are deemed inadequate, to modify the audit opinion. Our conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements appropriately reflect the related transactions and events.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities within the group to express an opinion on the consolidated financial statements. We are responsible for directing, supervising, and executing the group's audit assignment, and for forming the group's audit opinion.

The matters communicated by the auditor to the governing body include the planned scope and timing of the audit, as well as significant audit findings, including any significant deficiencies in internal control identified during the audit process.

We also provided the governing body with a statement that the personnel of the firm to which the auditor belongs have complied with the independence requirements set out in the Code of Ethics for Professional Accountants, and communicated all relationships and other matters that might be thought to bear on the auditor's independence, including relevant safeguards.

From the matters communicated with those charged with governance, we determined the key audit matters in the audit of the Group's consolidated financial statements for the year ended December 31, 2025. The auditor shall describe these matters in the audit report unless law or regulation precludes public disclosure of a specific matter or, in extremely rare circumstances, the auditor decides not to communicate a specific matter in the audit report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

KPMG

Taipei, Taiwan (Republic of China)

March 30, 2026

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

## FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

## Consolidated Balance Sheets

December 31, 2025 and 2024

Expressed in Thousands of New Taiwan Dollars

Assets	2025.12.31		2024.12.31	
	Amount	%	Amount	%
<b>Current assets:</b>				
1100 Cash and cash equivalents (Note 6(a))	\$ 252,272	2	1,123,799	3
1110 Current financial assets at fair value through profit or loss (Notes 6(b) and 7)	117,606	1	141,680	-
1170 Accounts receivable, net (Notes 6(c), 7, and 9)	47,103	1	246,944	1
1200 Other receivables (Notes 6(d), (x) and 7)	649,175	6	77,536	-
1300 Inventories	63,316	1	251,546	1
1320 Inventories (for construction business), net (Notes 6(e), 8 and 9)	1,758,864	15	1,773,733	5
1476 Other current financial assets (Notes 6(l), (x), 7 and 8)	124,644	1	637,647	2
1479 Other current assets (Note 9)	39,128	-	297,474	1
1480 Additional costs of obtaining a contract - current	42,530	-	13,782	-
<b>Total current assets</b>	<b>3,094,638</b>	<b>27</b>	<b>4,564,141</b>	<b>13</b>
<b>Non-current assets:</b>				
1550 Investments accounted for using equity method (Note 6(f), 7, and 8)	2,027,702	17	746,960	2
1600 Property, plant and equipment (Notes 6(i) and 8)	6,238,319	53	12,207,724	35
1755 Right-of-use assets (Notes 6(j), 7 and 8)	4,077	-	11,751,521	34
1760 Investment property, net (Note 8)	138,170	1	139,143	-
1780 Intangible assets (Note 6(k))	34,037	-	1,752,654	5
1840 Deferred tax assets (Note 6(r))	19,294	-	2,847,072	8
1935 Long-term lease payments receivable (Notes 6(c) and 7)	-	-	295	-
1975 Net defined benefit asset, non-current	5,647	-	4,478	-
1980 Other non-current financial assets (Notes 6(l), (x), 8 and 9)	86,232	1	578,129	2
1990 Other non-current assets (Notes 6(d), (s) and 7)	133,180	1	301,316	1
<b>Total non-current assets</b>	<b>8,686,658</b>	<b>73</b>	<b>30,329,292</b>	<b>87</b>
<b>Total assets</b>	<b>\$ 11,781,296</b>	<b>100</b>	<b>34,893,433</b>	<b>100</b>

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## FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

## Consolidated Balance Sheets (continued)

December 31, 2025 and 2024

Expressed in Thousands of New Taiwan Dollars

Liabilities and Equity	2025.12.31		2024.12.31	
	Amount	%	Amount	%
<b>Current liabilities:</b>				
2100 Short-term borrowings (Note 6(m))	\$ 1,199,366	10	3,682,065	11
2110 Short-term notes and bills payable	69,877	1	99,840	-
2130 Contract liabilities - current (Note 9)	84,505	1	27,262	-
2151 Notes payable	614	-	-	-
2170 Accounts payable (Note 6(o))	10,303	-	1,069,446	3
2200 Other payables (Notes 6(o) and 7)	230,221	2	1,010,327	3
2230 Current tax liabilities	-	-	54,223	-
2280 Current lease liabilities (Notes 6(p) and 7)	3,621	-	827,918	2
2322 Current portion of long-term borrowings (Note 6(n))	1,449,886	12	2,776,284	8
2399 Other current liabilities (Note 7)	47,736	1	70,930	-
<b>Total current liabilities</b>	<b>3,096,129</b>	<b>27</b>	<b>9,618,295</b>	<b>27</b>
<b>Non-current liabilities:</b>				
2500 Non-Current financial liabilities at fair value through profit or loss (Note 6(b))	31,389	-	31,389	-
2540 Long-term borrowings (Note 6(n))	1,195,766	10	1,395,929	4
2570 Deferred tax liabilities (Note 6(r))	8,883	-	2,281,354	7
2580 Non-current lease liabilities (Notes 6(p) and 7)	606	-	9,873,207	28
2645 Guarantee deposits	1,580	-	592,120	2
<b>Total non-current liabilities</b>	<b>1,238,224</b>	<b>10</b>	<b>14,173,999</b>	<b>41</b>
<b>Total liabilities</b>	<b>4,334,353</b>	<b>37</b>	<b>23,792,294</b>	<b>68</b>
<b>Equity attributable to owners of parent (Notes 6(f) and (s))</b>				
3100 Capital stock	8,247,761	70	8,247,761	24
3200 Capital surplus	355,902	3	836,382	2
3300 Retained earnings	( 1,699,874 )	( 15 )	( 288,220 )	( 1 )
3400 Other equity interest	460,686	4	224,418	1
Total equity attributable to owners of parent:	7,364,475	62	9,020,341	26
36XX Non-controlling Interest (Notes 6(h) and (s))	82,468	1	2,080,798	6
<b>Total equity</b>	<b>7,446,943</b>	<b>63</b>	<b>11,101,139</b>	<b>32</b>
<b>Total liabilities and equity</b>	<b>\$ 11,781,296</b>	<b>100</b>	<b>34,893,433</b>	<b>100</b>

(Please refer to the Notes to the Consolidated Financial Statements attached below)

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

**FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES****Consolidated Statements of Comprehensive Income****For the years ended December 31, 2025 and 2024****Expressed in Thousands of New Taiwan Dollars**

	2025		2024	
	Amount	%	Amount	%
4000 <b>Operating revenues (Notes 6(q) and (u))</b>	\$ 1,489,351	100	1,615,077	100
5000 <b>Operating costs (Notes 6(q) and (w))</b>	1,273,044	86	1,273,613	79
<b>Gross profit from operations</b>	216,307	14	341,464	21
<b>Operating expenses:</b>				
6000 Operating expenses (Note 6(p))	170,906	11	192,847	12
6450 Expected credit loss (Notes 6(c) and 7)	( 3,242)	-	35,662	2
6300	167,664	11	228,509	14
<b>Net operating income</b>	48,643	3	112,955	7
<b>Non-operating income and expenses:</b>				
7100 Interest income(Notes 6(w) and 7)	9,863	1	37,191	2
7010 Other income(Notes 6(w))	288	-	347	-
7020 Other gains and losses (Notes 6(g) and (w))	( 22,517)	( 2)	( 5,385)	-
7050 Finance costs (Notes 6(p) and (w))	( 178,406)	( 12)	( 225,045)	( 14)
7055 Reversal of expected credit loss (Notes 6(x) and 7)	( 490)	-	17,069	1
7060 Share of profit (loss) of associates accounted for using equity method, net(Notes 6(f))	57,422	4	26,298	2
	( 133,840)	( 9)	( 149,525)	( 9)
7900 <b>Loss before income tax</b>	( 85,197)	( 6)	( 36,570)	( 2)
7950 <b>Less: Income tax expenses (Note 6(r))</b>	-	-	47	-
<b>Loss from continuing operations</b>	( 85,197)	( 6)	( 36,617)	( 2)
8100 Profit or loss from discontinued operations, net of tax (Note 12(b))	( 1,764,211)	( 118)	( 481,154)	( 30)
<b>Net income (loss)</b>	( 1,849,408)	( 124)	( 517,771)	( 32)
8300 <b>Other comprehensive income:</b>				
8310 <b>Items not reclassified to profit or loss</b>				
8311 Remeasurements of defined benefit plans	1,151	-	1,518	-
8349 Less: Income tax related to items not reclassified to profit or loss	-	-	-	-
<b>Total of items not reclassified to profit or loss</b>	1,151	-	1,518	-
8360 <b>Items that may be reclassified subsequently to profit or loss: (Notes 6(g) and (s))</b>				
8361 Exchange differences on translation of foreign financial statements	294,807	20	629,023	39
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	( 30,131)	( 2)	42,687	3
8399 Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>	264,676	18	671,710	42
8300 <b>Other comprehensive income (loss) after tax</b>	265,827	18	673,228	42
<b>Comprehensive income</b>	<b>(\$ 1,583,581)</b>	<b>( 106)</b>	<b>155,457</b>	<b>10</b>

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)  
**FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income (continued)**  
**For the years ended December 31, 2025 and 2024**

Expressed in Thousands of New Taiwan Dollars

		2025		2024	
		Amount	%	Amount	%
<b>Profit (loss) attributable to:</b>					
8610	Owners of parent	( \$ 1,343,910 )	( 90 )	( 288,774 )	( 18 )
8620	Non-controlling Interest	( 505,498 )	( 34 )	( 228,997 )	( 14 )
		<b>( \$ 1,849,408 )</b>	<b>( 124 )</b>	<b>( 517,771 )</b>	<b>( 32 )</b>
<b>Comprehensive income (loss) attributable to:</b>					
8710	Owners of parent	( \$ 1,106,491 )	( 74 )	291,186	18
8720	Non-controlling Interest	( 477,090 )	( 32 )	( 135,729 )	( 8 )
		<b>( \$ 1,583,581 )</b>	<b>( 106 )</b>	<b>155,457</b>	<b>10</b>
<b>Losses per share (Note 6(t)):</b>					
	Continuing operations department	( \$	0.08 )	(	0.02 )
	Shutdown department	(	1.55 )	(	0.33 )
		<b>( \$</b>	<b>1.63 )</b>	(	<b>0.35 )</b>
<b>Diluted losses per share (NT dollars)</b>					
	Continuing operations department	( \$	0.08 )	(	0.02 )
	Shutdown department	(	1.55 )	(	0.33 )
		<b>( \$</b>	<b>1.63 )</b>	(	<b>0.35 )</b>

(Please refer to the Notes to the Consolidated Financial Statements attached below)

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

**FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES****Consolidated Statements of Changes in Equity****For the years ended December 31, 2025 and 2024****Expressed in Thousands of New Taiwan Dollars****Equity attributable to owners of parent**

	<b>Capital stock</b>		<b>Retained earnings</b>				<b>Total other equity interest</b>	<b>Total equity attributable to owners of parent</b>	<b>Non-controlling Interest</b>	<b>Total equity</b>
	<b>Ordinary shares</b>	<b>Capital surplus</b>	<b>Legal reserve</b>	<b>Special reserve</b>	<b>Unappropriated retained earnings</b>		<b>Exchange differences on translation of foreign financial statements</b>			
						<b>Total</b>				
<b>Balance at January 1, 2024</b>	\$ 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 income (loss)	-	-	-	-	( 288,774 )	( 288,774 )	-	( 288,774 )	( 228,997 )	( 517,771 )
Other comprehensive income (loss) after tax	-	-	-	-	1,518	1,518	578,442	579,960	93,268	673,228
Comprehensive income	-	-	-	-	( 287,256 )	( 287,256 )	578,442	291,186	( 135,729 )	155,457
Appropriation and distribution of retained earnings:										
Statutory Surplus Reserve to Cover Losses	-	-	( 8,289 )	-	8,289	-	-	-	-	-
Special Surplus Reserve to Offset Losses	-	-	-	( 303,885 )	303,885	-	-	-	-	-
Changes in Other Capital Reserves:										
Changes in equity of associates and joint ventures accounted for using equity method(Note 6(g))	-	-	-	-	( 964 )	( 964 )	-	( 964 )	-	( 964 )
Capital surplus to cover losses	-	( 1,095,839 )	-	-	1,095,839	1,095,839	-	-	-	-
Balance at December 31, 2024	8,247,761	836,382	-	-	( 288,220 )	( 288,220 )	224,418	9,020,341	2,080,798	11,101,139
Net income (loss)	-	-	-	-	( 1,343,910 )	( 1,343,910 )	-	( 1,343,910 )	( 505,498 )	( 1,849,408 )
Other comprehensive income (loss) after tax	-	-	-	-	1,151	1,151	236,268	237,419	28,408	265,827
Comprehensive income	-	-	-	-	( 1,342,759 )	( 1,342,759 )	236,268	( 1,106,491 )	( 477,090 )	( 1,583,581 )
Changes in equity of associates and joint ventures accounted for using equity method(Note 6(g))	-	-	-	-	( 742 )	( 742 )	-	( 742 )	-	( 742 )
Difference arising from subsidiary's share price and its carrying value	-	( 480,480 )	-	-	( 68,153 )	( 68,153 )	-	( 548,633 )	808,107	259,474
Disposal of a subsidiary	-	-	-	-	-	-	-	-	( 2,329,347 )	( 2,329,347 )
<b>Balance at December 31, 2025</b>	<b>\$ 8,247,761</b>	<b>355,902</b>	<b>-</b>	<b>-</b>	<b>( 1,699,874 )</b>	<b>( 1,699,874 )</b>	<b>460,686</b>	<b>7,364,475</b>	<b>82,468</b>	<b>7,446,943</b>

(Please refer to the Notes to the Consolidated Financial Statements attached below)

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)  
**FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

**For the years ended December 31, 2025 and 2024**

**Expressed in Thousands of New Taiwan Dollars**

	<b>For the years ended December 31</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities:</b>		
Loss before income tax from continuing operations units	(\$ 85,197)	( 36,570)
Loss before income tax from discontinued operations units	( 1,754,374)	( 416,838)
Loss before tax	( 1,839,571)	( 453,408)
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss):		
Depreciation	1,827,672	1,984,519
Amortization expense	84,069	66,701
Expected credit loss	33,208	48,866
Net gain on financial assets or liabilities at fair value through profit or loss	( 10,140)	( 11,031)
Interest expense	719,193	857,114
Operating costs (interest expense)	323	7,903
Interest income	( 32,150)	( 71,625)
Dividend income	( 288)	( 347)
Share of profit of associates accounted for using equity method	( 57,422)	( 26,298)
Loss from disposal of property, plant and equipment	2,364	8,845
Gain from disposal of intangible assets	833	982
Loss from disposal of investments	900,043	-
Impairment losses on intangible assets	130,337	-
Gain on lease modification	( 165)	-
Gain on closed and litigation damages	-	( 205,460)
Total adjustments to reconcile profit	<u>3,597,877</u>	<u>2,660,169</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets and liabilities at fair value through profit or loss	20,643	40,926
Accounts receivable	43,918	62,568
Other receivables	( 47,974)	234
Inventories	90,562	( 61,352)
Other current assets	47,212	39,571
Net defined benefit assets	( 18)	15
Additional costs of obtaining a contract	( 28,748)	( 13,782)
Total changes in operating assets	<u>125,595</u>	<u>68,180</u>
Changes in operating liabilities:		
Financial liabilities at fair value through profit or loss	-	3,576
Contract liabilities	57,243	27,262
Notes payable	614	-
Accounts payable	( 144,823)	( 261,499)
Other payables	( 158,041)	( 82,541)
Other current liabilities	( 9,058)	( 9,811)
Total changes in operating liabilities	<u>( 254,065)</u>	<u>( 323,013)</u>
Total changes in operating assets and liabilities	<u>( 128,470)</u>	<u>( 254,833)</u>
Total adjustments	<u>3,469,407</u>	<u>2,405,336</u>

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**Consolidated Statements of Cash Flows (continued)**

**For the years ended December 31, 2025 and 2024**

**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2025</u>	<u>2024</u>
Cash inflow generated from operations	1,629,836	1,951,928
Interest received	43,798	53,087
Dividends received	11,180	5,247
Interest paid	( 727,109 )	( 869,265 )
Income taxes paid	( 55,002 )	( 37,194 )
<b>Net cash flows from operating activities</b>	<u>902,703</u>	<u>1,103,803</u>
<b>Cash flows from (used in) investing activities:</b>		
Dispose of financial assets measured at amortized cost	-	59,900
Acquisition of investments accounted for using equity method	( 157,127 )	( 202,329 )
Proceeds from disposal of investments accounted for using equity method	7,613	8,524
Disposal of a subsidiary	( 139,539 )	-
Acquisition of property, plant and equipment	( 75,587 )	( 102,728 )
Proceeds from disposal of property, plant and equipment	2,795	25,111
Decrease in other receivables	-	81,500
Acquisition of intangible assets	( 1,462 )	( 469 )
Proceeds from disposal of intangible assets	40,277	23,529
(Increase) decrease in other financial assets	( 43,067 )	197,067
Increase in other non-current assets	( 134,041 )	( 55,969 )
<b>Net cash flows from (used in) investing activities</b>	<u>( 500,138 )</u>	<u>34,136</u>
<b>Cash flows from financing activities:</b>		
Increase (Decrease) in short-term borrowings	628,301	( 115,057 )
(Decrease) increase in short-term notes and bills payable	( 29,963 )	99,840
Proceeds from long-term loans	510,195	67,481
Repayments of long-term loans	( 1,880,395 )	( 1,134,090 )
Decrease in guarantee deposits received	( 30,755 )	( 10,282 )
Repayments of lease liabilities	( 701,391 )	( 870,474 )
Changes in Non-controlling Interest	259,474	-
<b>Net cash flows used in financing activities</b>	<u>( 1,244,534 )</u>	<u>( 1,962,582 )</u>
Effect of exchange rate changes on cash and cash equivalents	( 29,558 )	114,210
Net decrease in cash and cash equivalents	( 871,527 )	( 710,433 )
Cash and cash equivalents at beginning of period	1,123,799	1,834,232
Cash and cash equivalents at end of period	<u><u>\$ 252,272</u></u>	<u><u>1,123,799</u></u>

**(Please refer to the Notes to the Consolidated Financial Statements attached below)**

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**FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

**For the years ended December 31, 2025 and 2024**

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

**(1) Company history**

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

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

These consolidated financial statements were authorized for issuance by the Board of Directors on March 30, 2026.

**(3) The application of new standards, amendments and interpretations adopted**

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC").

The Group has been subject to the following newly revised IFRS accounting standards since January 1, 2025, and has not had a significant impact on the financial report of the Group.

- Amendments to IAS21 "Lack of Exchangeability"

(b) The impact of IFRS issued by the FSC but not yet effective

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"
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 "Contracts Involving Reliance on Natural Power"

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

- (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:

<b>Newly issued or revised standards</b>	<b>Content of major amend</b>	<b>effective date released by the Board</b>
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"> <li>• 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.</li> <li>• Management performance measures (MPM): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.</li> <li>• 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.</li> </ul>	<p>January 1, 2027          Note: On September 25, 2025, the FSC announced in a press release that our country will adopt IFRS 18 "Presentation and Disclosure of Financial Statements" in the 2028 fiscal year.</p>

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

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned 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 issued" and the amendments to IFRS 19
- Amendments to IAS 21 "Translation of Foreign Currency Under Hyperinflationary Conditions"

**(4) Summary of significant accounting policies**

The summary of significant accounting policies adopted in the consolidated financial statements is as follows. Except as otherwise stated, the following accounting policies have been consistently applied to all periods presented in the consolidated financial statements.

**(a) Statement of compliance**

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 "Interim Financial Reporting" which are endorsed and issued into effect by FSC, and 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 as IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

**(b) Basis of preparation**

**1. Measurement basis**

Except for the significant items in the Consolidated Balance Sheets mentioned below, the consolidated financial statements have been prepared on the basis of historical cost:

- (1) Financial assets and liabilities at fair value through profit or loss, measured at fair value (including derivative financial instruments);

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

(2) Net defined benefit liability (or asset) is measured by deducting the present value of defined benefit obligations from the fair value of plan assets.

2. Functional currency and presentation currency

Each entity within the Group uses the currency of the primary economic environment in which it operates as its functional currency. This consolidated financial report is presented in the Company's functional currency, NTD. All financial information expressed in NTD is presented in thousands of New Taiwan Dollars.

(c) Basis of consolidation

1. Principles for the preparation of consolidated financial statements

The entity responsible for the preparation of the consolidated financial statements includes the Company and the entities controlled by the Company (i.e., subsidiaries). The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

From the date on which control over the subsidiary is obtained, its financial statements are included in the consolidated financial statements until the date when control is lost. Transactions, balances, and any unrealized gains and losses between the merged companies have been fully eliminated when preparing the consolidated financial statements. The comprehensive income of the subsidiary is attributed to the owners of the parent and the non-controlling interests, even if the non-controlling interests result in a deficit balance.

The financial reports of subsidiaries have been properly adjusted to align their accounting policies with those used by the consolidated company.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as equity transactions with the owners. The difference between the adjustment to the Non-controlling Interest and the Fair Value of the consideration paid or received is recognized directly in equity and attributed to the owners of the parent.

When the consolidated company loses control over a subsidiary, the assets (including goodwill) and liabilities of the former subsidiary, along with the non-controlling

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interest, are derecognized at their carrying amounts on the date control is lost in the consolidated financial statements. The retained investment in the former subsidiary is remeasured at the fair value on the date control is lost. The gain or loss on disposal is the difference between the following two amounts: (1) the total of the fair value of the consideration received and the fair value of the retained investment in the former subsidiary on the date control is lost, and (2) the total carrying amount of the subsidiary's assets (including goodwill) and liabilities along with the non-controlling interest on the date control is lost. The accounting treatment for all amounts previously recognized in other comprehensive income related to the subsidiary is the same as the basis that would be required if the relevant assets or liabilities were directly disposed of by the consolidated company.

2. 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
			2025.12.31	2024.12.31	
First Steamship Co., Ltd.	Royal Sunway Development Co., Ltd.	Real estate development, rental and leasing of building	55.00%	55.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
First Steamship Co., Ltd.	FIRST STEAMSHIP S.A.	Investment holding company, International transportation and shipping agency	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
First Steamship Co., Ltd.	GRAND OCEAN RETAIL GROUP LTD.	Investment holding company	-%	10.00%	Note 2
First Steamship Co., Ltd.	FIRST MARINER HOLDING LTD.	Investment holding company	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
First Steamship Co., Ltd.	LONGEVITY NAVIGATION S.A.	The Company primarily engages in international shipping and vessel management operations.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
First Steamship Co., Ltd.	PRAISE MARITIME S.A.	International transportation and shipping agency.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
First Steamship Co., Ltd.	BEST STEAMSHIP S.A.	The Company primarily engages in international shipping and vessel management operations.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
First Steamship Co., Ltd.	GRAND STEAMSHIP S.A.	The Company primarily engages in international shipping and vessel management operations.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
First Steamship Co., Ltd.	BLACK SEA STEAMSHIP S.A.	The Company primarily engages in international shipping and vessel management operations.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
First Steamship Co., Ltd.	SHIP BULKER STEAMSHIP S.A.	The Company primarily engages in international	100.00%	100.00%	The company directly (indirectly) holds more than

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Name of Investor	Name of Subsidiary	Principal activity	Shareholding		Note
			2025.12.31	2024.12.31	
		shipping and vessel management operations.			50% of its subsidiaries.
First Steamship Co., Ltd.	RELIANCE STEAMSHIP S.A.	The Company primarily engages in international shipping and vessel management operations.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
First Steamship Co., Ltd.	ALLIANCE STEAMSHIP S.A.	The Company primarily engages in international shipping and vessel management operations.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
First Steamship Co., Ltd.	SURE SUCCESS STEAMSHIP S.A.	The Company primarily engages in international shipping and vessel management operations.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
First Steamship Co., Ltd.	SHINING STEAMSHIP INTERNATIONAL S.A.	The Company primarily engages in international shipping and vessel management operations.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
First Steamship Co., Ltd.	EXCELLENT STEAMSHIP INTERNATIONAL S.A.	The Company primarily engages in international shipping and vessel management operations.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
First Steamship Co., Ltd.	ADVANTAGE STEAMSHIP CO., LTD.	The Company primarily engages in international shipping and vessel management operations.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries (Note 1)
First Steamship Co., Ltd.	MIGHTY STEAMSHIP CO., LTD.	The Company primarily engages in international shipping and vessel management operations.	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries (Note 1)
FIRST STEAMSHIP S.A.	AHEAD CAPITAL LTD.	Investment holding company	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
FIRST STEAMSHIP S.A.	MEDIA ASSETS GLOBAL LTD.	Investment holding company	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
FIRST STEAMSHIP S.A.	NATURE SOURCES LTD.	Investment holding company	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
FIRST STEAMSHIP S.A.	GRAND OCEAN RETAILGROUP LTD.	Investment holding company	-%	46.83%	Note 2
FIRST STEAMSHIP S.A.	HERITAGE RICHES LTD.	Investment holding company	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
AHEAD CAPITAL LTD.	GRAND OCEAN RETAIL GROUP LTD.	Investment holding company	-%	1.79%	Note 2
FIRST MARINER HOLDING LTD.	FIRST MARINER CAPITAL LTD.	Investment holding company	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
FIRST MARINER HOLDING LTD.	MARINER FAR EAST LTD.	Investment holding company	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
FIRST MARINER CAPITAL LTD.	MARINER CAPITAL LTD.	Investment holding company	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
MARINER CAPITAL LTD.	Mariner Finance Ltd.	Automobile financing and leasing businesses	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.

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**FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES Notes to the Consolidated**  
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Name of Investor	Name of Subsidiary	Principal activity	Shareholding		Note
			2025.12.31	2024.12.31	
Mariner Finance Ltd.	Shanghai Youxin Car Leasing Ltd.	Automobile financing and leasing businesses	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
Mariner Finance Ltd.	Wuhan Youxin Car Leasing Ltd.	Automobile financing and leasing businesses	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
Mariner Finance Ltd.	Qingdao Youcheng Car Leasing Ltd.	Automobile financing and leasing businesses	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
Mariner Finance Ltd.	Chongqing Youren Car Leasing Ltd.	Automobile financing and leasing businesses	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
Mariner Finance Ltd.	Fuzhou Youli Car Leasing Ltd.	Automobile financing and leasing businesses	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
Mariner Finance Ltd.	Dongguan Youcheng Car Leasing Ltd.	Automobile financing and leasing businesses	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
Mariner Finance Ltd.	Guangzhou Youqiang Car Leasing Ltd.	Automobile financing and leasing businesses	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
Mariner Finance Ltd.	Changsha Youli Car Service Ltd.	Automobile financing and leasing businesses	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
Mariner Finance Ltd.	Xian Youcheng Car Leasing Ltd.	Automobile financing and leasing businesses	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
Mariner Finance Ltd.	Chengdu Youcheng Car Leasing Ltd.	Automobile financing and leasing businesses	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
Mariner Finance Ltd.	Lianyunqiang Youren Car Service Ltd.	Automobile financing and leasing businesses	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
Mariner Finance Ltd.	Jinan Youli Car Leasing Ltd.	Automobile financing and leasing businesses	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
Mariner Finance Ltd.	Urumqi Taroko Car Rental Co., Ltd.	Automobile financing and leasing businesses	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries.
GRAND OCEAN RETAIL GROUP LTD.	GRAND CITI LTD.	Investment holding company	-%	100.00%	Note 2
GRAND CITI LTD.	Grand Ocean Classic Commercial Group Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	-%	100.00%	Note 2
Grand Ocean Classic Commercial Group Ltd.	Nanjing Grand Ocean Classic Commercial Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	-%	100.00%	Note 2
Grand Ocean Classic Commercial Group Ltd.	Fuzhou Grand Ocean Commoncial Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	-%	100.00%	Note 2
Grand Ocean Classic Commercial Group Ltd.	Quanzhou Grand Ocean Commercial Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	-%	100.00%	Note 2
Grand Ocean Classic Commercial Group Ltd.	Shanghai Jingxuan Business Administration., Ltd.(Note 2)	Management consultancy, e-commerce business, and trading of cosmetics, apparels, shoes, hat etc.	-%	100.00%	Note 2

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Name of Investor	Name of Subsidiary	Principal activity	Shareholding		Note
			2025.12.31	2024.12.31	
Grand Ocean Classic Commercial Group Ltd.	Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd.	Management consultancy, e-commerce business, and trading of cosmetics, apparels, shoes, hat etc.	-%	100.00%	Note 2
Quanzhou Grand Ocean Commercial Ltd.	Wuhan Grand Ocean Classic Commercial Development Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	-%	30.00%	Note 2
Nanjing Grand Ocean Classic Commercial Ltd.	Hefei Grand Ocean Classic Commercial Department Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	-%	100.00%	Note 2
Fuzhou Grand Ocean Commoncial Ltd.	Fuzhou Grand Ocean Classic Commercial Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	-%	100.00%	Note 2
Fuzhou Grand Ocean Commoncial Ltd.	Wuhan Grand Ocean Classic Commercial Development Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	-%	70.00%	Note 2
Fuzhou Grand Ocean Commoncial Ltd.	Fuzhou Jiaruixing Bussiness Administration Ltd.	Management consultancy, e-commerce business, and trading of cosmetics, apparels, shoes, hat etc.	-%	100.00%	Note 2
Fuzhou Grand Ocean Commoncial Ltd.	Fuzhou Grand Ocean Zhenxuan Commercial Ltd.	Management consultancy, e-commerce business, and trading of cosmetics, apparels, shoes, hat etc.	-%	-%	Note 2
Wuhan Grand Ocean Classic Commercial Development Ltd.	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	-%	100.00%	Note 2
Wuhan Grand Ocean Classic Commercial Development Ltd.	Chongqing Optics Valley Grand Ocean Commercial Development Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	-%	35.30%	Note 2
Wuhan Grand Ocean Classic Commercial Development Ltd.	Wuhan Hanyang Grand Ocean Jingdian Commercial Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	-%	50.00%	Note 2
Wuhan Grand Ocean Classic Commercial Development Ltd.	Hengyang Grand Ocean Commercial Development Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	-%	100.00%	Note 2
Wuhan Grand Ocean Classic Commercial Development Ltd.	Shiyan Ocean Modern Shopping Co., Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	-%	100.00%	Note 2
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%	Note 2
Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Wuhan Hanyang Grand Ocean Jingdian Commercial Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	-%	50.00%	Note 2
Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Yichang Grand Ocean Commercial Ltd.	Trading of cosmetics, apparels, shoes, hat, etc.	-%	100.00%	Note 2

Note 1: The Group approved setting the subsidiaries Adventage Steamship Co., Ltd

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

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.

Note 2: As part of the Group's operational strategy, the Company began gradually selling a portion of its shares in GRAND OCEAN RETAIL GROUP LTD., totaling 29.61%, starting in May 2025. On December 30, 2025, the consolidated shareholding decreased to 29.01%, resulting in the loss of control over the company and its subsidiaries. Consequently, they were removed from the consolidated financial statement entities and reclassified as an associate accounted for using the equity method effective December 30, 2025.

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

(d) Foreign currency

1. Foreign Currency transactions

Currency transactions are translated into the functional currency at the exchange rate on the transaction date. At the end of each subsequent reporting period (hereinafter referred to as the reporting date), foreign currency monetary items are translated into the functional currency at the exchange rate on that date. Non-monetary items measured at fair value in foreign currency are translated into the functional currency at the exchange rate on the date of fair value measurement, while non-monetary items measured at historical cost in foreign currency are translated at the exchange rate on the transaction date.

Foreign exchange differences arising from translation are usually recognized in profit or loss, except in the following cases where they are recognized in other comprehensive income:

- (1) Designated as equity instruments measured at fair value through other comprehensive income;
- (2) Financial liabilities designated as hedges of net investments in foreign operations within the effective range of hedges; or

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(3) the effective portion of qualifying cash flow hedges.

2. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from acquisition, are translated into NTD at the exchange rate on the reporting date; income and expense items are translated into NTD at the average exchange rate for the period, with the resulting exchange differences recognized in other comprehensive income.

When a foreign operation is disposed of, resulting in loss of control, joint control, or significant influence, the cumulative exchange differences related to that foreign operation are reclassified in full to profit or loss. When a subsidiary containing foreign operations is partially disposed of, the related cumulative exchange differences are reallocated proportionally to the non-controlling interests. When an investment in an associate or joint venture containing foreign operations is partially disposed of, the related cumulative exchange differences are reclassified proportionately to profit or loss.

For monetary items receivable from or payable to a foreign operation where settlement is neither planned nor likely to occur in the foreseeable future, the foreign currency exchange gains and losses arising from such items are considered to form part of the net investment in that foreign operation and are recognized in other comprehensive income.

(e) The classification standards for distinguishing current and non-current assets and liabilities.

Except for the Group's construction and real estate rental and sales business segments, where the operating cycle is used as the basis for classifying current and non-current at 3 to 5 years, the standards for distinguishing current and non-current assets and liabilities for other accounts are as follows:

The merged company classifies assets that meet one of the following criteria as Current assets, and all other assets that are not Current assets are classified as Non-current assets:

1. Expected to be realized in the normal operating cycle, or intended to be sold or consumed;
2. Held primarily for the purpose of trading the assets;

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3. Expected to be realized within twelve months after the reporting period; or
4. The asset is cash or cash equivalents (as defined in IAS 7), unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The merged company classifies liabilities that meet one of the following criteria as Current liabilities, and all other liabilities that are not Current liabilities are classified as Non-current liabilities:

1. Expected to be settled in the normal operating cycle;
2. Held primarily for the purpose of trading the liabilities;
3. The liability is due to be settled within twelve months after the reporting period; or
4. Does not have the right to defer settlement of the liability beyond twelve months after the reporting period at the end of the reporting period.

(f) Cash and cash equivalents

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

(g) Financial instruments

Accounts receivable and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the merged company becomes a party to the contractual provisions of the financial instrument. Financial assets not measured at fair value through profit or loss (excluding accounts receivable that do not contain a significant financial component) or financial liabilities are initially measured at fair value plus transaction costs directly attributable to the acquisition or issuance. Accounts receivable that do not contain a significant financial component are initially measured at transaction prices.

1. Financial assets

For purchases or sales of financial assets that meet regular way trades, the merged

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company consistently applies trade date or settlement date accounting to all purchases and sales of financial assets classified in the same manner.

At initial recognition, financial assets are classified as: financial assets measured at amortized cost or financial assets at fair value through profit or loss. The merged company only reclassifies all affected financial assets from the beginning of the next reporting period when there is a change in the business model for managing financial assets.

(1) Financial assets measured at amortized cost.

Financial assets are measured at amortized cost when they meet the following conditions and are not designated as financial assets measured at fair value through profit or loss:

- The financial assets are held within a business model whose objective is to collect contractual cash flows.
- The contractual terms of the financial assets generate cash flows on specific dates that are solely payments of principal and interest on the outstanding principal amount.

Subsequently, these assets are measured at amortized cost using the effective interest method, which involves adjusting the cumulative amortization from the original recognition amount, and any adjustments for loss allowance. Interest income, foreign exchange gain or loss, and impairment losses are recognized in profit or loss. On derecognition, the gains or losses are booked in profit or loss.

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

Financial assets that are not classified as financial assets measured at amortized cost or financial assets measured at fair value through other comprehensive income (e.g., financial assets held for trading and managed and evaluated on a fair value basis) are measured at fair value through profit or loss, including derivative financial assets. To eliminate or significantly reduce accounting mismatches at initial recognition, the merged company may irrevocably designate financial assets that qualify for measurement at amortized cost or fair value through other comprehensive income as financial assets at fair value through profit or loss.

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These assets are subsequently measured at fair value, and their net gain or loss (including any dividends and interest income) is recognized in profit or loss.

(3) Impairment loss on financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets measured at amortized cost, including cash and cash equivalents, financial assets measured at amortized cost, notes receivable and accounts receivable, other receivables, long-term lease receivables, and other financial assets.

The following financial assets are subject to loss allowances measured at the amounts of 12-month expected credit losses; the rest are measured at the amounts of lifetime expected credit losses:

- Determine that the credit risk of debt securities is low on the reporting date; and
- The credit risk of other debt securities and bank deposits (i.e., the risk of default occurring during the expected life of the financial instruments) has not increased significantly since initial recognition.

The loss allowances for accounts receivable are measured at the amounts of lifetime expected credit losses.

In assessing whether the credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information (which can be obtained without undue cost or effort), including qualitative and quantitative information, and analyzes based on the Group's historical experience, credit assessment, and forward-looking information.

If the contractual payments are more than thirty days past due, the Group assumes that the credit risk on the financial assets has increased significantly.

If the contractual payments are more than ninety days past due, or if it is unlikely that the borrower will fulfill their credit obligations to pay the full amount to the Group, the Group considers the financial asset to be in default.

Lifetime expected credit losses refer to the expected credit losses arising from all possible default events over the expected life of the financial instruments.

12-month expected credit losses refer to the expected credit losses arising from

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possible default events occurring within 12 months after the reporting date (or a shorter period if the expected life of the financial instruments is less than 12 months).

The maximum period over which expected credit losses are measured is the maximum contractual period over which the Group is exposed to credit risk.

Expected credit loss is the probability-weighted estimate of credit losses over the expected life of the financial instruments. Credit losses are measured as the present value of all cash shortfalls, i.e., the difference between the cash flows that the Group is entitled to receive according to the contract and the cash flows the Group expects to receive. Expected credit losses are discounted at the effective interest rate of the financial assets.

On each reporting date, the Group assesses whether financial assets measured at amortized cost have suffered a credit impairment. A financial asset is considered credit-impaired when one or more adverse events have occurred that impact the estimated future cash flows of the financial asset. Evidence that a financial asset is credit-impaired includes observable data relating to the following matters:

- Significant financial difficulties of the borrower or issuer;
- Default, such as delinquency or being more than ninety days past due;
- Due to economic or contractual reasons related to the financial difficulties of the borrower, the Group grants concessions to the borrower that it would not otherwise consider;
- The borrower is highly likely to file for bankruptcy or engage in other financial restructuring; or
- The active market for the financial asset has disappeared due to financial difficulties.

The loss allowance for financial assets measured at amortized cost is deducted from the carrying amount of the asset.

When the Group cannot reasonably expect to recover all or part of a financial asset, it directly decreases the total carrying amount of the financial asset. For individual accounts, the Group's policy is to write off the total carrying amount of financial assets when they are more than one year overdue, based on past recovery experience of similar assets. For corporate accounts, the Group

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individually analyzes the timing and amount of write-offs based on whether recovery is reasonably expected. The Group expects the amounts written off will not significantly reverse. However, written-off financial assets can still be enforced to comply with the Group's procedures for recovering overdue amounts. Based on their experience, it will not be possible to recover overdue amounts from corporate accounts after one year.

(4) Derecognition of financial assets

The Group derecognizes financial assets only when the contractual rights to the cash flows from the assets expire, or when it has transferred the financial assets and substantially all the risks and rewards of ownership of the assets to another entity, or when it neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial assets.

When the Group enters into a transaction to transfer financial assets but retains all or substantially all the risks and rewards of ownership of the transferred assets, it continues to recognize them in the balance sheet.

2. Financial liabilities and equity instruments

(1) Classification as liabilities or equity

Debt and equity instruments issued by the merged company are classified as financial liabilities or equity based on the substance of contractual agreements and the definitions of financial liabilities and equity instruments.

(2) Equity transactions

Equity instruments are any contracts that represent the residual interest in the assets of the merged company after deducting all its liabilities. Equity instruments issued by the merged company are recognized at the amount of consideration received, net of direct issuance costs.

(3) Treasury shares

When equity instruments of the Company that have already been recognized are repurchased, the consideration paid (including directly attributable costs) is recognized as a decrease in equity. The repurchased shares are classified as treasury shares. The amount received from the subsequent sale or reissuances of

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treasury shares is recognized as an increase in equity, and any residual or loss generated from the transaction is recognized as capital surplus or retained earnings (if the capital surplus is insufficient to offset).

(4) Financial liabilities

Financial liabilities are classified as being measured at amortized cost or at fair value through profit or loss. Financial liabilities, if held for trading, as derivative instruments, or designated at initial recognition, are classified as measured at fair value through profit or loss. Financial liabilities measured at fair value through profit or loss are measured at fair value, and the related net gain or loss, including any interest expense, is recognized in profit or loss.

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

(5) Derecognition of financial liabilities

The Group derecognizes financial liabilities when the contractual obligations are discharged, canceled, or expired. When the terms of a financial liability are modified and the cash flows under the modified terms are substantially different, the original financial liability is derecognized, and a new financial liability is recognized at fair value based on the modified terms.

When financial liabilities are derecognized, the difference between their carrying amount and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(6) Offsetting of financial assets and liabilities

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

(7) Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make

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specified payments to reimburse the holder for a loss incurred when a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the merged company that are not designated as at fair value through profit or loss are initially measured at their fair value less transaction costs directly attributable to them, and subsequently measured at the higher of: (a) the loss allowance amount determined in accordance with IFRS 9; and (b) the amount initially recognized, where appropriate, less the cumulative amount of income recognized in accordance with the following revenue principle.

(h) Inventories

Department Store department

Inventories of the Group are measured at the lower of cost and net realizable value. Cost includes Other costs incurred to bring it to the location and condition available for use and is calculated using the FIFO method.

Net realizable value refers to the estimated selling price in the ordinary course of business, less the estimated costs necessary to bring the inventories to a saleable condition and the estimated costs necessary to complete the sale.

Construction department

The original cost of inventories is the necessary expenditure incurred to bring the inventories to the condition and location available for sale or construction. The development cost of real estate includes construction costs incurred during the development period, land cost, borrowing costs, and project expenses. Upon completion, construction in progress is transferred to buildings and land held for sale, and the proportion of sales is used to transfer the real estate development cost to operating costs. Subsequently, they are measured at the lower of cost and net realizable value. When the cost of inventories is higher than the net realizable value, the cost should be written down to the net realizable value, and the amount written down should be recognized as cost of goods sold in the period in which it occurs. The method for determining net realizable value is as follows:

1. Construction land: Net realizable value is based on the replacement cost or the estimated selling price (according to the current market conditions) less estimated

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selling expenses.

2. Buildings under construction: Net realizable value is based on the estimated selling price (according to the current market conditions) less the costs required to complete and selling expenses.
3. Houses held for sale: Net realizable value is based on the estimated selling price (according to the current market conditions) less estimated selling expenses.

(i) Discontinued operations units

Discontinued operations units refer to a component that the Group has disposed of or is available for sale, and:

1. It is a separate major products/services line or geographical area.
2. It is part of a single coordinated plan to dispose of a separate major products/services line or geographical area or
3. A subsidiary acquired exclusively for resale.

An operating unit is classified as discontinued operations units at the earlier of disposal or when it meets the criteria to be held for sale.

(j) Investment in other related party

Other related parties refer to entities over which the Group has significant influence on their financial and operating policies, but neither control nor joint control.

The consolidated company accounts for the equity of other related parties using the equity method. Under the equity method, the initial acquisition is recognized at cost, and the investment cost includes the cost of the transaction. The carrying amount of investment in other related party includes the goodwill identified at the time of the original investment, less any accumulated impairment losses.

The consolidated financial reports include the recognized amounts of profits and losses and other comprehensive income of each investment in other related party, calculated from the date of acquiring significant influence to the date of losing significant influence, after making adjustments consistent with the accounting policies of the consolidated company, on a proportional equity basis. When there is a change in equity of an other related party from items other than profit or loss and Other comprehensive income that does not affect the

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merged company's Percentage of ownership in it, the merged company recognizes the change in equity attributable to its share under Capital surplus proportionately based on its Percentage of ownership.

Unrealized gains and losses arising from transactions between the consolidated company and other related parties are recognized in the company's financial statements only within the Scope of Review of non-related party investors' equity in the other related party. When the share of losses that the consolidated company should recognize proportionately in an other related party equals or exceeds its equity in the other related party, it ceases to recognize its share of further losses. It only recognizes additional losses and the related liabilities to the extent of any legal obligation, constructive obligation, or payments made on behalf of the investee company.

The consolidated company ceases to apply the equity method from the date its investment is no longer classified as other related party and measures the retained interest at fair value. The difference between the fair value of the retained interest plus the consideration received and the carrying amount of the investment on the date the equity method is discontinued is recognized in profit or loss for the period. The accounting treatment for all amounts previously recognized in other comprehensive income related to the investment is the same as the basis that would be required if the relevant assets or liabilities were directly disposed of by the other related party. That is, if gains or losses previously recognized in other comprehensive income need to be reclassified to profit or loss when disposing of the related assets or liabilities, then when the entity ceases to apply the equity method, those gains or losses are reclassified from equity to profit or loss. If the merged company's ownership equity in the other related party decreases but continues to apply the equity method, the gains or losses previously recognized in other comprehensive income related to the decrease in ownership equity will be reclassified proportionally in accordance with the method described above.

When an other related party issues new shares and the merged company does not subscribe in proportion to its Percentage, resulting in a change in its Percentage and thereby causing a change in the equity book value of the investment, the increase or decrease is adjusted in the Capital surplus and the Investments accounted for using equity method. If this adjustment results in a decrease in Capital surplus and the surplus from the Investments accounted for using equity method is insufficient, the difference is debited to Retained earnings. However,

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if the merged company does not subscribe in proportion to its Percentage, resulting in a decrease in its ownership equity in the other related party, the amounts previously recognized in other comprehensive income related to the other related party are reclassified proportionately according to the decrease. The accounting treatment is the same as the basis that would be required if the relevant assets or liabilities were directly disposed of by the other related party.

If changes in the Company's ownership interest in a subsidiary result in a loss of control, the investment should be accounted for using the equity method from the date it becomes an other related party or a joint venture. The treatment of any difference between the cost of the investment and the investor's share of the net fair value of the identifiable assets and liabilities of the investee at the time of acquisition is as follows:

1. Goodwill related to a related party or joint venture is included in the carrying amount of that investment, and goodwill must not be amortized.
2. Any amount by which the investor's share of the net fair value of the identifiable assets and liabilities of the investee exceeds the cost of the investment is recognized as income in the period of acquisition when determining the investor's share of the profit or loss of the other related party or joint venture.

(k) Investment Property

Investment property refers to property held to earn rentals or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment Property is initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment, with depreciation methods, useful lives, and residual values handled in accordance with the provisions for property, plant and equipment.

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

The rental income from investment property is recognized in non-operating income on a straight-line basis over the lease term. Lease incentives granted are recognized as part of lease income over the lease term.

(l) Property, plant and equipment

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1. Recognition and measurement

Items of property, plant and equipment are measured at cost (including capitalized borrowing costs) less accumulated depreciation and any accumulated impairment.

When the major components of property, plant and equipment have different useful lives, they are treated as separate items (major components) of property, plant and equipment.

The gain or loss on the disposal of property, plant and equipment is recognized in profit or loss.

2. Subsequent costs

Subsequent expenditures are capitalized only when it is highly probable that future economic benefits will flow to the Group.

3. Depreciation

Depreciation is calculated based on the cost of the assets less the residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component.

Land is not subject to depreciation.

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

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

On each reporting date, the Group reviews the depreciation methods, useful lives, and residual values, and makes appropriate adjustments if necessary.

4. Reclassified as Investment Property

When an owner-occupied property changes its purpose to an Investment Property, it should be reclassified as Investment Property at its carrying amount at the time the purpose is changed.

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(m) Leases

The Group assesses on the contract inception date whether the contract is or contains a lease. If the contract transfers control of the use of the identified asset for a period of time in exchange for consideration, the contract is or contains a lease.

1. Lessee

At the commencement date of the lease, the merged company recognizes right-of-use assets and lease liabilities. The right-of-use assets are initially measured at cost, which includes the initial measurement amount of the lease liabilities, adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred and estimated costs for dismantling, removing the underlying asset, and restoring the site or the underlying asset, less any lease incentives received.

Subsequently, right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term. In addition, the merged company regularly assesses whether right-of-use assets are impaired and addresses any impairment losses incurred, and adjusts the right-of-use assets accordingly in cases of lease liabilities remeasurement.

Lease liabilities are initially measured at the present value of lease payments that are outstanding as of the commencement date of the lease. If the interest rate implicit in the lease is readily determinable, it is used as the discount rate. If it is not readily determinable, the Group's incremental borrowing rate is used. In general, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of lease liabilities include:

- (1) Fixed payments, including in-substance fixed payments;
- (2) Lease payments depending on changes in a specific index or rate are initially measured using the index or rate at the commencement date of the lease;
- (3) The expected amount of the residual guarantee payable; and
- (4) The exercise price of a purchase option or the penalty payable when it is reasonably certain that the option will be exercised or the lease termination option.

Lease liabilities are subsequently subject to interest accrual using the effective interest

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method and are remeasured under the following circumstances:

- (1) Changes in the index or rate used to determine lease payments result in changes in future lease payments;
- (2) The expected amount of the residual guarantee payable has changed;
- (3) The assessment of the purchase option for the underlying assets has changed;
- (4) Changes in the estimate of whether to exercise the option to extend or terminate, resulting in a change in the assessment of the lease term;
- (5) Modification of the lease subject, Scope of Review, or other terms.

When the lease liabilities are remeasured due to changes in the index or rate used to determine lease payments, changes in the residual value guarantees, and changes in the assessments of purchase, extension, or termination options, the carrying amount of the right-of-use assets is adjusted accordingly. When the carrying amount of the right-of-use assets is reduced to zero, the remaining remeasurement amount is recognized in profit or loss.

For lease modifications that decrease the scope of the lease, the carrying amount of the right-of-use assets is decreased to reflect the partial or full termination of the lease, and the difference between this and the remeasured amount of the lease liabilities is recognized in profit or loss.

The merged company presents right-of-use assets and lease liabilities as separate line items in the balance sheet.

If an agreement contains lease and non-lease components, the Group allocates the consideration in the contract to the individual lease components based on their relative standalone prices. However, when leasing land and buildings, the Group elects not to separate the non-lease components and treats the lease and non-lease components as a single lease component.

For short-term leases and leases of low-value underlying assets, the merged company has elected not to recognize right-of-use assets and lease liabilities, and instead recognizes the related lease payments as an expense on a straight-line basis over the lease term.

Starting from January 1, 2021, when there is a change in the basis for determining

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future lease payments due to changes required by reforms in the interest rate benchmarks, the merged company uses a revised discount rate that reflects changes in another index rate to discount the revised lease payments and remeasure the lease liabilities.

For rent concessions on leased properties that meet all of the following conditions, the merged company elects to apply practical expedients and does not assess whether they constitute lease modifications:

- (1) the gain (loss) on rent concessions that occurred as a direct result of the COVID-19 pandemic;
- (2) The changes in lease payments result in the revised consideration for the lease being almost the same as or smaller than the consideration for the lease before the changes.
- (3) Any decrease in lease payments affects only the payments originally due before June 30, 2022; and
- (4) There were no material changes to the other terms and conditions of the lease.

Under the practical expedients, when rent concessions result in changes in lease payments, the change is recognized in profit or loss when the event or condition that triggers the rent concession occurs.

2. Lessor

In transactions where the Group is the lessor, lease contracts are classified at the inception of the lease as either a finance lease or an operating lease depending on whether they transfer substantially all the risks and rewards of ownership of the underlying assets. If they do, they are classified as finance leases; otherwise, as operating leases. During the assessment, the merged company considers specific indicators, including whether the lease term covers the major part of the economic life of the underlying asset.

If the merged company is an intermediate lessor, it accounts for the main lease and sublease transactions separately, and assesses the classification of the sublease transaction based on the right-of-use asset arising from the main lease. If the main lease is a short-term lease and the recognition exemption applies, the sublease transaction

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should be classified as an operating lease.

If an agreement contains lease and non-lease components, the Group uses the provisions of IFRS 15 to allocate the consideration in the contract.

Assets held under finance leases are expressed as lease receivables at the amount of the net investment in the lease. Initial direct costs incurred from negotiating and arranging leases are included in the net investment in the lease. The net investment in the lease is allocated and recognized as interest income over the lease term in a manner that reflects a constant periodic rate of return. For operating leases, the merged company recognizes the lease payments received as rental income on a straight-line basis over the lease term.

(n) Intangible assets

1. Recognition and measurement

Goodwill and indefinite useful life intangible assets arising from the acquisition of a subsidiary are measured at cost less accumulated impairment.

The Group's acquisition of other intangible assets with finite useful lives is measured at cost less accumulated amortization and accumulated impairment losses.

2. Subsequent expenditures

Subsequent expenditures are capitalized only when they can increase the future economic benefits of the related specific assets. All other expenses are recognized in profit or loss when incurred.

3. Amortization

Except for goodwill, amortization is calculated based on the cost of the assets less the estimated residual value. Once intangible assets are available for use, amortization is recognized in profit or loss on a straight-line basis over their estimated useful lives.

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

(1) Computer software 5 to 10 years

On each reporting date, the Group reviews the amortization methods, useful lives, and residual values of intangible assets, and makes appropriate adjustments if necessary.

(o) Impairment loss on non-financial assets

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On each reporting date, the Group assesses whether there is any indication that the carrying amount of non-financial assets (excluding inventories and deferred income tax assets) may be impaired. If any indication exists, the recoverable amount of the asset is estimated. Goodwill is subject to impairment testing annually.

For the purpose of impairment testing, the smallest identifiable group of assets that generates cash inflows largely independent of the cash inflows from other individual assets or groups of assets is considered a cash-generating unit. Goodwill acquired in a business combination is allocated to each cash-generating unit or group of cash-generating units expected to benefit from the synergies of the combination.

The recoverable amount is the higher of an individual asset's or cash-generating unit's Fair Value less costs of disposal and its value in use. When assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate, which should reflect current market assessments of the time value of money and the specific risks associated with the asset or cash-generating unit.

If the recoverable amount of an individual asset or cash-generating unit is less than its carrying amount, an impairment loss is recognized.

Impairment losses are immediately recognized in profit or loss and are first used to decrease the carrying amount of any goodwill allocated to the cash-generating unit, then to decrease the carrying amounts of the unit's other assets on a pro-rata basis.

Impairment losses on goodwill are not reversed. For non-financial assets other than goodwill, a reversal is recognized only to the extent that it does not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years (less depreciation or amortization).

(p) Recognition of revenue

1. Revenue from contracts with customers

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring goods or services. The Group recognizes revenue when the control of goods or services is transferred to the customer and the performance obligation is satisfied. The description of major revenue items by the Group is as follows:

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(1) Sales of merchandise

The Group sells department store merchandise in the retail market and recognizes revenue upon the physical delivery of the products to the customer. The price is immediately paid by the customer upon the purchase of the product.

(2) Customer loyalty program

The Group provides a customer loyalty program to customers, whereby the points earned from purchasing products grant customers the right to purchase products at a discount from the Group in the future. The Group considers the points to provide significant rights to the customer that would not be obtained without entering into the contract, thus the commitment to provide points to customers constitutes a performance obligation. The Group allocates the transaction price to the product and the points based on their relative standalone prices. Management estimates the standalone selling price of each point based on past experience, the discount offered upon redemption, and the likelihood of redemption; and estimates the standalone selling price at the time of sale based on the retail price of the product. The Group recognizes liabilities based on the aforementioned criteria when the products are sold and reclassifies them as revenue when the points are redeemed or expire.

(3) Service

The Group provides consulting and management services to customers. Service revenue is recognized based on the stage of completion of the transaction as of the reporting date.

(4) Marine transportation revenue

The Group's Shipping department provides vessels and personnel for transportation services to owners and recognizes revenue over time according to the period specified in the contract. The revenue is under IFRS 16.

(5) Commissions revenue (Retail revenue - concessionaire sales)

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

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(6) Land development and real estate sales

The Group develops and sells residential real estate properties, and often pre-sells properties during or before construction. The Group recognizes revenue when the control of real estate is transferred. Due to contractual restrictions, the real estate typically has no Other purpose for the Group. However, after the legal ownership of the real estate is transferred to the customer, the Group then has an enforceable right to payment for performance completed to date. Therefore, the Group recognizes revenue at the point in time when the legal ownership of the real estate is transferred to the customer.

Revenue is measured at the transaction price according to the contract agreement. In the case of selling completed properties, consideration is mostly collectible upon the transfer of legal ownership of the real estate. In a few circumstances, according to contract agreements, payment can be deferred, but the deferral period does not exceed twelve months. Therefore, the transaction price is not adjusted to reflect the impact of a significant financial component. In case of pre-sale real estate, payments are usually collected in installments during the period from the signing of the contract to the transfer of the real estate to the customer. If the contract includes a significant financial component, the transaction price is adjusted during this period based on the project's loan interest rate to reflect the impact of the time value of money. Payments received in advance are recognized as contract liabilities. If it is determined that an adjustment for the impact of the time value of money is needed, interest expenses and contract liabilities are recognized. The accumulated amount of contract liabilities is reclassified as revenue when the real estate is transferred to the customer.

(7) Financial component

The Group expects that the time between the transfer of goods or services to customers and the payment by customers for those goods or services does not exceed one year for all customer contracts. Therefore, the Group does not adjust the transaction price for the time value of money.

The Group preliminarily assesses on an individual contract basis whether there is a difference between the contractual commitment consideration and the current selling price, and whether the pre-received real estate payments include a

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financing component. The pre-received real estate payments by the Group primarily serve to provide security for the customer's contract performance, reducing the risk of resale price fluctuations and subsidies caused by the customer's contract non-fulfillment to the Group, and do not constitute a significant financial component of obtaining financial financing from customers.

2. Cost of contracts with customers—Additional costs of obtaining a contract

If the Group expects to recover the additional costs of obtaining a contract with a customer, it recognizes those costs as assets. The additional costs of obtaining a contract refer to the costs incurred to obtain a customer contract that would not have been incurred if the contract had not been obtained. The costs of obtaining a contract that are incurred regardless of whether the contract is obtained are recognized as an expense when incurred, unless those costs are explicitly reimbursable by the customer regardless of whether the contract is obtained.

The Group recognizes the additional costs incurred to obtain a customer contract that are expected to be recoverable through the sale of real estate as assets and amortizes them on a systematic basis consistent with the transfer of pre-sold properties to customers.

(q) Employee benefits

1. Defined contribution plans

The obligation to contribute to defined contribution pension plans is recognized as an expense over the period during which the employee services are provided.

2. Short-term employee benefits

The obligation for short-term employee benefits is recognized as an expense when the service is provided. If a legal or constructive obligation to pay arises from an employee's past service that can be reliably estimated, the amount is recognized as a liability.

(r) Income Tax

Income tax includes current tax and deferred tax. Except for those related to business combinations or items recognized directly in equity or other comprehensive income, current and deferred income taxes should be recognized in profit or loss.

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Current income tax includes the estimated payable income tax or receivable tax refund calculated based on taxable income (loss) for the year, as well as any adjustments to payable income tax or receivable tax refund for prior years. The amount is the best estimate of the expected payment or receipt, measured at the statutory tax rate or the substantively enacted tax rate on the reporting date.

Deferred income tax is recognized and measured based on the temporary differences between the carrying amounts of assets and liabilities at the reporting date and their tax bases. Deferred income tax is not recognized on temporary differences arising in the following situations:

1. The initial recognition of assets or liabilities from transactions that are not business combinations, and at the time of the transaction (i) do not affect accounting profit or taxable income (loss) and (ii) do not result in equal taxable and deductible temporary differences;
2. For temporary differences arising from investments in subsidiaries, other related parties, and joint ventures, where the consolidated company can control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future; and
3. The taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses and unused tax credits carried forward, as well as deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized. And reassessed on each reporting date to reduce the relevant income tax benefits to the extent that it is not probable they will be realized; or to reverse the previously decreased amounts to the extent that it becomes probable there will be sufficient taxable income.

Deferred income tax is measured using the tax rates expected to apply when the temporary differences reverse, based on the statutory tax rate or the substantively enacted tax rate at the reporting date.

A consolidated company offsets deferred tax assets and deferred tax liabilities only when the following conditions are met simultaneously:

1. Has the legal enforceable right to offset current Income tax assets and current income tax liabilities; and

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2. Deferred tax assets and deferred tax liabilities relate to one of the taxable entities subject to income tax levied by the same taxation authority:

- (1) the same taxable entity; or
- (2) different taxable entities, where each entity intends, in each future period in which significant amounts of deferred income tax assets are expected to be recovered and deferred income tax liabilities are expected to be settled, to settle its current income tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously.

(s) Earnings per share

The Group presents the basic and diluted earnings per share attributable to ordinary shareholders of the Company. The Group's earnings per share are calculated by dividing the (loss)profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares at December 31. Diluted earnings per share are calculated by adjusting the (loss)profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares for the effects of all potential dilutive ordinary shares. The Group's potential dilutive ordinary shares include employee stock options.

(t) Segment information:

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses (including revenue and expenses related to transactions with other components within the Group). The operating results of all operating segments are regularly reviewed by the Group's chief operating decision maker to allocate resources to the segments and assess their performance. Each operating segment has its own discrete financial information.

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

When management prepares the consolidated financial report, it must make judgments and estimates regarding the future (including climate-related risks and opportunities) that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Management continuously reviews the estimates and underlying assumptions, which are consistent

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with the Group's risk management and climate-related commitments. Changes in estimates are deferred and recognized in the period of change and the future periods affected.

The accounting policies involve significant judgments and have a material impact on the amounts recognized in the consolidated financial statements as follows:

(a) Determination of whether there is substantive control over the investee company

The Group holds 38.52% of the voting shares of Sandmartin International Holdings Ltd. and is its largest single shareholder. However, due to an agreement reached among certain shareholders to act in concert, the Group is still unable to obtain a majority of the board seats or a majority of the voting rights at shareholders' meetings of the investee company. Thus, it is determined that the Group only has significant influence.

The Group holds 29.11% of the voting shares of Da Yu Financial Holdings Ltd. However, since it is not the largest single shareholder, and the Group is unable to obtain a majority of the board seats or a majority of the voting rights at shareholders' meetings of the investee company, it is determined that the Group only has significant influence.

The Group holds 29.01% of the voting shares of GRAND OCEAN RETAIL GROUP LTD., making it the largest single shareholder. However, other shares are concentrated with the second largest shareholder, Trinity Gold Limited (holding 27.41%), while the remaining shares are dispersed. The Group is unable to obtain a majority of the board seats of GRAND OCEAN RETAIL GROUP LTD., nor does it hold a majority of the voting rights at shareholders' meetings. As it does not have the power to direct relevant activities, it is determined that the Group only has significant influence over GRAND OCEAN RETAIL GROUP LTD.

Information on the assumptions and estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year: None.

**Valuation process**

The Group's accounting policies and disclosures include measuring its financial and non-financial assets and liabilities at fair value. The Group has established internal control systems related to fair value measurement. This includes establishing a valuation team responsible for reviewing all significant fair value measurements (including Level 3 fair value) and reporting directly to the Chief Financial Officer. The valuation team regularly reviews significant unobservable inputs and

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adjustments. If inputs used for measuring fair value are based on external third-party information (such as brokers or pricing service agencies), the valuation team will appoint a professional valuation agency to reassess and ensure that the evaluation and its fair value level classification comply with the requirements of the International Financial Reporting Standards.

The Group, in measuring its assets and liabilities, uses market observable inputs whenever possible. The levels of fair value are classified based on the inputs used in the valuation technique as follows:

- (a) Level 1: Public quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2: Inputs for assets or liabilities are directly (i.e., prices) or indirectly (i.e., derived from prices) observable, other than the public quoted prices included in Level 1.
- (c) Level 3: Inputs for assets or liabilities are not based on observable market data (unobservable inputs).

**Policies for Transfers between Levels**

If a transfer of Fair Value between levels occurs, the Group recognizes the transfer on the reporting date.

**Further information on the assumptions used to measure fair value**

For related information on the assumptions used to measure Fair Value, please refer to Note 6(x), Financial instruments.

**(6) Explanation of significant accounts**

- (a) Cash and cash equivalents

	<u>2025.12.31</u>	<u>2024.12.31</u>
Petty cash	\$ 16,407	29,596
Cash in Bank	235,865	1,011,681
Time deposits	-	82,522
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 252,272</u>	<u>1,123,799</u>

Please refer to Note 6(x) for the sensitivity analysis and interest rate risk of the financial assets and liabilities of the Group.

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

	2025.12.31	2024.12.31
<b>Financial assets and liabilities at fair value through profit or loss:</b>		
Non-derivative financial assets - current		
Shares of stock of listed companies	\$ 20,937	16,892
Open fund	-	12,667
Domestic corporate bonds	96,669	97,038
Foreign corporate bonds	-	15,083
Total	<b>\$ 117,606</b>	<b>141,680</b>
<b>Held-for-trading financial liabilities:</b>		
Non-derivative financial liabilities - non-current		
Landlord beneficiary rights	<b>\$ 31,389</b>	<b>31,389</b>

1. 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.
  
2. 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 December 31, 2025 and 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.

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3. Please refer to Note 6(x) for disclosure of credit risk and market risk.
4. All of the financial assets mentioned above have not been pledged as collateral.

(c) Trade receivables and other receivables

	<b>2025.12.31</b>	<b>2024.12.31</b>
<b>Current</b>		
Accounts receivable	\$ 24,445	217,640
Less: Loss allowance	-	( 48,757)
	24,445	168,883
Leases payment receivables (included operating lease)	728,383	794,495
Less: unearned financing income	( 113,187)	( 115,724)
Loss allowance	( 592,538)	( 600,710)
	22,658	78,061
<b>Subtotal of current asset</b>	<b>47,103</b>	<b>246,944</b>
<b>Non-current</b>		
Lease receivables	-	1,121
Less: unearned financing income	-	( 6)
Loss allowance	-	( 820)
	-	295
<b>Subtotal of non-current asset</b>	<b>-</b>	<b>295</b>
<b>Total notes and accounts receivable, net</b>	<b>\$ 47,103</b>	<b>247,239</b>

1. The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information.
  - (1) Due to the COVID-19 pandemic and the changes in economic environment, the overdue account, receivable from the Group's related parties amounting, incurred from the rental service departments in China, resulted in a significant increase in credit risk; therefore, the Group evaluated the value of collateral and recognized allowance for uncollectible as follow:

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	<b>2025.12.31</b>	<b>2024.12.31</b>
Lease receivables	\$ 446,211	503,502
Less: Loss allowance	( 444,208)	( 456,774)
	<b>\$ 2,003</b>	<b>46,728</b>

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

	<b>2025.12.31</b>		
	<b>Gross carrying amount of leases payment receivable</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 2,564	0.86%	22
1 to 30 days past due	10	10.00%	1
31 to 60 days past due	20	5.00%	1
61 to 90 days past due	68	17.65%	12
More than 91 days past due (Note)	166,323	89.16%	148,294
	<b>\$ 168,985</b>		<b>148,330</b>

	<b>2024.12.31</b>		
	<b>Gross carrying amount of leases payment receivable</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 4,961	0.91%	45
1 to 30 days past due	10	10.00%	1
61 to 90 days past due	48	18.75%	9
More than 91 days past due (Note)	171,365	84.44%	144,701
	<b>\$ 176,384</b>		<b>144,756</b>

Note: As of December 31, 2025 and 2024, the Group had filed lawsuits for collecting the overdue receivables from leasing business with total amount of \$124,838 thousand (CNY 27,918 thousand) and \$127,657 thousand (CNY 27,990 thousand), respectively. The Group assessed the recoverability of those overdue receivables, and recognized provision for

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allowance of \$94,422 thousand (CNY 21,116 thousand) and \$96,825 thousand (CNY 21,230 thousand) less unearned interests and guarantee deposits.

- (2) The main trade receivables of the Group's Department Store Segment were credit card payments to be collected from banks, and the average credit period was 2 to 3 days; there was no concern about recoverability. The Group applies the simplified approach to provide for its expected credit losses (ECLs) on receivables from customers running rental businesses, that is, measured by expected credit losses during the duration. For this measurement purpose, these accounts receivable are based on the payment of all due payments on behalf of customers in accordance with the terms of the contract. Common credit risk characteristics of amount capacity are grouped and forward-looking information has been incorporated, including general economic and related industry information.

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

	<b>2024.12.31</b>		
	<b>Gross carrying amount of accounts receivable</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 136,969	0%	-
1 to 90 days past due	14,915	0%	-
91 to 180 days past due	7,763	0%	36
181 to 270 days past due	19,547	75%	14,672
271 to 365 days past due	9,383	100%	9,383
More than 365 days past due	24,666	100%	24,666
	<b>\$ 213,243</b>		<b>48,757</b>

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- (3) The loss allowance provisions of shipping business department were determined as follows:

		<b>2025.12.31</b>		
		<b>Gross carrying amount of accounts receivable</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
	Current	\$ 16,571	-	-
		<b>2024.12.31</b>		
		<b>Gross carrying amount of accounts receivable</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
	Current	\$ 2,747	-	-

- (4) The expected credit loss of accounts receivable in the Taiwan region of the Group was determined as follows:

		<b>2025.12.31</b>		
		<b>Gross carrying amount of accounts receivable</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
	Current	\$ 7,874	-	-
		<b>2024.12.31</b>		
		<b>Gross carrying amount of accounts receivable</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
	Current	\$ 1,650	-	-

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

	<u>2025</u>	<u>2024</u>
Balance on January 1	\$ 650,287	543,369
Impairment losses recognized (including the amount of profit or loss from discontinued operations, net of tax)	23,672	65,935
Amount written off due to irrecoverability during the year	5,926 (	17,198)
Reclassification (Note 9 (a))	-	27,900
Loss of control over a subsidiary	( 75,626)	-
Foreign exchange gain	( 11,721)	30,281
Balance on December 31	<u>\$ 592,538</u>	<u>650,287</u>

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

	<u>2025.12.31</u>	<u>2024.12.31</u>
Less than one year	\$ 728,383	794,495
One to two years	-	1,121
Total lease payments receivable	728,383	795,616
Unearned finance income	( 113,187)	( 115,730)
Present value of lease payments receivable	<u>\$ 615,196</u>	<u>679,886</u>

Note: Not deducted for loss allowance.

4. Please refer to Note 6(x) for other credit risk information.

(d) Other receivables

	<u>2025.12.31</u>	<u>2024.12.31</u>
Other receivables - loans (Note 7)	\$ 581,940	16,200
Other receivables - investment	-	278,210
Other receivables - lease guarantee deposit	-	64,998
Other receivables - others	92,709	86,768
Less: Loss allowance	( 25,474)	( 368,640)
	<u>\$ 649,175</u>	<u>77,536</u>

1. The Group's other receivables — others were mainly the advance payments made by the Department Store Segment on behalf of its dealers for promotional activities. As the

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Group and the dealers have been in a long-term business relationship, there should be no concern over the recoverability of these receivables, taking into consideration historical experience. The Group assessed the aforementioned other receivables as financial assets with low credit risk, and therefore measured the loss allowances for the period based on the amounts of 12-month ECLs. Please refer to Note 6(x) for other credit risk information.

2. Xiangtan Grand Ocean Department Store Co., Ltd. (Xiangtan), one of the Group's subsidiaries, pursuant to a board resolution, would cease operation when its lease contract expired in December 2018, and a guarantee deposit amounting to CNY 15,000 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 ruled that Xiangyuan Company should return the performance bond of CNY 14,700,000 to the subsidiary Xiangtan Dayang Department Store Co., Ltd. Later, on November 13, 2019, Xiangyuan Company filed a second appeal, and the People's Court made a final judgment on January 16, 2020, dismissing the appeal and upholding the first-instance judgment. The case was under preservation during the litigation process. Based on the property investigation and asset freezing of Xiangyuan Company conducted by the court, Xiangyuan Company has assets available for execution and has received \$1,952 thousand (CNY 448 thousand) in enforcement payments. However, considering the severe impact of the pandemic on the department store industry recently and the high uncertainty of future development in this region, the merged company, based on a conservative approach, has recognized overdue credit losses for the lease deposits. As of December 31, 2024, the lease deposits and the loss allowance amounted to \$64,998 thousand (CNY 14,252 thousand).
3. In 2012, the Group paid a guarantee deposit of CNY 124,000 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 CNY 325,000 thousand. As of December 31, 2015, CNY 200,000 thousand

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had been paid and recorded under prepayments for investments. The management of the Group evaluated the uncertainty over the investment and thus terminated the investment project. Consequently, the originally recorded prepayments for investments of CNY 200,000 thousand and other financial assets - current of CNY 124,000 thousand were reclassified to 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. The Group assessed on December 31, 2016, that there should be no risk of bad debt loss regarding the aforementioned 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 CNY 162,000 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.

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.

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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 the 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 resumed 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.

- (1) The repayment schedule was as follows: o Damahua agreed to pay CNY 30,000 thousand before February 9, 2021.
- (2) Damahua agreed to pay CNY 51,000 thousand before December 31, 2021.
- (3) Damahua agreed to pay CNY 81,000 thousand before June 30, 2022.
- (4) Under the premise of a written consent of the Group, Damahua was entitled to transfer the title of properties located on Citong road to the Group, as the repayment of debt.

However, due to the force majeure factors of COVID 19, 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 CNY 16,000 thousand before December 31, 2022.
- (2) Damaha agreed to repay CNY 16,000 thousand before March 31, 2023.

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- (3) Damahua agreed to repay CNY 29,000 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 CNY 162,000 thousand. As of June 30, 2023, the total of CNY 101,000 thousand had been repaid, and the remaining CNY 61,000 thousand had not been repaid by Damahua as agreed. The Group considers that the aforementioned claims arise from the undertaking of the Fengan's land parcel. Recently the Quanzhou government has agreed with the development and construction of the Fengan's property to be undertaken in a cooperative way with existing developers, which is implemented by the government of Fengze District, and is coordinating to promote the resumption of the construction of Fengan's property. Considering the circumstance above and that the creditor's rights are generated by undertaking the Fengan's property, the Group plans to negotiate with Damahua on the proceeds from the subsequent development project to repay all claims.

Although the Group assessed that Damahua should be able to repay its debts after distribution of the gains on disposal of Fengan's land, due to the impact of the COVID-19 pandemic in China, the economy has not returned to a normal level. Based on conservatism, the Group has recognized an expected credit loss for the aforementioned accounts receivable. As of December 31, 2024, loss allowances of \$278,210 thousand (CNY 61,000 thousand) were recognized.

1. The aforementioned Notes 1 to 3 related to other receivables were generated from the Department Store department and were derecognized from the consolidated financial statements upon the loss of control on December 30, 2025.

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(e) Inventories (Construction department)

	<u>2025.12.31</u>	<u>2024.12.31</u>
Land held for construction site	\$ 213,597	232,976
Construction in progress	1,230,154	1,219,058
Buildings and land held for sale	35,345	41,931
Prepayment for land purchases and development expenses	279,768	279,768
	<u>\$ 1,758,864</u>	<u>1,773,733</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

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

<u>Investee</u>	<u>2025.12.31</u>	<u>2024.12.31</u>
Jiawang Assets Development Co., Ltd.	\$ 20,864	8,710
Da Yu Financial Holdings Ltd.	898,880	738,250
GRAND OCEAN RETAIL GROUP LTD.	1,107,958	-
Sandmartin International Holdings Ltd.	-	-
Hainan Sanhe Licheng Business Service Co., Ltd.	-	-
Hainan Sanhe Licheng Business Service Co., Ltd.	-	-
	<u>\$ 2,027,702</u>	<u>746,960</u>

1. The relevant information of the other related parties that are significant to the consolidated company was as follows:

<u>Investee</u>	<u>Nature of relationship with the Group</u>	<u>Main operation/place</u>	<u>Percentage of ownership interests and voting rights</u>	
			<u>2025.12.31</u>	<u>2024.12.31</u>
GRAND OCEAN RETAILGROUP LTD.	Department store retail industry	China/Cayman Islands	29.01%	- %

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GRAND OCEAN RETAIL GROUP LTD. is a publicly listed company, its Fair Value is as follows:

<b>2025.12.31</b>
<b>\$ 316,503</b>

The summarized financial information of other related parties that are significant to the Company is as follows. This financial information has been adjusted for the amounts included in the individual financial reports of each other related party under IFRSs to reflect the fair value adjustments made when the Company acquired the equity of other related parties, and adjustments made for differences in accounting policies:

Collective financial information of Grand Ocean Retail Group Ltd.:

	<b>2025.12.31</b>
Current assets	\$ 1,468,360
Non-current assets	19,790,196
Current liabilities	( 6,206,895)
Non-current liabilities	( 11,232,433)
Net assets	<b>\$ 3,819,228</b>
Net assets attributable to non-controlling interests	\$ -
Net assets attributable to owners of the investee company	<b>\$ 3,819,228</b>

	<b>2025</b>
The share of net assets of other related parties enjoyed by the consolidated company at the beginning of the period.	\$ -
Current additions (Note)	1,107,958
Comprehensive income attributable to the Group	-
The carrying amount of the equity of other related parties by the consolidated company at the end of the period.	<b>\$ 1,107,958</b>

Note: The newly added share of net assets of other related parties in this period. The fair value measurement of the assets and liabilities acquired by the consolidated company is provisional, and these amounts are pending final evaluation.

As part of the Group's operational strategy, in May 2025, the Company sold 35,200 thousand shares of GRAND OCEAN RETAIL GROUP LTD. to a non-related party, Trinity Gold Limited, at NT\$6.8 per share, totaling NT\$239,360 thousand.

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Additionally, between June and September 2025, the Company disposed of a total of 3,138 thousand shares of the company in the open market, amounting to NT\$20,114 thousand in total. Consequently, the consolidated shareholding decreased to 39.01%. Due to the difference between the actual disposal price of the subsidiary's equity and its book value, a decrease in capital surplus of NT\$480,480 thousand and a decrease in retained earnings of NT\$68,153 thousand were recognized.

In December 2025, the Company sold 18,392 thousand shares of GRAND OCEAN RETAIL GROUP LTD. to a non-related party, Trinity Gold Limited, at NT\$5.25 per share, totaling NT\$97,862 thousand. Additionally, during December 2025, the Company disposed of a total of 1,161 thousand shares of the company in the open market, amounting to NT\$6,482 thousand in total. Consequently, the consolidated shareholding decreased to 29.01%, resulting in the loss of control over GRAND OCEAN RETAIL GROUP LTD. Please refer to Note 6(g) for details.

2. 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:

	<u>2025.12.31</u>	<u>2024.12.31</u>
Carrying amount of individually insignificant associates' equity at the end of the period	<u>\$ 919,744</u>	<u>746,960</u>
	<u>2025</u>	<u>2024</u>
Attributable to the Group:		
Gain(Loss) from continuing operations	\$ 57,422	26,298
Other comprehensive income (loss)	( 30,131)	42,687
Comprehensive income (loss)	<u>\$ 27,291</u>	<u>68,985</u>

Dividends received from Jiawang Assets Development Co., Ltd. in 2024 amounted to \$4,900 thousand.

Dividends received from Da Yu Financial Holdings Ltd. in 2025 amounted to \$10,892 thousand.

The Group approved by the board of directors on August 27, 2025, and January 17, 2024, resolutions to participate in the cash capital increase of 331,660 thousand shares each in Da Yu Financial Holdings Ltd. in accordance with the percentage. The

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subscription prices were HK\$0.12 and HK\$0.15 per share, with total amounts of \$157,127 thousand and \$202,329 thousand, respectively. The relevant legal registration procedures have been completed.

As of December 31, 2025 and 2024, the Group conducted an impairment test on the goodwill identified at the time of the original investment in Da Yu Financial Holdings Ltd. The recoverable amount was estimated based on its value in use. According to the management's assessment, the recoverable amount still exceeded the carrying amount, and thus there was no impairment loss.

The Fair Value of the consolidated company's other related parties that are listed was as follows:

	<u>2025.12.31</u>	<u>2024.12.31</u>
Da Yu Financial Holdings Ltd.	\$ 433,915	205,629
Sandmartin International Holdings Ltd.	133,944	170,962

3. Guarantees

Please refer to Note 8 for the situation where the Group's investments accounted for using the equity method have been pledged as collateral.

(g) Loss of control over a subsidiary

On December 30, 2025, the Company disposed of 10.00% equity in GRAND OCEAN RETAIL GROUP LTD. and lost control over it. The disposal proceeds were NT\$104,344 thousand, resulting in a disposal loss of NT\$900,043 thousand. The disposal loss includes the remeasurement of the consolidated company's remaining 29.01% equity interest at fair value, the difference between its fair value and the original equity's net value, and the amount of NT\$622,464 thousand previously recognized in other comprehensive income related to the subsidiary, which was reclassified to profit or loss. This is included under Other gains and losses from discontinued operations units in the Consolidated Statements of Comprehensive Income.

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The carrying amount details of assets and liabilities of GRAND OCEAN RETAIL GROUP LTD. as of December 30, 2025, are as follows:

Cash and cash equivalents	\$	243,883
Current financial assets at fair value through profit or loss (Notes 6(b))		12,394
Trade receivables and other receivables		144,234
Inventories		107,024
Prepayments		214,343
Other financial assets		1,021,326
Property, plant and equipment		4,813,540
Right-of-use assets		10,442,396
Intangible assets		1,505,352
Deferred tax assets		2,568,465
Other non-current assets		194,009
Long-term and short-term borrowings	(	3,099,165)
Accounts payable and other payables	(	2,034,649)
Current tax liabilities	(	37,119)
Lease liabilities	(	9,724,842)
Other current liabilities	(	11,793)
Deferred tax liabilities	(	1,992,992)
Guarantee deposits	(	<u>547,178</u> )
The carrying amount of the net assets of the former subsidiary		<u>3,819,228</u>
Non-controlling Interest	(	<u>2,329,347</u> )
Net assets disposed	<b>\$</b>	<b><u>1,489,881</u></b>

(h) 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 and voting rights	
		2025.12.31	2024.12.31
GRAND OCEAN RETAIL GROUP LTD.	China/Cayman Islands	Note	41.38%

Note: On December 30, 2025, the Company lost control over GRAND OCEAN RETAIL LTD. and reclassified it as an other related party. Please refer to Note 6(f) and (g) for details.

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

	<u>2024.12.31</u>
Current assets	\$ 1,642,895
Non-current assets	22,572,533
Current liabilities	( 6,662,622)
Non-current liabilities	( 12,766,499)
Net assets	<u>\$ 4,786,307</u>
Non-controlling interests carrying amount at the end of the period	<u>\$ 1,980,574</u>

	<u>January 1, 2025~ December 30, 2025</u>	<u>2024</u>
Sales revenue	<u>\$ 2,751,254</u>	<u>3,234,915</u>
Net income (loss)	( 890,325)	( 511,891)
Other comprehensive income (loss)	( 76,754)	225,397
Comprehensive income (loss)	<u>(\$ 967,079)</u>	<u>( 286,494)</u>
Net income (loss), attributable to non-controlling interests	<u>(\$ 487,743)</u>	<u>( 211,820)</u>
Comprehensive income (loss), attributable to non-controlling interests	<u>(\$ 459,335)</u>	<u>( 118,552)</u>

	<u>January 1, 2025~ December 30, 2025</u>	<u>2024</u>
Net cash flows from operating activities	\$ 391,924	558,406
Net cash flows from investing activities	( 48,764)	68,776
Net cash flows from financing activities	( 906,818)	( 903,348)
Effect of change in foreign exchange rates	( 23,821)	50,570
Net decrease in cash and cash equivalents	<u>(\$ 587,479)</u>	<u>( 225,596)</u>

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**FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES Notes to the Consolidated  
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## (i) Property, plant and equipment

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

	<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>
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
Loss of control over a subsidiary	-	( 4,726,415)	11,939	-	( 219,362)	( 6,785,425)	( 22,775)	( 11,765,916)
Additions	-	-	-	-	2,113	11,686	56,709	70,508
Reclassifications	-	-	1,968	-	321	53,767	( 56,056)	-
Disposals and obsolescence	-	-	( 12,446)	-	( 10,012)	( 12,260)	-	( 34,718)
Effect of change in foreign exchange rates	-	( 94,302)	( 1,054)	( 450,969)	( 4,799)	( 132,495)	( 373)	( 683,992)
Balance at December 31, 2025	<u>\$ 126,409</u>	<u>74,870</u>	<u>12,297</u>	<u>10,460,485</u>	<u>4,231</u>	<u>405</u>	<u>-</u>	<u>10,678,697</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	-	-	4,085	-	4,091	55,733	29,515	93,424
Reclassifications	-	-	-	-	7,914	35,313	( 43,227)	-
Disposals and obsolescence	-	-	( 81,599)	-	( 3,088)	( 6,373)	-	( 91,060)
Effect of change in foreign exchange rates	-	237,719	3,571	690,599	11,273	336,541	1,315	1,281,018
Balance at December 31, 2024	<u>\$ 126,409</u>	<u>4,895,587</u>	<u>35,768</u>	<u>10,911,454</u>	<u>235,970</u>	<u>6,865,132</u>	<u>22,495</u>	<u>23,092,815</u>
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
Loss of control over a subsidiary	-	( 1,635,929)	( 6,587)	-	( 173,814)	( 5,133,729)	( 2,317)	( 6,952,376)
Depreciation	-	99,739	3,734	419,854	11,310	288,275	-	822,912
Disposals and obsolescence	-	-	( 9,212)	-	( 8,870)	( 11,477)	-	( 29,559)
Effect of change in foreign exchange rates	-	( 27,392)	( 565)	( 166,985)	( 3,373)	( 87,375)	-	( 285,690)
Balance at December 31, 2025	<u>\$ -</u>	<u>44,197</u>	<u>6,793</u>	<u>4,385,315</u>	<u>3,668</u>	<u>405</u>	<u>-</u>	<u>4,440,378</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	-	102,281	6,299	432,902	11,907	320,808	-	874,197
Disposals and obsolescence	-	-	( 48,184)	-	( 2,771)	( 6,149)	-	( 57,104)
Effect of change in foreign exchange rates	-	74,955	1,936	242,603	8,469	236,473	-	564,436
Balance at December 31, 2024	<u>\$ -</u>	<u>1,607,779</u>	<u>19,423</u>	<u>4,132,446</u>	<u>178,415</u>	<u>4,944,711</u>	<u>2,317</u>	<u>10,885,091</u>
Carrying amounts:								
December 31, 2025	<u>\$ 126,409</u>	<u>30,673</u>	<u>5,504</u>	<u>6,075,170</u>	<u>563</u>	<u>-</u>	<u>-</u>	<u>6,238,319</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>
December 31, 2024	<u>\$ 126,409</u>	<u>3,287,808</u>	<u>16,345</u>	<u>6,779,008</u>	<u>57,555</u>	<u>1,920,421</u>	<u>20,178</u>	<u>12,207,724</u>

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

1. The Group's buildings and the material components thereof included main buildings, electrical power equipment, and air-conditioners, all of which are depreciated based on the estimated useful lives of 5 to 50 years, 5 to 20 years, and 5 to 20 years, respectively.
  2. Due to the economic growth slowdown in mainland China in recent years, consumer spending has decreased, resulting in deflation. The operational performance has shown a downward trend compared to previous years, which has also led to changes in real estate values in mainland China. The Group tested the impairment of the Department Store department's property, plant and equipment. In the year 2025 and 2024, the estimated recoverable amount still exceeded the carrying value, and thus no impairment loss was recognized. The Group conducts impairment assessments of non-financial assets using the Fair Value less costs of disposal or the value in use of cash-generating units as the basis for calculating the recoverable amount. The fair value of property, plant and equipment is estimated using the market price of recent transactions in nearby areas and the income approach, and is based on the valuation of independent appraisers (with recognized relevant professional qualifications and recent experience in the location and type of the property, plant and equipment being appraised). The inputs used in the valuation technique for its fair value are classified as Level 3, and such fair value is assessed based on market value. The key assumptions were as follows:
    - (1) The capitalization rate is 5.2% to 7% and 6% to 7%;
    - (2) The annual rental growth rate is 0% to 4% and 2% to 4%;
    - (3) The remaining term is 10.4 years to 36 years and 11.4 years to 37 years;
    - (4) When measuring the fair value of property, plant and equipment, adjustments will be made considering transaction conditions, transaction date, and entity circumstances.
  3. The property, plant and equipment of the Group had been pledged as collateral for bank borrowings. Please refer to Note 8 for further details.
- (j) Right-of-use assets

The cost and depreciation of the land, building, machine and transportation equipment of the Group were as follows:

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**FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES Notes to the Consolidated  
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	<u>Land</u>	<u>Buildings</u>	<u>Machine and transportation equipment</u>	<u>Total</u>
Cost:				
Balance at January 1, 2025	\$ 3,442,452	13,559,599	80,483	17,082,534
Loss of control over a subsidiary	( 3,375,111)	( 13,248,065)	( 60,188)	( 16,683,364)
Additions	-	1,805	-	1,805
Derecognition	-	( 4,741)	-	( 4,741)
Lease modifications	-	( 32,543)	( 11,609)	( 44,152)
Effect of change in foreign exchange rates	( 67,341)	( 266,650)	( 1,201)	( 335,192)
Balance at December 31, 2025	<u>\$ -</u>	<u>9,405</u>	<u>7,485</u>	<u>16,890</u>
Balance at January 1, 2024	\$ 3,272,698	12,136,586	77,456	15,486,740
Additions	-	755,036	-	755,036
Lease modifications	-	17,218	-	17,218
Effect of change in foreign exchange rates	169,754	650,759	3,027	823,540
Balance at December 31, 2024	<u>\$ 3,442,452</u>	<u>13,559,599</u>	<u>80,483</u>	<u>17,082,534</u>
Depreciation:				
Balance at January 1, 2025	\$ 724,858	4,553,875	52,280	5,331,013
Loss of control over a subsidiary	( 803,972)	( 5,386,838)	( 50,158)	( 6,240,968)
Depreciation	90,246	903,899	9,642	1,003,787
Derecognition	-	( 4,741)	-	( 4,741)
Lease modifications	-	-	( 5,611)	( 5,611)
Effect of change in foreign exchange rates	( 11,132)	( 58,871)	( 664)	( 70,667)
Balance at December 31, 2025	<u>\$ -</u>	<u>7,324</u>	<u>5,489</u>	<u>12,813</u>
Balance at January 1, 2024	\$ 598,651	3,347,341	38,908	3,984,900
Depreciation	92,624	1,005,377	11,348	1,109,349
Effect of change in foreign exchange rates	33,583	201,157	2,024	236,764
Balance at December 31, 2024	<u>\$ 724,858</u>	<u>4,553,875</u>	<u>52,280</u>	<u>5,331,013</u>
Carrying amounts:				
December 31, 2025	<u>\$ -</u>	<u>2,081</u>	<u>1,996</u>	<u>4,077</u>
January 1, 2024	<u>\$ 2,674,047</u>	<u>8,789,245</u>	<u>38,548</u>	<u>11,501,840</u>
December 31, 2024	<u>\$ 2,717,594</u>	<u>9,005,724</u>	<u>28,203</u>	<u>11,751,521</u>

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## (k) 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
Loss of control over a subsidiary	( 1,494,827)	( 440,526)	-	( 37,550)	( 1,972,903)
Additions	-	-	-	1,462	1,462
Disposal and derecognition	-	-	( 41,110)	-	( 41,110)
Effect of change in foreign exchange rates	( 29,825)	( 18,992)	( 2,983)	( 874)	( 52,674)
Balance at December 31, 2025	<u>\$ -</u>	<u>-</u>	<u>37,414</u>	<u>10,225</u>	<u>47,639</u>
Balance at January 1, 2024	\$ 1,449,468	430,434	101,428	44,402	2,025,732
Additions	-	-	-	469	469
Disposal and derecognition	-	-	( 24,511)	-	( 24,511)
Effect of change in foreign exchange rates	75,184	29,084	4,590	2,316	111,174
Balance at December 31, 2024	<u>\$ 1,524,652</u>	<u>459,518</u>	<u>81,507</u>	<u>47,187</u>	<u>2,112,864</u>
Depreciation:					
Balance at January 1, 2025	\$ -	322,328	5,341	32,541	360,210
Loss of control over a subsidiary	-	( 440,526)	-	( 27,025)	( 467,551)
Amortization	-	-	-	3,374	3,374
Impairment losses	-	130,337	-	-	130,337
Effect of change in foreign exchange rates	-	( 12,139)	( 105)	( 524)	( 12,768)
Balance at December 31, 2025	<u>\$ -</u>	<u>-</u>	<u>5,236</u>	<u>8,366</u>	<u>13,602</u>
Balance at January 1, 2024	\$ -	301,928	5,078	27,608	334,614
Amortization	-	-	-	3,407	3,407
Effect of change in foreign exchange rates	-	20,400	263	1,526	22,189
Balance at December 31, 2024	<u>\$ -</u>	<u>322,328</u>	<u>5,341</u>	<u>32,541</u>	<u>360,210</u>
Carrying amounts:					
December 31, 2025	<u>\$ -</u>	<u>-</u>	<u>32,178</u>	<u>1,859</u>	<u>34,037</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>
December 31, 2024	<u>\$ 1,524,652</u>	<u>137,190</u>	<u>76,166</u>	<u>14,646</u>	<u>1,752,654</u>

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1. Impairment testing of goodwill and trademarks

For the purpose of impairment testing, the Group has allocated goodwill to each cash-generating unit. The allocation of the total carrying amount of goodwill is as follows:

	<b>2025.12.30</b>		<b>2024.12.30</b>	
	<b>Carrying amount</b>	<b>Recoverable amount</b>	<b>Carrying amount</b>	<b>Recoverable amount</b>
<b>Goodwill</b>				
Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd.	\$ 105,879	124,666	107,992	151,466
Wuhan Grand Ocean Classic Commercial Development Ltd.	195,565	214,638	199,466	755,547
Fuzhou Grand Ocean Commoncial Ltd.	<u>1,193,383</u>	<u>1,393,413</u>	<u>1,217,194</u>	<u>1,366,903</u>
	<b><u>\$ 1,494,827</u></b>	<b><u>1,732,717</u></b>	<b><u>1,524,652</u></b>	<b><u>2,273,916</u></b>
<b>Trademark</b>				
Grand Ocean Classic Commercial Group Ltd.	<u>\$ -</u>	<u>-</u>	<u>137,190</u>	<u>162,929</u>

The recoverable amount of a cash-generating unit is the higher of its Fair Value less costs of disposal and its value in use. If it exceeds the carrying amount of the asset, there is no indication of impairment. As of December 31, 2025 and 2024, the recoverable amount of Fuzhou Grand Ocean Commoncial Ltd. was estimated using Fair Value less costs of disposal, while the recoverable amount for others was estimated using value in use. For the Fair Value evaluation method and key assumptions of Fuzhou Grand Ocean Commoncial Ltd., please refer to Note 6(i).

In the year 2025 and 2024, due to the economic environment in mainland China, the operational performance showed a downward trend compared to previous years. The Group tested the impairment of goodwill and trademark, and estimated the recoverable amount of the Grand Ocean Classic Commercial Group Ltd.'s cash-generating unit to be lower than the carrying amount. Thus, trademark impairment losses of \$130,337 thousand and \$0 were recognized, respectively, and reported under other gains and losses in the discontinued operations units' profit and loss after tax.

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

In the year 2025 and 2024, the recoverable amount of the cash-generating units of Shanghai Grand Ocean Qianshu Commercial Management Co., Ltd., Wuhan Grand Ocean Classic Commercial Development Ltd., and Grand Ocean Classic Commercial Group Ltd. were calculated using value in use. The key assumptions used in estimating the value in use were as follows:

The growth rates for the revised estimated value in use are as follows:

	<u>2025.12.30</u>	<u>2024.12.31</u>
Discount rate	10%	10%
Growth rate	0%~13%	6%~9%

- (1) The discount rate is a pre-tax rate based on the yield of twenty-year government bonds issued by the Chinese government, adjusted for a risk premium to reflect the additional risk of equity investments and the specific systematic risks of the cash-generating unit.
- (2) The estimated amount of cash flows is based on past experience, actual operating results, and future lease expiry dates.
- (3) Sales revenue considers the historical average growth level over the past five years, and future sales prices for the next five years are projected based on data from comparable companies to grow at a rate slightly above expected inflation.
- (4) In the operating plan, operating costs and expenses are estimated based on past experience and consideration of various cost and expense variables.

The values of these key assumptions represent management's assessment of future trends in the department store retail industry, while considering historical information from both internal and external sources.

2. Impairment testing of license plates

As of December 31, 2025 and 2024, the fair value of the license plate was determined using the market approach, using the most recent market transaction prices for identical or similar items in nearby locations as the measurement basis. The fair value is classified as Level 2. The recoverable amount still exceeded the carrying amount, and thus there was no impairment loss.

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

	<b>2025.12.31</b>	<b>2024.12.31</b>
Other financial assets – current		
Lease deposits	\$ -	291
Restricted deposits	124,644	635,149
Debt claims – vehicle purchases	35,773	36,487
Other	-	2,207
Less: Loss allowance	( 35,773)	( 36,487)
	<b>\$ 124,644</b>	<b>637,647</b>

	<b>2025.12.31</b>	<b>2024.12.31</b>
Other financial assets – non-current		
Lease deposits	\$ -	201,894
Prepaid deposit for cooperation agreements	-	7,315
Restricted deposits	-	205,003
Litigation security (Note 9 (b))	77,870	81,227
Prepaid deposit for extended portion of lease	-	68,412
Other	8,362	14,278
	<b>\$ 86,232</b>	<b>578,129</b>

1. The lease deposit is mainly for lease of malls; the deposit for expansion of leased area was paid by a subsidiary, Yichang Grand Ocean Commerce Ltd., to expand the leased area. The deposit will be used to offset the rentals after the contract is signed.
2. In November 2020, the Group acquired the right to purchase the 765 Zotye vehicles of Shanghai Zhuke Technology Co., Ltd. (hereinafter referred to as "Shanghai Zhuke") at the price of CNY 8,000 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 CNY 11,000 thousand upon expiry of the period in use (March 2023). Due to the significant increase in the credit risk of Shanghai Zhuke, the Group evaluated the

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credit risk on an individual basis and recognized all the amount in loss allowance for expected credit loss in 2022. As of December 31, 2025, the aforementioned amount had not been recovered.

3. For further credit risk information, please refer to Note 6(x).

(m) Short-term borrowings

	<u>2025.12.31</u>	<u>2024.12.31</u>
Unsecured bank loans	\$ 347,500	410,000
Secured bank loans	704,360	3,272,065
Other unsecured loans	63,879	-
Other secured loans	83,627	-
	<u>\$ 1,199,366</u>	<u>3,682,065</u>
Unused credit lines	<u>\$ 695,700</u>	<u>1,087,668</u>
Range of interest rates	<u>2.55%~5.50%</u>	<u>2.31%~6.30%</u>

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

(n) Long-term borrowings

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

	<u>2025.12.31</u>			
	<u>Currency</u>	<u>Range of interest rates</u>	<u>Maturity year</u>	<u>Amount</u>
Unsecured bank loans	NTD	3.01%~3.10%	2026~2028	\$ 146,000
Secured bank loans	USD	4.35%~5.65%	2026~2032	1,333,661
	NTD	3.04%~3.10%	2026	962,500
Other secured loans	CNY	15.60%	2026	1,602
Other unsecured loans	HKD	9.00%	2027	201,889
				<u>2,645,652</u>
Less: current portion				( 1,449,886)
Total				<u>\$ 1,195,766</u>
Unused credit lines				<u>\$ 130,000</u>

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2024.12.31				
	Currency	Range of interest rates	Maturity year	Amount
Unsecured bank loans	USD	6.76%	2026	\$ 78,684
	NTD	3.09%	2026	100,000
	CNY	7.39%~8.47%	2025	21,310
Secured bank loans	USD	5.25%~6.18%	2025~2032	2,355,103
	CNY	4.20%	2025	228,041
	NTD	3.04%~3.09%	2026	1,137,500
Secured commercial promissory note	NTD	1.58%~1.77%	2026	249,720
Other secured loans	CNY	15.60%	2026	1,855
				4,172,213
Less: current portion				( 2,776,284)
Total				<b>\$ 1,395,929</b>
Unused credit lines				<b>\$ 645,888</b>

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

2. Significant loan contract agreement

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

- (1) Current ratio [current assets/(current liabilities - current portion of the long term borrowings current lease liabilities)]: should not be lower than 80%;
- (2) Debt ratio [(total liabilities - lease liabilities) / total equity]: should not exceed 150%;
- (3) Interest coverage multiple [(profit before tax interest expense depreciation amortization) / interest expense]: should be maintained at 3 or above;
- (4) Net tangible assets [(total equity - intangible assets)]: should be maintained at NTD 9 billion or above.

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3. Breach of a loan contract

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

The Group communicated with the lending bank to reduce the financial ratio or waive the review thereof for a certain period and issued the statement to the management bank on April 19, 2024, explaining the reasons for the financial ratio not meeting the syndicated loan agreement requirements and proposing financial improvement measures.

The Group still violated the aforementioned financial ratio on June 30, 2024, and has transferred the remaining loan amount to long-term borrowings due within one year, and obtained the consent for exemption from the financial ratio review on October 18, 2024.

The Group still violated the agreed financial ratio on December 31, 2024. The Group issued the statement to the syndicated banking consortium on April 15, 2025, explaining the reasons for the financial ratio not meeting the syndicated loan agreement requirements, and applied for exemption from the financial ratio review in accordance with the provisions of the credit contract. Subsequently, the Group applied for changes to the credit terms of the syndicated loan agreement, including proposing to add two new vessels as additional guarantees and repaying the credit balance of Section A in the amount of 200,000 thousand. The aforementioned proposal for the financial ratio exemption and changes to the credit terms was consented to by the banking consortium on November 28, 2025. Supplemental agreements were signed in January and February 2026, respectively, including additional vessel guarantees, a one-year extension of the Section A credit period, interest rate adjustments, and waiver of financial ratio reviews during the extended period.

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(o) Accounts payable and other payables

	<u>2025.12.31</u>	<u>2024.12.31</u>
<u>Accounts payable</u>		
Payments for goods purchased for direct sales	\$ -	53,475
Payments for goods purchased for concessionaire sales	-	928,894
Other	10,303	87,077
<b>Total</b>	<b>\$ 10,303</b>	<b>1,069,446</b>
<u>Other payables</u>		
Wages and salaries payable	\$ 49,488	170,409
Construction contract prices payable	-	90,828
Compensation payable for store shutdown or matters	-	852
Litigation damages payable	-	233,651
Tax fee	8,866	41,303
Vessel repair at docks	23,547	-
Commission payable for consignment sales	43,066	13,782
Collect car sales on behalf of related parties.	-	56,621
Other	105,254	402,881
<b>Total</b>	<b>\$ 230,221</b>	<b>1,010,327</b>

(p) Lease liabilities

The information of lease liabilities of the Group were as follows:

	<u>2025.12.31</u>	<u>2024.12.31</u>
Current	\$ 3,621	827,918
Non-current	606	9,873,207
	<b>\$ 4,227</b>	<b>10,701,125</b>

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

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The amounts recognized in profit or loss as follows:

	2025		2024	
	Continuing operations units	Discontinued operations units	Continuing operations units	Discontinued operations units
Interest expense of lease liabilities	\$ 332	417,266	525	454,258
Variable leases payments not included in the measurement of lease liabilities	\$ -	356	-	1,496
Expenses relating to short-term leases	\$ 750	191	805	191
Expenses relating to leases of low value (excluding short term leases of low value assets)	\$ 159	48	448	42

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

	2025	2024
Total cash outflow for leases	\$ 1,120,505	1,328,239

1. Real estate leases

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

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

2. Other lease

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

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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.

(q) Operating lease

1. Leases as lessor

The Group leases its bulk carriers and transportation equipment and these contracts were classified as operating leases, because it has not substantially transferred all of the risks and rewards affiliated to the ownership of the assets. For more information please refer to Note 6 (i). In addition, please refer to Note 6(c) for the information about the rental business in finance leases of transportation equipment.

The maturity analysis of the lease payments is reported in the following table for the total amount of undiscounted lease payments to be received in the future:

(1) Bulk carriers

	<u>2025.12.31</u>	<u>2024.12.31</u>
Less than one year	\$ 839,827	911,021
One to two years	28,312	10,572
Total undiscounted lease payments	<u>\$ 868,139</u>	<u>921,593</u>

(2) Transportation equipment

	<u>2025.12.31</u>	<u>2024.12.31</u>
Less than one year	\$ 2,456	7,373
One to two years	1,546	2,928
Two to three years	618	1,738
Between three and four years	155	1,046
Total undiscounted lease payments	<u>\$ 4,775</u>	<u>13,085</u>

The direct expenses including repairs and maintenance arising from bulk carriers were as follows: In the year 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating costs	<u>\$ 79,809</u>	<u>61,080</u>

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(r) Income Tax

1. Income tax expenses

The components of income tax expenses for the year 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Current tax expense		
Current period generated	\$ 44,369	50,253
Adjustment for prior periods	( 4,885)	( 2,759)
Deferred tax expense		
Origination and reversal of temporary differences	( 29,647)	16,869
Income tax expenses (excluding income tax on gains from the sale of discontinued operations units)	<u>\$ 9,837</u>	<u>64,363</u>
Income tax expenses of continuing operations units	\$ -	47
Income tax expenses of discontinued operations units	9,837	64,316
	<u>\$ 9,837</u>	<u>64,363</u>

The reconciliation of the Group's income tax expenses and loss before income tax for the year 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Loss before income tax from continuing operations units	(\$ 85,197)	( 36,570)
Income tax calculated based on the domestic tax rate of the location where the company is situated	(\$ 17,040)	( 7,314)
Non-deductible expenses and losses	965	2,561
Share of profit (loss) of associates accounted for using equity method	( 2,431)	345
Suspension of Securities Transaction Income	61,578	4,394
Current taxable loss for which deferred tax assets have not been recognized	13,543	35,286
Changes in unrecognized temporary differences	( 40,780)	( 44,752)
Underestimation in previous period numbers	-	47
Other	( 15,835)	9,480
Total	<u>\$ -</u>	<u>47</u>

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2. Deferred tax assets and liabilities

(1) Unrecognized deferred tax assets (liabilities)

- i. The Company has control over its investee subsidiary FIRST STEAMSHIP S.A., and the board of directors resolved that the earnings prior to 2018 would not be distributed. In addition, the consolidated company does not intend to dispose of the equity investment in the foreseeable future. Therefore, as of December 31, 2025 and 2024, the temporary differences related to the investment in a subsidiary were not recognized as deferred tax assets (liabilities) because the consolidated company can control the timing of the reversal of these temporary differences and is confident that they will not reverse in the foreseeable future. The related amounts are as follows:

	<b>2025.12.31</b>	<b>2024.12.31</b>
The total amount of temporary differences related to investments in subsidiaries	<b>\$ 693,408</b>	<b>( 467,791)</b>
The amount of unrecognized deferred tax assets (liabilities)	<b>\$ 138,682</b>	<b>( 93,558)</b>

- ii. The other taxable income items of the Group for which deferred tax assets have not been recognized were as follows:

	<b>2025.12.31</b>	<b>2024.12.31</b>
Deductible temporary differences	<b>\$ 168,050</b>	<b>463,868</b>
Taxable losses	<b>\$ 711,971</b>	<b>4,741,487</b>

Taxable losses are in accordance with income tax regulations, where losses from the previous ten years, as determined by the tax authorities, can be deducted from the current year's net profit before reassessing income tax. Additionally, according to the income tax regulations for subsidiaries in Mainland China, losses from the previous five years, as determined by the tax authorities, can be deducted from the current year's net profit before reassessing income tax. These items have not been recognized as deferred tax assets because it is not probable that the consolidated company will have sufficient taxable income in the future to utilize these temporary differences.

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As of December 31, 2025, the deduction periods for the Group's unused taxable losses are as follows:

<b>Loss year</b>	<b>Unused loss deduction</b>		<b>Final year for deduction</b>	
	<b>Domestic company in Taiwan</b>	<b>Subsidiaries in Mainland China</b>	<b>Domestic company in Taiwan</b>	<b>Subsidiaries in Mainland China</b>
In 2016	\$ 35,808	-	In 2026	-
In 2017	36,057	-	In 2027	-
In 2018	20,950	-	In 2028	-
In 2020	64,883	-	In 2030	-
In the year 2021	-	2,088	In the year 2031	In 2026
In the year 2022	7,485	102,174	In the year 2032	In 2027
In 2023	253,373	71,977	In 2033	In 2028
In 2024	88,560	58,075	In 2034	In the year 2029
In 2025	64,206	2,803	In 2035	In 2030
Total	<u>\$ 571,322</u>	<u>237,117</u>		

(2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2025 and 2024 were as follows:

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**Deferred tax assets:**

	<u>Loss deduction</u>	<u>Leases expenses and others</u>	<u>Total</u>
<b>Balance at January 1, 2025</b>	\$ 48,941	2,798,131	2,847,072
Recognized in profit or loss (recognized in continuing operations units)	-	( 132 )	( 132 )
Recognized in profit or loss (recognized in discontinued operations units)	( 2,033 )	( 203,302 )	( 205,335 )
Loss of control over a subsidiary	( 26,965 )	( 2,533,090 )	( 2,560,055 )
Effect of change in foreign exchange rates	( 649 )	( 61,607 )	( 62,256 )
<b>Balance at December 31, 2025</b>	<b>\$ 19,294</b>	<b>-</b>	<b>19,294</b>
<b>Balance at January 1, 2024</b>	\$ 72,967	2,709,462	2,782,429
Recognized in profit or loss (recognized in continuing operations units)	-	( 474 )	( 474 )
Recognized in profit or loss (recognized in discontinued operations units)	( 26,097 )	( 50,017 )	( 76,114 )
Effect of change in foreign exchange rates	2,071	139,160	141,231
<b>Balance at December 31, 2024</b>	<b>\$ 48,941</b>	<b>2,798,131</b>	<b>2,847,072</b>

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**Deferred tax liabilities:**

	<b>Estimated share of subsidiaries' earnings</b>	<b>Leases expenses</b>	<b>Total</b>
<b>Balance at January 1, 2025</b>	\$ 26,373	2,254,981	2,281,354
Recognized in profit or loss (recognized in continuing operations units)	-	( 132 )	( 132 )
Recognized in profit or loss (recognized in discontinued operations units)	-	( 234,982 )	( 234,982 )
Loss of control over a subsidiary	( 16,767 )	( 1,967,815 )	( 1,984,582 )
Effect of change in foreign exchange rates	( 723 )	( 52,052 )	( 52,775 )
<b>Balance at December 31, 2025</b>	<b>\$ 8,883</b>	<b>-</b>	<b>8,883</b>
<b>Balance at January 1, 2024</b>	\$ 25,266	2,202,109	2,227,375
Recognized in profit or loss (recognized in continuing operations units)	-	( 474 )	( 474 )
Recognized in profit or loss (recognized in discontinued operations units)	-	( 59,245 )	( 59,245 )
Effect of change in foreign exchange rates	1,107	112,591	113,698
<b>Balance at December 31, 2024</b>	<b>\$ 26,373</b>	<b>2,254,981</b>	<b>2,281,354</b>

3. Examination and Approval

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

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(s) Capital and other equity

As of December 31, 2025 and 2024, the company's authorized capital stock was NT\$12,000,000 thousand, with a par value of NT\$10 per share, totaling 1,200,000 thousand shares. All issued shareholding amounts to 824,776 thousand shares. Payment for all issued shareholding has been fully collected.

1. Capital surplus

The components of the capital surplus were as follows:

	<u>2025.12.31</u>	<u>2024.12.31</u>
Share capital	\$ 352,570	352,570
Difference arising from subsidiary's share price and its carrying value	-	480,480
Donation from shareholders	3,332	3,332
	<u>\$ 355,902</u>	<u>836,382</u>

Under the Company Act, capital surplus must first be used to cover losses before realized capital surplus is distributed as new shares or cash in proportion to the shareholders' original shareholding. The aforementioned realized capital surplus includes the premium on share capital issued above par value and income from donations received. In accordance with the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the total amount of capital surplus appropriated for capital increase each year shall not exceed 10% of the paid-in capital.

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.

2. Retained earnings

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

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

(1) Legal reserve

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

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

(2) Special reserve

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

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

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undistributed prior period earnings shall be reclassified as special reserve. When the Company distributed its 2022 earnings in 2021, the after tax net profit for the period, plus items other than the after tax net profit for the period, shall be included in the amount of undistributed current period and prior period earnings for appropriation as special reserve.) A portion of undistributed prior period earnings shall be reclassified as special reserve (and shall not qualify for earnings distribution) to account for cumulative changes to net reduction in other shareholders' equity for prior periods. Amounts of subsequent reversals pertaining to the net reduction in other shareholders' equity shall qualify for additional distributions.

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

(3) Earnings distribution

A resolutions was passed by the shareholders' meeting on June 13, 2025, and June 18, 2024, respectively, decided not to distribute the income for 2024 and 2023.

3. Treasury stock

The movement in treasury shares of subsidiaries was as follows:

	(In thousands of shares)
	<b>2024</b>
Outstanding at January 1	\$ 7,709
Quantity sold in this period	( 4,046)
Outstanding at December 31 (i.e., Outstanding at January 1)	<b>\$ 3,663</b>

The prepayments from transferring treasury shares for employees to subscribe were recognized as prepaid payroll. As of December 31, 2024, the prepayments amounted to \$129,316 thousand, recognized under other non-current assets. Considering the changes in the economic environment and the impact of the COVID-19, a resolution adopted was decided at the board of directors held on November 30, 2024 and August 30, 2022, to defer the repayments of prepaid payroll to 2028 and 2025. However, the Department Store department was derecognized from the consolidated financial statements upon losing control on December 30, 2025.

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4. Other equity interests (after tax)

	Exchange differences on translation of foreign financial statements	Non- controlling Interest	Total
<b>Balance at January 1, 2025</b>	\$ 224,418	2,080,798	2,305,216
Loss of non-controlling interests	-	( 505,498 )	( 505,498 )
Share of exchange differences on equity accounted associates	( 30,131 )	-	( 30,131 )
Difference arising from subsidiary's share price and its carrying value	-	808,107	808,107
Disposal of a subsidiary	-	( 2,329,347 )	( 2,329,347 )
Exchange differences on translation of foreign financial statements	266,399	28,408	294,807
<b>Balance at December 31, 2025</b>	<b>\$ 460,686</b>	<b>82,468</b>	<b>543,154</b>
<b>Balance at January 1, 2024</b>	( \$ 354,024 )	2,216,527	1,862,503
Loss of non-controlling interests	-	( 228,997 )	( 228,997 )
Share of exchange differences on equity accounted associates	42,687	-	42,687
Exchange differences on translation of foreign financial statements	535,755	93,268	629,023
<b>Balance at December 31, 2024</b>	<b>\$ 224,418</b>	<b>2,080,798</b>	<b>2,305,216</b>

(t) Losses per share

The Group's losses per share were calculated as follows for the year 2025 and 2024:

	2025		2024	
	Continuing operations units	Discontinued operations units	Continuing operations units	Discontinued operations units
<b>Basic losses per share</b>				
(Loss)Profit attributable to ordinary shareholders of the Company	( \$ 67,442 )	( 1,276,468 )	( 19,439 )	( 269,335 )
Weighted average number of ordinary shares	824,776	824,776	824,776	824,776
<b>Basic losses per share (NT dollars)</b>	<b>( \$ 0.08 )</b>	<b>( 1.55 )</b>	<b>( 0.02 )</b>	<b>( 0.33 )</b>

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In the year 2025 and 2024, there was no dilutive effect from potential ordinary shares arising from employee compensation due to the loss before income tax, therefore, diluted losses per share were not disclosed.

(u) Revenue from contracts with customers

1. Disaggregation of revenue

	<b>2025</b>					<b>Total</b>
	<b>Shipping department</b>	<b>Investing department</b>	<b>Department Store department</b>	<b>Rental department</b>	<b>Construction department</b>	
Primary geographical markets:						
Taiwan	\$ -	7,435	-	-	26,065	33,500
China	-	-	2,751,254	7,962	-	2,759,216
Other countries	1,447,889	-	-	-	-	1,447,889
Less: Reclassification to discontinued operations units	-	-	( 2,751,254)	-	-	( 2,751,254)
	<b>\$ 1,447,889</b>	<b>7,435</b>	<b>-</b>	<b>7,962</b>	<b>26,065</b>	<b>1,489,351</b>
Major products/services lines:						
Commissions revenue (Retail revenue - concessionaire sales)	\$ -	-	663,259	-	-	663,259
Sales of merchandise (Retail revenue-direct sales)	-	-	447,915	-	-	447,915
Lease revenue (Note)	-	7,435	938,430	7,109	-	952,974
Marine transportation revenue (Note)	1,447,889	-	-	-	-	1,447,889
Financial lease interest income (Note)	-	-	-	290	-	290
Service revenue and others	-	-	701,650	563	26,065	728,278
Less: Reclassification to discontinued operations units	-	-	( 2,751,254)	-	-	( 2,751,254)
	<b>\$ 1,447,889</b>	<b>7,435</b>	<b>-</b>	<b>7,962</b>	<b>26,065</b>	<b>1,489,351</b>

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	2024					
	Department					Total
	Shipping department	Investing department	Store department	Rental department	Construction department	
Primary geographical markets:						
Taiwan	\$ -	7,012	-	-	-	7,012
China	-	-	3,234,915	24,077	-	3,258,992
Other countries	1,583,988	-	-	-	-	1,583,988
Less: Reclassification to discontinued operations units	-	-	( 3,234,915)	-	-	( 3,234,915)
	<b>\$ 1,583,988</b>	<b>7,012</b>	<b>-</b>	<b>24,077</b>	<b>-</b>	<b>1,615,077</b>
Major products/services lines:						
Commissions revenue (Retail revenue - concessionaire sales)	\$ -	-	839,261	-	-	839,261
Sales of merchandise (Retail revenue-direct sales)	-	-	529,614	-	-	529,614
Lease revenue (Note)	-	7,012	1,033,969	16,069	-	1,057,050
Marine transportation revenue (Note)	1,583,988	-	-	-	-	1,583,988
Financial lease interest income (Note)	-	-	-	5,429	-	5,429
Service revenue and others	-	-	832,071	2,579	-	834,650
Less: Reclassification to discontinued operations units	-	-	( 3,234,915)	-	-	( 3,234,915)
	<b>\$ 1,583,988</b>	<b>7,012</b>	<b>-</b>	<b>24,077</b>	<b>-</b>	<b>1,615,077</b>

Note: The lease revenue and financial lease interest income of the Group are under IFRS 16.

(v) Employee compensation and directors' remuneration

On June 13, 2025, the company's shareholders' meeting resolved to amend the Articles of Incorporation. According to the amended Articles, when there is profit for the year, no less than 1% should be allocated as employee remuneration (of which the remuneration for basic-

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level employees should be no less than 10%) and no more than 3% as director and supervisor remuneration. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. 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. The previous Articles stipulated that when there is profit before tax for the year, no less than 1% should be allocated as employee remuneration and no more than 3% as director remuneration. 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.

In 2025 and 2024, the Company incurred net losses before tax, and thus, it was not required to appropriate any employee bonuses or director remuneration. Related information would be available at the Market Observation Post System.

(w) Non-operating income and expenses

1. Interest income

The details of interest income were as follows:

	2025		2024	
	Continuing operations units	Discontinued operations units	Continuing operations units	Discontinued operations units
Cash in Bank	\$ 1,803	21,331	15,018	33,448
Loans interest income	972	-	891	-
Open fund	-	956	-	986
Interest income from corporate bonds	7,017	-	5,772	-
Dividend of special stock	-	-	15,048	-
Other	71	-	462	-
	<u>\$ 9,863</u>	<u>22,287</u>	<u>37,191</u>	<u>34,434</u>

2. Other income

The details of other income were as follows:

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	2025		2024	
	Continuing operations units	Discontinued operations units	Continuing operations units	Discontinued operations units
Dividend income	\$ 288	-	347	-
Subsidy income	-	2,632	-	17,184
	<u>\$ 288</u>	<u>2,632</u>	<u>347</u>	<u>17,184</u>

## 3. Other gains and losses

The details of other gains and losses were as follows:

	2025		2024	
	Continuing operations units	Discontinued operations units	Continuing operations units	Discontinued operations units
Loss from disposal of property, plant and equipment	(\$ 1,729)	( 635)	( 8,317)	( 528)
Gain from disposal of intangible assets	( 833)	-	( 982)	-
Foreign exchange losses	( 11,471)	( 11,220)	( 1,237)	( 4,292)
Valuation gains on financial assets/liabilities at FVTPL	9,892	248	9,063	1,968
Loss from disposal of investments (Note 6(g))	-	( 900,043)	-	-
Impairment losses on intangible assets	-	( 130,337)	-	-
Gain on reversal of compensation for store closure	-	-	-	47,303
Gain on reversal of litigation compensation	-	-	-	158,157
Revenue reclassified from overdue payments	-	12,150	-	11,334
Gain on lease modification	165	-	-	-
Miscellaneous revenue (including credit card transaction fees, etc.)	( 18,541)	37,740	( 3,912)	70,154
	<u>(\$ 22,517)</u>	<u>( 992,097)</u>	<u>( 5,385)</u>	<u>284,096</u>

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4. Finance costs

The details of finance costs were as follows:

	<b>2025</b>		<b>2024</b>	
	<b>Continuing operations units</b>	<b>Discontinued operations units</b>	<b>Continuing operations units</b>	<b>Discontinued operations units</b>
Interest expense on bank loans	\$ 157,184	123,521	211,278	177,554
Interest on lease liabilities	332	417,266	525	454,258
Other financial expense	24,146	-	13,242	257
Less: Capitalized interest	( 3,256)	-	-	-
	<b>\$ 178,406</b>	<b>540,787</b>	<b>225,045</b>	<b>632,069</b>
Interest capitalization	<b>3.11%~3.26%</b>	-	-	-

For the years 2025 and 2024, the interest expense of the rental department reported under operating costs was \$323 thousand and \$7,903 thousand, respectively.

(x) Financial instruments

1. Credit risk

(1) Credit risk exposure

As of December 31, 2025 and 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.

The movement in the financial guarantee liability for financial guarantee were as follows:

	<b>2025</b>	<b>2024</b>
Balance on January 1	\$ -	31,982
Impairment losses reversed	-	( 4,845)
Reclassification (Note 9 (a))	-	( 27,900)
Effect of change in foreign exchange rates	-	763
Balance at December 31 (reported as other current liabilities)	<b>\$ -</b>	<b>-</b>

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(2) Receivables of credit risk

Receivables of credit risk for credit risk exposure of notes and accounts receivables, please refer to Note 6(c). Other financial assets at amortized cost include other receivables and other financial assets; please refer to Notes 6(d), (l), 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 year 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Balance on January 1	\$ 405,127	397,951
Impairment losses recognized (reversal gain) (including the amount of profit or loss from discontinued operations, net of tax)	9,536 (	12,224)
Amount written off due to irrecoverability during the year	-	( 799)
Loss of control over a subsidiary	( 345,847)	-
Effect of change in foreign exchange rates	( 7,569)	20,199
Balance on December 31	<u>\$ 61,247</u>	<u>405,127</u>

2. Liquidity risk

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

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	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>
<b>December 31, 2025</b>					
Non-derivative					
financial liabilities					
Non-interest	\$ 242,718	242,718	242,718	-	-
bearing liabilities					
Floating rate	3,494,021	3,749,483	2,504,862	768,630	475,991
instrument					
Fixed rate	420,874	451,816	176,899	274,917	-
instruments					
Lease liabilities	4,227	4,297	3,690	607	-
	<b>\$ 4,161,840</b>	<b>4,448,314</b>	<b>2,928,169</b>	<b>1,044,154</b>	<b>475,991</b>
<b>December 31, 2024</b>					
Non-derivative					
financial liabilities					
Non-interest	\$ 2,671,893	2,671,893	2,080,981	137	590,775
bearing liabilities					
Floating rate	5,162,667	5,613,689	3,612,755	1,360,579	640,355
instrument					
Fixed rate	2,791,451	2,886,312	2,885,116	1,196	-
instruments					
Lease liabilities	10,701,125	13,847,408	1,269,855	5,349,907	7,227,646
	<b>\$ 21,327,136</b>	<b>25,019,302</b>	<b>9,848,707</b>	<b>6,711,819</b>	<b>8,458,776</b>

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

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3. Market risk

(1) Currency risk

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

	2025.12.31			2024.12.31		
	Currency	Exchange		Currency	Exchange	
		rate	NTD		rate	NTD
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 229	31.430	7,197	234	32.785	7,672
HKD:NTD	1	4.038	4	10	4.2220	42
HKD:USD	2,712	0.1285	10,953	997	0.1288	4,210
NTD:USD	56,790	0.0318	56,790	1,082	0.0305	1,082
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:CNY	-	7.0288	-	650	7.1884	21,310

(2) Sensitivity analysis

The Group's exposure to currency risk arises from exchange gains and losses on cash and cash equivalents, financial assets and liabilities at FVOCI, loans, and other payables that are denominated in foreign currencies. A strengthening (weakening) of 1% of the NTD or CNY against the USD, EUR, HKD, AUD and CNY as of December 31, 2025, and 2024 would have increased (decreased) the loss before income tax by \$749 thousand and increased (decreased) by \$83 thousand, respectively.

Since the Group has many kinds of functional currency, the information on foreign exchange gains (losses) on monetary items is disclosed by total amount. For the years ended 2025 and 2024, foreign exchange gains (losses) (including realized and unrealized portions) amounted to \$(22,691) thousand and \$(5,529) thousand, respectively.

4. Interest rate analysis

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

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

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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 loss before income tax for the year 2025 and 2024 would have increased or decreased by \$15,668 thousand and \$16,554 thousand, mainly due to the Group's borrowings at variable rates and cash in bank, given that all other variable factors remaining constant.

5. Other market price risk

The sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

Prices of securities at the reporting date	2025		2024	
	Comprehensive Income (Loss) (net of tax)	Profit (Loss) before tax	Comprehensive Income (Loss) (net of tax)	Profit (Loss) before tax
Increase 5%	\$ -	5,880	-	7,084
Decrease 5%	\$ -	( 5,880)	-	( 7,084)

6. Fair value of financial instruments

(1) Fair value hierarchy

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required :

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	2025.12.31				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 20,937	20,937	-	-	20,937
Domestic corporate bonds	96,669	-	-	96,669	96,669
<b>Financial liabilities at fair value through profit or loss</b>					
Non-derivative financial liabilities	\$ 31,389	-	-	31,389	31,389
	2024.12.31				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>					
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
<b>Financial liabilities at fair value through profit or loss</b>					
Non-derivative financial liabilities	\$ 31,389	-	-	31,389	31,389

(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

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valuation method involve estimating fair value based on the present value of discounted cash flows.

(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 OTC market, where high volume of central government bonds are traded, are the foundation of fair value of debt instruments with quoted market price in an active market and listed equity instruments.

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

Debt instruments without public quotations are measured at fair value using the comparable company method, with the primary assumptions based on the estimated earnings before interest, taxes, depreciation and amortization of the investee companies and the earnings multiples derived from market quotations of comparable TWSE/TPEX-listed

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companies. The estimates have been adjusted to reflect a discount for the lack of marketability of the equity securities.

In addition, the conversion rights, redemption rights, and put options are valued using a valuation model widely accepted by market participants, specifically using the binomial tree valuation model.

(3.3) Financial guarantee contract

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

(3.4) Beneficial interests in construction projects and of landowners

The discounted cash flow model is used to estimate the fair value. The main assumption is to use the investor's expected future cash flow, take into account the fluctuation of the building's selling prices and construction costs, and measure after discounting based on time value of money and liquidity discount.

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

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(5) Reconciliation of Level 3 fair values

	<b>Financial assets and liabilities held for trading</b>	
	<b>Non-derivative financial liabilities - beneficial interests of landowners</b>	<b>Measured at fair value through profit or loss - Investments in bond instruments that are not publicly quoted</b>
January 1, 2025	(\$ 31,389)	97,038
Total gains and losses recognized: In profit or loss, and including "other gains and losses"	-	( 369 )
December 31, 2025	<b>(\$ 31,389)</b>	<b>96,669</b>
January 1, 2024	(\$ 27,813)	-
Buy	-	97,038
Issued	( 3,576 )	-
December 31, 2024	<b>(\$ 31,389)</b>	<b>97,038</b>

For the nine months ended December 31, 2025 and 2024, total gains and losses that were included in "other gains and losses" and "unrealized gains and losses from financial assets at fair value through other comprehensive income" were as follows:

	<b>2025</b>	<b>2024</b>
Total gains and losses recognized:		
Recognized in profit or loss (presented under "Other Gains and Losses")	(\$ 369)	-

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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 mainly consists of non-derivative financial assets and liabilities, measured at fair value through profit or loss - investments in bond instruments that are not publicly quoted. The fair value measurement is classified as Level 3 and possesses multiple significant unobservable inputs.

<b>Item</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between significant unobservable inputs and fair value measurement</b>
Financial assets at fair value through profit or loss - Domestic corporate bonds with no active market	Binomial tree convertible bond evaluation model  Comparable to the Over-the-Counter Listed Company Law	<ul style="list-style-type: none"> <li>Volatility (2025.12.31 and 2024.12.31 were 43.48% and 39.17%, respectively)</li> <li>Discount for Lack of Marketability (2025.12.31 and 2024.12.31 were 24.98% and 25.43%, respectively)</li> </ul>	<ul style="list-style-type: none"> <li>The higher the volatility, the higher the public value.</li> <li>The higher the discount due to lack of market liquidity, the lower the public value.</li> </ul>
Liabilities arising from beneficial interests of landowner	Discounted cashflow	<ul style="list-style-type: none"> <li>Fluctuations in building selling prices and construction costs (\$307 thousand and \$183 thousand as of December 31, 2025 and December 31, 2024, respectively)</li> </ul>	<ul style="list-style-type: none"> <li>Fair value is higher if building selling price is higher or if construction costs are lower.</li> </ul>

- (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:

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	<u>Inputs</u>	<u>Variation</u>	<u>Impacts of fair value change on net income or loss</u>	
			<u>Favourable</u>	<u>Unfavourable</u>
<b>December 31, 2025</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investment in bond instruments without active market	Volatility	5%	-	-
	Liquidity Discount	5%	-	-
<b>Financial liabilities at fair value through profit or loss</b>				
Liabilities arising from beneficial interests of landowner	Price fluctuation	5%	12,350 (	12,122)
<b>December 31, 2024</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investment in bond instruments without active market	Volatility	5%	-	-
	Liquidity discount	5%	-	-
<b>Financial liabilities at fair value through profit or loss</b>				
Liabilities arising from beneficial interests of landowner	Price fluctuation	5%	12,350 (	12,122)

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.

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(y) Financial risk management

1. Summary

The Group is exposed to the following risks arising from the use of financial instruments:

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

This note presents information on the Group's exposures to the aforementioned risks, as well as the Group's objectives, policies, and processes for measuring and managing risk. For further quantitative disclosure, please refer to the respective notes to the consolidated financial statements.

2. Risk management framework

The Group's Financial Management department provides services for various businesses, coordinating and facilitating operations in domestic and international financial markets. It manages financial risks related to the Group's operations by analyzing exposure based on the degree and scope of risk. The use of derivative financial instruments is governed by policies approved by the Group's Board of Directors, and internal auditors continuously review compliance with policies and exposure limits.

3. Credit risk

Credit risk is the risk that the Group will incur a financial loss due to a customer or counterparty to a financial instrument failing to discharge an obligation, primarily arising from the Group's receivables from customers and securities investments.

- (1) Accounts receivable, other receivables, and other financial assets

The policy adopted by the Group's company primarily engaged in shipping operations is to collect a portion of the freight charges in advance for each voyage to reduce the risk of bad debts. Additionally, the company managing vessel operations collects payments monthly based on the contract, regularly assesses the recoverability of accounts receivable, and makes provisions for doubtful accounts. The company's main counterparties and methods of collection, which

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primarily engage in department store retail industry, are cash receipts or credit card transactions; therefore, no significant credit risk is expected. The company within the Group engaged in automotive financing mitigates credit risk by trading only with counterparts who have been approved by the internal risk review department, using other publicly available financial information for ratings, continuously monitoring credit exposure and the credit ratings of counterparties, and distributing the total transaction amount among customers with eligible credit ratings. In addition, for the management of credit risk of other receivables and other financial assets, please refer to Notes 6(d), (l), and (x).

The Group has established a loss allowance account to reflect estimated losses incurred on accounts receivable, other receivables, and other financial assets. The allowance accounts mainly relate to specific losses associated with individual material exposures. However, since sales are not concentrated on a single customer and due to the policy of collecting a portion of payments in advance as mentioned in the previous paragraph, the credit risk of accounts receivable should be reduced.

(2) Investment

Credit risk of Cash in Bank, fixed income investment, and other financial instruments is measured and monitored by the Group's finance department. Since the counterparties and performance obligors of the Group are reputable banks and financial institutions and corporate entities with investment grade or higher, there are no significant concerns regarding performance obligations and, therefore, no significant credit risk.

(3) Guarantee

The Group provides guarantees only to those who have been approved by the internal risk review department, uses other publicly available financial information for ratings, and continuously monitors credit exposure and the credit ratings of the guaranteed parties. Please refer to Notes 7, 9, and 13 for the endorsement guarantees provided by the Group.

4. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or

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another financial asset. The Group supports its operations and mitigates the impact of cash flow fluctuations by managing and maintaining adequate levels of cash and cash equivalents. Management supervises the use of bank credit lines and compliance with loan covenants to ensure that the Group has sufficient liquidity to meet its obligations in both normal and stressed conditions, thereby avoiding unacceptable losses or damage to its reputation. The Group's unused borrowing lines as of December 31, 2025 and 2024 totaled \$825,700 thousand and \$1,733,556 thousand, and there are also assets such as ships and domestic and foreign listed company stocks available for guarantees.

5. Market risk

Market risk refers to the risk of changes in market prices, such as exchange rates, interest rates, and equity instrument prices, which affect the Group's earnings or the value of financial instruments held. The objective of market risk management is to control the level of market risk exposure within an acceptable range and to optimize investment returns.

In managing market risk, the Group may engage in derivative transactions, which could result in financial liabilities. All transactions are executed in accordance with the guidelines of the Risk Management Committee. In general, the Group uses hedge accounting to manage fluctuations in profits and losses.

(1) Currency risk

The Group is exposed to currency risk arising from sales, purchases, and borrowings not denominated in the functional currencies of the respective group entities. The functional currencies of the group entities are NTD, USD, and CNY. The main currencies for pricing these transactions are USD and CNY.

Additionally, the subsidiaries of the Group with CNY as their functional currency choose to borrow in USD to decrease borrowing costs. The currency of the borrowings differs from the currency of the cash flows generated by the Group's operations. However, the Group believes that the decrease in cash outflows achieved by borrowing in USD can offset the currency risk arising from the borrowings. Therefore, no hedging strategy has been adopted.

For Other monetary assets and liabilities denominated in foreign currencies, when a short-term imbalance occurs, the Group uses spot Exchange rates to buy

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or sell foreign Currency to ensure that net exposure is maintained at an acceptable level.

(2) Interest rate analysis

The Group's interest rate risk primarily arises from its Bank loans and deposits. Borrowings at floating interest rates expose the Group to cash flow risk. The Group evaluates that the interest rate levels in the operating environment have remained relatively stable in recent years, and therefore, significant interest rate analysis is unlikely to arise.

(3) Other market price risk

Equity price risk is the risk arising from the Group holding multiple financial products to effectively utilize funds. The management of the Group allocates the investment portfolio based on the market index. Significant investments in the investment portfolio are managed individually, and all trading decisions are approved according to the relevant approval procedures.

The primary objective of the Group's investment strategy is to maximize investment returns. In this regard, both the Board of Directors and the members of the Investing department possess financial and financial expertise to make appropriate investment decisions. Therefore, the market risk of investments measured at fair value through profit or loss is under the control of management.

(z) Capital Management

The Group's Capital Management objective is to safeguard its ability to continue as a going concern to provide returns for shareholders and benefits for Other stakeholders while maintaining an optimal capital structure to reduce the Cost of capital.

To maintain or adjust the capital structure, the Company may adjust the dividends paid to shareholders, return capital to shareholders through capital reduction, issue new shares, or sell assets to repay liabilities.

The Group manages its capital on the basis of the debt-to-capital ratio. This ratio is calculated as net debt divided by total capital. Net debt is the total amount of liabilities presented on the balance sheet minus cash and cash equivalents. Total capital is the entire composition of equity (i.e., capital stock, capital surplus, retained earnings, and other equity interest) plus

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net debt.

In the year 2025, the consolidated company's capital management strategy is consistent with that of the year 2024, which is to maintain a certain debt-to-capital ratio to ensure financing can be obtained at a reasonable cost.

The debt-to-equity ratio as of December 31, 2025 and 2024 is as follows:

	<u>2025.12.31</u>	<u>2024.12.31</u>
Total liabilities	\$ 4,334,353	23,792,294
Less: Cash and cash equivalents	( 252,272)	( 1,123,799)
Net liabilities	<u>\$ 4,082,081</u>	<u>22,668,495</u>
Total equity	<u>\$ 7,446,943</u>	<u>11,101,139</u>
Adjusted capital	<u>\$ 11,529,024</u>	<u>33,769,634</u>
Debt-to-equity ratio	<u>35%</u>	<u>67%</u>

The change in the debt-to-equity ratio as of December 31, 2025, was primarily due to the Company's disposal of some equity in subsidiaries during the period, resulting in a loss of control over them.

(aa) Investing and financing activities not affecting cash flow

The Group's investing and financing activities which have non-cash flow for the year 2025 and 2024 were as follows:

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

	<u>2025.1.1</u>	<u>Cash flows</u>	<u>Non-cash changes</u>			<u>2025.12.31</u>
			<u>Other (Note)</u>	<u>Disposal of a subsidiary</u>	<u>Foreign exchange movement</u>	
Short-term borrowings	\$ 3,682,065	628,301	-	( 3,061,449)	( 49,551)	1,199,366
Long-term borrowings	4,172,213	( 1,370,200)	-	( 37,716)	( 118,645)	2,645,652
Lease liabilities	10,701,125	( 701,391)	( 36,901)	( 9,724,842)	( 233,764)	4,227
Guarantee deposits	592,120	( 30,755)	-	( 547,178)	( 12,607)	1,580
Total liabilities from financing activities	<u>\$ 19,147,523</u>	<u>( 1,474,045)</u>	<u>( 36,901)</u>	<u>( 13,371,185)</u>	<u>( 414,567)</u>	<u>3,850,825</u>

Note: Current additions \$1,805 thousand and lease modifications \$38,706 thousand.

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	2024.1.1	Cash flows	Non-cash changes		2024.12.31
			Other (Note)	Foreign exchange movement	
Short-term borrowings	\$ 3,657,193	( 115,057)	-	139,929	3,682,065
Long-term borrowings	5,038,796	( 1,066,609)	-	200,026	4,172,213
Lease liabilities	10,269,949	( 870,474)	772,254	529,396	10,701,125
Guarantee deposits	573,039	( 10,282)	-	29,363	592,120
Total liabilities from financing activities	<b>\$ 19,538,977</b>	<b>( 2,062,422)</b>	<b>772,254</b>	<b>898,714</b>	<b>19,147,523</b>

Note: Current additions \$755,036 thousand and lease modifications \$17,218 thousand.

**(7) Related-party transactions**

- (a) The parent company and the ultimate controller.

The Company is the ultimate controller 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:

<u>Name of related party</u>	<u>Relationship with the Group</u>
Shanghai Guorui Tongshun Environmental Protection Technology Co., Ltd.	The Group's manager is the company's director (Note 2)
Shanghai Allied Cement Holdings Limited	The Group's manager is the company's director (Note 2)
Hainan Sanhe Licheng Business Service Co., Ltd.	Other related party
Haikou Zhuke Technology Co., Ltd.(Zhuke Technology)	Other related party
Wuhan Zhuke Technology Co., Ltd.(Zhuke Technology)	Other related party
Shanghai Zhuke Technology Co., Ltd.(Zhuke Technology)	Other related party
Chengdu Zhuke Technology Co., Ltd.(Zhuke Technology)	Other related party
Changsha Zhuke Technology Co., Ltd.(Zhuke Technology)	Other related party
Da Yu Financial Holdings Ltd.	Other related party
Jiawang Assets Development Co., Ltd. (Jiawang Assets)	Other related party
PRO Brand Technology (Tw) Inc. (PBT)	A subsidiary of other related party
GRAND OCEAN RETAIL GROUP LTD.	Other related party(Note1)

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Note 1: On December 30, 2025, the Company lost control over GRAND OCEAN RETAIL LTD. and reclassified it as an other related party. Please refer to Note 6(f) and (g) for details.

Note 2: After losing control over GRAND OCEAN RETAIL GROUP LTD. on December 30, 2025, they are no longer a related party of the Company.

(c) Significant transactions with related parties

1. Other current liabilities (advance receipts)

	2025.12.31	2024.12.31
Other related party	\$ 67	-

2. Payables to Related Parties

The payables to related parties were as follows:

Account	Relationship	2025.12.31	2024.12.31
Other payables (Note)	Zhuke Technology	\$ -	56,621

Note: Collect car sales from related parties on behalf of others.

3. Leases

(1) Lease liabilities and interest costs

		Lease liabilities	
Relationship	Purpose	2025.12.31	2024.12.31
Other related party	Energy saving renovation engineering equipment	\$ -	7,986

Note: To sign the lease agreement with relations on above, the price and the way of payment according to both of agreement.

		Interest expense (including the amount of profit or loss from discontinued operations, net of tax)	
Relationship	Purpose	2025	2024
Other related party	Energy saving renovation engineering equipment	\$ 287	450

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(2) Operating lease

		<b>Rent expense (including the amount of profit or loss from discontinued operations, net of tax)</b>	
<u>Relationship</u>	<u>Purpose</u>	<u>2025</u>	<u>2024</u>
Other related party(Note)	Office building	<u>\$ 150</u>	<u>154</u>

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

- (3) In the year 2025, the company leased an office building to other related parties and signed one to two-year lease agreements with reference to the rental rates in the surrounding areas. The guarantee deposits received as of December 31, 2025, were \$148 thousand.

4. Lease receivables

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

<u>Account</u>	<u>Relationship</u>	<u>2025</u>	<u>2024</u>
Financial lease interest income	Zhuke Technology	<u>\$ -</u>	<u>2,906</u>

  

<u>Account</u>	<u>Relationship</u>	<u>2025.12.31</u>	<u>2024.12.31</u>
Lease receivables	Hainah Sanhe Licheng	\$ 150,317	153,317
Lease receivables	Zhuke Technology	295,894	350,185
Less: loss allowance- Hainan Sanhe Licheng		( 148,314)	( 151,219)
Less: loss allowance- Zhuke Technology		( 295,894)	( 305,555)
		<u>\$ 2,003</u>	<u>46,728</u>

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

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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 assessing the value of collateral, the Group recognized an expected credit income reversal of \$3,512 thousand and expected credit loss of \$65,217 thousand in the year 2025 and 2024, respectively.

5. 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>2025.12.31</u>	<u>2024.12.31</u>
Other receivables (loaning funds)	GRAND OCEAN RETAIL GROUP LTD.	\$ 565,740	-
Other receivables (loaning funds)	Jiawang Assets	16,200	16,200
Other receivables (interest)	Hainah Sanhe Licheng	2,762	2,817
Other receivables (interest)	Zhuke Technology	4,552	4,643
Other receivables (interest)	GRAND OCEAN RETAIL GROUP LTD.	50,053	-
Other receivables (interest)	Jiawang Assets	1,574	602
Other receivables (preferred stock dividend)	Jiawang Assets	6,020	6,020
Other receivables (interest income from corporate bonds)	PRO Brand Technology (Tw) Inc. (PBT)	5,020	-
Other receivables (others)	Zhuke Technology	5,632	4,197
Less: Loss allowance		( 14,618)	( 13,329)
		<u>\$ 642,935</u>	<u>21,150</u>
Other financial assets	Zhuke Technology	\$ 35,773	36,487
Less: Loss allowance		( 35,773)	( 36,487)
		<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 Hainah Sanhe Licheng and Zhuke Technology has increased significantly; therefore, the Group evaluated the value of their collateral and took their other assets and sources of subsequent repayments into consideration, resulting in the expected credit loss of \$1,467 thousand and expected credit income reversal of \$10,734 thousand to be recognized in the year 2025 and 2024, respectively.

The interest charged by 4.35%~6.00%. The loans to related parties were as follows:

	<b>Interest income</b>	
	<b>2025</b>	<b>2024</b>
Hainah Sanhe Licheng	\$ -	284
Jiawang Assets	972	607
	<b>\$ 972</b>	<b>891</b>

6. 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 Hainah Sanhe Licheng has increased significantly; therefore, the Group assessed that the values of their collateral might fail to fully cover the potential default risk during the contract period and recognized ECLs of \$3,511 thousand for the year ended 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. \$23,181 thousand (CNY 5,083 thousand) and recognized on accounts receivable. In addition, it reclassifies Other non-current liabilities to accounts receivable.
7. Other
  - (1) The resolutions of the Board of Directors were passed on August 27, 2025, and January 17, 2024, for the Group to participate in the cash capital increase of Da Yu Financial Holdings Ltd. according to the percentage of shareholding. Please refer to Note 6(f) for further details.

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- (2) Please refer to Note 6 (f) for further information. The Group purchased the special shares of Jiawang Assets Development Co., Ltd., the shares amount of 3,000 thousand (in cash \$30,000 thousand) and 2,990 thousand (in cash \$29,900 thousand) in 2020 and 2019, respectively. The Special shares have cumulative priority rights and the dividend interest rate are 8% and 6% respectively and the duration both are 5 years. As of December 31, 2024, the principal amount of \$59,900 thousand has been fully recovered, and the interest income from special shares of \$15,048 thousand was recognized in the year 2024.
- (3) In the year 2024, the Group subscribed to private placement convertible bonds of PRO Brand Technology (TW) Inc. for \$97,038 thousand (USD 3,000 thousand) and accounted for current financial assets at fair value through profit or loss. Interest income in the year 2025 amounted to \$6,488 thousand.

(d) Key management personnel compensation

1. Key management personnel compensation

Key management personnel compensation comprised:

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	<u>\$ 53,976</u>	<u>55,487</u>

2. The Group granted key management personnel rights to subscribe treasury shares as prepaid salaries. As of December 31, 2024, the prepayments amounted to \$40,351 thousand (CNY 8,847 thousand), recognized under other non-current assets.

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**(8) Pledged assets**

The carrying amount of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>2025.12.31</u>	<u>2024.12.31</u>
Inventories(for construction business)	Bank loans	\$ 1,475,841	1,473,398
Other financial assets	Bank depository funds	-	13,399
Other financial assets	Frozen deposits due to lease dispute	-	35,853
Other financial assets	Bank loans	35,914	763,925
Other financial assets	Litigation security	77,870	81,227
Other financial assets	Funds in a trust account	88,730	26,975
Property, plant and equipment (Note)	Bank and other secured loans	5,094,856	11,018,377
Investment Property	Bank loans	138,170	139,143
Investments accounted for using equity method	Bank loans	195,408	-
		<u>\$ 7,106,789</u>	<u>13,552,297</u>

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

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**(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:

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

	<u>2025.12.31</u>	<u>2024.12.31</u>
<u>Contracted price</u>		
Sale of buildings and land	\$ 1,103,270	405,367
Acquisition of buildings and land	665,331	665,331
Subcontracted construction projects	47,034	47,034
<u>Received or paid price</u>		
Sale of buildings and land (reported as contract liabilities - current)	\$ 84,505	27,262
Acquisition of buildings and land (prepayment for land purchases and development costs)	259,406	259,406
Subcontracted construction projects (recognized as inventories)	20,348	18,612

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

The Group signed the contract of cooperation with Shangshi Financial Leasing Co., Ltd. on March 29, 2024. After deducting the deposit and service fee, the Group paid Shangshi Financial Leasing Co., Ltd. \$26,008 thousand (CNY 5,702 thousand) to repurchase the defaulted receivable of \$28,663 thousand (CNY 6,285 thousand) and

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recognized on accounts receivable. In addition, the loss allowance of \$27,900 thousand (CNY 6,285 thousand) originally recognized under other current liabilities has been reclassified to accounts receivable.

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

<u>Item</u>	<u>Construction name</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:

1. In May 2022, Sure Success Steamship S.A. (hereinafter referred to as SSS), the Group's subsidiary, contracted with Perfect Bulk Limited (hereinafter referred to as 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 (\$11,001 thousand included in other current assets), the Group submitted an arbitration case in London, UK, in July 2023. 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 deposited a deposit of \$27,533 thousand (US\$876 thousand) to lift the arrest of the ship. In September 2023, PB Company also filed a counterclaim with an Indian court against the Group, seeking compensation for operational losses during the lease period attributable to the refusal to transport steel coils and container cargo, among other factors. PB Company further applied to the Indian court for the arrest of SSS, a subsidiary vessel, Ever Success, as security for the counterclaim, which was granted. To secure the release of the arrested vessel, the Group deposited a guarantee with the Indian court in October 2023 in the amount of NT\$77,870 thousand (US\$ 2,478 thousand) (recognized under other financial assets — non-current). The above-mentioned case is now being arbitrated in London, the UK, where both parties presented their arguments in March 2025. According to counsel, PB's counterclaim may be in the range of US\$1,500 thousand to

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US\$2,000 thousand. In June 2025, the two parties agreed to suspend the arbitration to conduct discussions, but they were unable to reach a settlement. Thus, PB resumed the arbitration in September 2025. In October 2025, the Group submitted a statement based on maritime expert analysis, and PB submitted a revised complaint in January 2026. Currently, the counsel for the case is reviewing the complaint with experts.

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

In the second quarter of 2024, the Group applied to the South African court for an additional deposit of \$13,688 thousand (US\$436 thousand) that PB should deposit and was approved. PB Company has appealed to the South African court and applied to cancel the deposit and subsequent additional deposit totaling \$41,221 thousand (US\$1,312 thousand). The application was rejected by the court on July 23, 2024. PB later filed an appeal with the Supreme Court on August 22, 2024, and applied to the court on December 9, 2024, for proof that PB Company's responsible person had no equity relationship with Tai Harmony prior to the ship's arrest. The case is currently pending in the court.

2. The Department Store department was derecognized from the consolidated financial statements upon the loss of control on December 30, 2025. There were no significant changes in its significant contingent liabilities in the year 2025. For related information, please refer to Note 9(b) of the consolidated financial statements for the year 2024.

**(10) Losses Due to Major Disasters: None**

**(11) Significant Subsequent Events: None.**

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**(12) Other**

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

By function	2025					
	Cost of sales		Operating expense		Total	
	Continuing operations units	Discontinued operations units	Continuing operations units	Discontinued operations units	Continuing operations units	Discontinued operations units
Employee Benefit Expenses						
Salary	344,908	-	85,384	397,011	430,292	397,011
Health and labor insurance	-	-	4,962	505	4,962	505
Pension	-	-	2,444	47,573	2,444	47,573
Others	23,542	-	4,719	77,251	28,261	77,251
Depreciation	423,247	-	9,963	1,394,462	433,210	1,394,462
Amortization	79,819	-	1,997	2,253	81,816	2,253

By function	2024					
	Cost of sales		Operating expense		Total	
	Continuing operations units	Discontinued operations units	Continuing operations units	Discontinued operations units	Continuing operations units	Discontinued operations units
Employee Benefit Expenses						
Salary	352,586	-	97,781	400,674	450,367	400,674
Health and labor insurance	-	-	5,262	481	5,262	481
Pension	-	-	2,708	51,889	2,708	51,889
Others	25,664	-	5,578	90,141	31,242	90,141
Depreciation	438,782	-	11,759	1,533,978	450,541	1,533,978
Amortization	61,450	-	2,994	2,257	64,444	2,257

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## (b) Discontinued operations units:

As described in Note 6(f), for strategic considerations of the Group, the Company disposed of a portion of its equity in GRAND OCEAN RETAIL GROUP LTD. in December 2025, resulting in the loss of control over it. Therefore, the Department Store department is classified as discontinued operations units. Since the department was not classified as a discontinued operations unit as of December 31, 2024, the comprehensive income statement for prior periods has been restated to separately present the discontinued operations units and continuing operations units.

The operating results and cash inflows (outflows) of the discontinued operations unit are as follows:

	<u>2025</u>	<u>2024</u>
Profit or loss from discontinued operations, net of tax:		
Sales revenue	\$ 2,751,254	3,234,915
Operating costs	404,429	485,303
Gross profit from operations	<u>2,346,825</u>	<u>2,749,612</u>
Operating expenses	2,584,188	2,870,095
Operating loss	( 237,363)	( 120,483)
Non-operating income and expenses	( 616,968)	( 296,355)
Loss before income tax	( 854,331)	( 416,838)
Income tax expenses	9,837	64,316
Loss on disposal of discontinued operations units	( 900,043)	-
Net income (loss)	<u><u>(\$ 1,764,211)</u></u>	<u><u>( 481,154)</u></u>
Current period net loss attributable to discontinued operations units:		
Owners of parent	(\$ 1,276,468)	( 269,335)
Non-controlling Interest	( 487,743)	( 211,819)
	<u><u>(\$ 1,764,211)</u></u>	<u><u>( 481,154)</u></u>
<b>Basic losses per share (NT dollars)</b>	<u><u>(\$ 1.55)</u></u>	<u><u>( 0.33)</u></u>
Cash inflows (outflows) of discontinued operations units:		
Net cash flows from operating activities	\$ 367,379	559,649
Net cash flows from (used in) investing activities	( 48,758)	104,418
Net cash flows used in financing activities	( 906,818)	( 1,192,387)
Effect of exchange rate changes on cash and cash equivalents	1,384	1,312
Net cash outflow	<u><u>(\$ 586,813)</u></u>	<u><u>( 527,008)</u></u>

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**FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES Notes to the Consolidated  
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**(13) Other disclosures**

(a) Information on significant transactions:

In the year 2025, the consolidated company is required to disclose the information on significant transactions in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" as follows:

1. Loans to other parties: Table 1
2. Guarantees and endorsements for other parties: Table 2
3. Major securities held at the end of the period (excluding investment in subsidiaries, other related party, and joint ventures): Please refer to Table 3.
4. Related-party transactions for purchases and sales with amounts exceeding the lower of \$100 million or 20% of the capital stock: None
5. Receivables from related parties with amounts exceeding the lower of \$100 million or 20% of the capital stock: Please refer to Table 4.
6. Business relationships and significant intercompany transactions : Please refer to Table 5.

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

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

**(14) Segment information**

(a) General information

The Group has four reportable segments: the Shipping department, the Investing department, the Department Store department, and the Rental department. The Shipping department primarily engages in domestic and international marine transportation and related businesses. The Investing department primarily engages in domestic and international investment business. The Department Store department primarily engages in department store retail industry, and the Rental department primarily engages in automobile finance leasing company businesses. The Group's reportable segments primarily consist of strategic business units that provide different products and services. Since each strategic business unit requires different technologies and marketing strategies, they must be managed separately. The Department Store department was derecognized from the consolidated financial statements

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upon losing control on December 30, 2025, and reclassified as discontinued operations units.

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

<u>2025</u>	<u>Shipping department</u>	<u>Investing department</u>	<u>Department Store department</u>	<u>Rental department</u>	<u>Construction department</u>	<u>Reconciliation and elimination</u>	<u>Total</u>
Revenue:							
Revenue from external customers	\$ 1,447,889	7,435	2,751,254	7,962	26,065	-	4,240,605
Intersegment revenues	-	1,593	-	-	-	( 1,593)	-
Interest income	687	56,722	22,287	15	1,139	( 48,700)	32,150
Reclassification to discontinued operations units	-	-	( 2,773,541)	-	-	-	( 2,773,541)
<b>Total revenue</b>	<b>\$ 1,448,576</b>	<b>65,750</b>	<b>-</b>	<b>7,977</b>	<b>27,204</b>	<b>( 50,293)</b>	<b>1,499,214</b>
Interest expense	\$ 86,082	77,290	566,140	337	41,757	( 52,090)	719,516
Share of profit (loss) of associates accounted for using equity method	-	45,268	-	-	12,154	-	57,422
Reclassification to discontinued operations units	-	-	( 566,140)	-	-	-	( 566,140)
<b>Reportable segment profit or loss</b>	<b>\$ 71,275</b>	<b>( 88,053)</b>	<b>( 1,780,531)</b>	<b>( 2,805)</b>	<b>( 39,457)</b>	<b>-</b>	<b>( 1,839,571)</b>
Investments accounted for using equity method	\$ -	2,006,838	-	-	20,864	-	2,027,702
<b>Reportable segment assets</b>	<b>\$ 6,484,468</b>	<b>6,809,617</b>	<b>-</b>	<b>78,955</b>	<b>1,441,563</b>	<b>( 3,033,307)</b>	<b>11,781,296</b>
<b>Reportable segment liabilities</b>	<b>\$ 1,369,495</b>	<b>4,372,228</b>	<b>-</b>	<b>367,636</b>	<b>1,258,301</b>	<b>( 3,033,307)</b>	<b>4,334,353</b>

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

<u>2024</u>	<u>Shipping department</u>	<u>Investing department</u>	<u>Department Store department</u>	<u>Rental department</u>	<u>Other departments</u>	<u>Reconciliation and elimination</u>	<u>Total</u>
Revenue:							
Revenue from external customers	\$ 1,583,988	7,012	3,234,915	24,077	-	-	4,849,992
Intersegment revenues	-	1,574	-	-	-	( 1,574)	-
Interest income	2,506	85,380	34,434	383	15,861	( 66,939)	71,625
Reclassification to discontinued operations units	-	-	( 3,269,349)	-	-	-	( 3,269,349)
<b>Total revenue</b>	<b>\$ 1,586,494</b>	<b>93,966</b>	<b>-</b>	<b>24,460</b>	<b>15,861</b>	<b>( 68,513)</b>	<b>1,652,268</b>
Interest expense	\$ 130,350	72,989	662,011	28,516	41,953	( 70,802)	865,017
Share of profit (loss) of associates accounted for using equity method	-	28,021	-	-	( 1,723)	-	26,298
Reclassification to discontinued operations units	-	-	( 662,011)	-	-	-	( 662,011)
<b>Reportable segment profit or loss</b>	<b>\$ 166,324</b>	<b>( 52,078)</b>	<b>( 447,575)</b>	<b>( 81,908)</b>	<b>( 38,171)</b>	<b>-</b>	<b>( 453,408)</b>
Investments accounted for using equity method	\$ -	738,250	-	-	8,710	-	746,960
<b>Reportable segment assets</b>	<b>\$ 7,250,457</b>	<b>5,144,884</b>	<b>24,215,428</b>	<b>209,596</b>	<b>1,359,115</b>	<b>( 3,286,047)</b>	<b>34,893,433</b>
<b>Reportable segment liabilities</b>	<b>\$ 1,989,991</b>	<b>4,021,755</b>	<b>19,429,121</b>	<b>501,079</b>	<b>1,136,395</b>	<b>( 3,286,047)</b>	<b>23,792,294</b>

(c) Information by product and service categories

For information on the consolidated company's revenue from external customers, please refer to Note 6(u).

(d) Regional information

For information on the consolidated company's regional data, please refer to Note 6(u), where revenue is classified based on the geographical location of the customers.

(e) Key customer information

The revenue from a single customer for the consolidated company did not reach 10% of the consolidated revenue.

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

**Table 1: Loans to other parties**

(December 31, 2025)

Expressed in Thousands of New Taiwan Dollars

Number	The company lending funds	Borrowing party	Accounts	Whether it is a related party	Maximum balance during the period	Balance on December 31	Actual expenditure balance during the period	Range of interest rates	Nature of lending	Amount of business transactions	Reasons for the necessity of short-term financing	Provision for loss allowance amount	Collateral		Loan limit for individual borrowing parties	Total loan limit	Note
													Name	Value			
0	First Steamship Co., Ltd.	Royal Sunway Development Co., Ltd.	Other receivables - related parties	Y	750,000	650,000	630,000	4.50%	2	-	Operating turnover	-	Promissory note	650,000	2,945,790	2,945,790	
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	-	Operating turnover	-	Promissory note	16,200	73,305	73,305	
2	First Steamship S. A.	Ahead Capital Ltd.	Other receivables - related parties	Y	691,460	691,460	637,632	0.00%	2	-	Operating turnover	-	-	-	7,594,881	7,594,881	
2	First Steamship S. A.	Media Assets Global Ltd.	Other receivables - related parties	Y	377,160	377,160	352,047	0.00%	2	-	Operating turnover	-	-	-	7,594,881	7,594,881	
2	First Steamship S. A.	First Steamship Co., Ltd.	Other receivables - related parties	Y	1,100,050	1,100,050	964,180	0.00%	2	-	Operating turnover	-	-	-	7,594,881	7,594,881	
2	First Steamship S. A.	Grand Ocean Retail Group Ltd.	Other receivables - related parties	Y	597,170	597,170	565,740	4.35%-5.5%	2	-	Operating turnover	-	Promissory note	597,170	1,012,651	1,012,651	
2	First Steamship S. A.	Mariner Finance Ltd.	Other receivables - related parties	Y	411,733	348,873	320,586	0.00%	2	-	Operating turnover	-	-	-	7,594,881	7,594,881	
3	Nature Sources Ltd.	First Steamship S.A.	Other receivables - related parties	Y	282,870	282,870	282,556	0.00%	2	-	Operating turnover	-	-	-	847,557	847,557	
4	Heritage Riches Ltd.	First Steamship S.A.	Other receivables - related parties	Y	31,430	31,430	22,315	0.00%	2	-	Operating turnover	-	-	-	93,906	93,906	

Note 1: The maximum balance in NTD accumulated through the current month is calculated based on the exchange rate at the end of the current month multiplied by the highest outstanding foreign-currency loan balance.

Note 2: Pursuant to the Procedures for Loan to Other Parties of Steamship Co., Ltd., the total amount of funds lent and the amount lent to any single enterprise are each limited to 40% of the net worth as reported in the company's most recent financial statements.

Note 3: Pursuant to the Procedures for Loans to Other Parties of First Steamship S.A. and its subsidiaries, the total amount of funds lent and the amount lent to any single enterprise are each limited to 40% of the net worth as reported in the company's most recent financial statements. For loans between non-R.O.C. companies in which First Steamship Co., Ltd. and First Steamship S.A. directly or indirectly hold 100% of the voting shares, or for loans extended by such non-R.O.C. companies to First Steamship Co., Ltd., the total amount of funds lent shall not exceed 3 times the net worth as reported in the most recent financial statements of the lending company.

Note 4: Pursuant to the Procedures for Loans to Other Parties of Royal Sunway Development Co., Ltd., both the aggregate amount of funds lent and the amount lent to any single enterprise shall not exceed 40% of the net worth as reported in the most recent financial statements of that company.

Note 5: Except for Jiawang Assets Development Co., Ltd. and Grand Ocean Retail Group Ltd., the loans interest income transactions between the Company and the aforementioned subsidiaries have been offset when preparing the consolidated reports.

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**FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES Notes to the Consolidated Financial Statements (continued)****Table 2 Guarantees and endorsements for other parties**

(December 31, 2025)

Expressed in Thousands of New Taiwan Dollars

Number	Endorsing/ guaranteeing company endorsee	The party for whom the endorsement guarantee is provided		Limit of endorsements/ guarantees for a single enterprise	Maximum balance of endorsement guarantees during the period	Balance of endorsements/ guarantees at end of period	Amount actually used	The amount of endorsements / guarantees secured by property	The ratio of the accumulated amount of endorsements/ guarantees to the net worth in the most recent financial statements	Maximum limit of endorsements/ guarantees	Endorsements / guarantees by the parent company for the subsidiary	Endorsements / guarantees by the subsidiary for the parent company	Endorsements / guarantees for Mainland China
		Company Name	Relationship										
0	The Company	Alliance Steamship S.A.	2	22,093,425	628,600	-	-	-	0.00%	22,093,425	Y	N	N
0	The Company	Reliance Steamship S.A.	2	22,093,425	220,010	220,010	50,288	-	2.99%	22,093,425	Y	N	N
0	The Company	Grand Steamship S.A.	2	22,093,425	127,574	127,574	27,337	-	1.73%	22,093,425	Y	N	N
0	The Company	Longevity Navigation S.A.	2	22,093,425	135,149	135,149	94,604	-	1.84%	22,093,425	Y	N	N
0	The Company	Praise Maritime S.A.	2	22,093,425	779,464	779,464	45,099	-	10.58%	22,093,425	Y	N	N
0	The Company	Sure Success Steamship S.A.	2	22,093,425	78,575	78,575	54,566	-	1.07%	22,093,425	Y	N	N
0	The Company	Mariner Finance Ltd.	2	22,093,425	62,860	-	-	-	0.00%	22,093,425	Y	N	Y
0	The Company	First Steamship S.A.	2	22,093,425	233,318	233,318	233,318	-	3.17%	22,093,425	Y	N	N
0	The Company	Shining Steamship International S.A.	2	22,093,425	717,233	717,233	477,616	-	9.74%	22,093,425	Y	N	N
0	The Company	Best Steamship S. A.	2	22,093,425	282,871	282,871	75,583	-	3.84%	22,093,425	Y	N	N
0	The Company	Excellent Steamship International S.A.	2	22,093,425	710,318	710,318	508,568	-	9.65%	22,093,425	Y	N	N
0	The Company	Royal Sunway Development Co., Ltd.	2	22,093,425	1,235,900	1,235,900	367,619	945,000	16.78%	22,093,425	Y	N	N
0	The Company	Grand Ocean Retail Group Ltd.	2	22,093,425	251,440	-	-	-	0.00%	22,093,425	Y	N	N
1	First Steamship S.A.	Alliance Steamship S.A.	4	12,658,135	628,600	-	-	-	0.00%	12,658,135	N	N	N
1	First Steamship S.A.	Reliance Steamship S.A.	4	12,658,135	220,010	220,010	50,288	-	8.69%	12,658,135	N	N	N
2	Royal Sunway Development Co., Ltd.	Honor Construction Co., Ltd.	5	1,832,625	426,500	426,500	88,090	-	232.73%	3,665,249	N	N	N

Note 1: The maximum balance in NTD accumulated through the current month is calculated by multiplying the exchange rate evaluated at the end of the current month by the maximum outstanding balance of endorsements and guarantees in foreign currency.

Note 2: The description of the numbering column is as follows:

- The Company is assigned 0.
- Investee companies are numbered sequentially in Arabic numerals starting from 1, by company; the same company shall be assigned the same code.

Note 3: There are 7 types of relationships between the endorser/guarantor and the endorsee/guarantee beneficiary; indicate the applicable type only:

- (1) Companies with business dealings.
- (2) Companies where the company directly and indirectly holds more than 50% of the voting shares
- (3) Companies directly and indirectly holding more than 50% of the voting shares in a company.
- (4) Among companies where the Company directly and indirectly holds more than 90% of the voting shares.
- (5) Companies that mutually guarantee each other based on contractual agreements and are involved as peers or joint builders due to engineering contract needs.
- (6) Companies for which all contributing shareholders provide an endorsement guarantee based on their shareholding ratio due to the investment relationship.
- (7) Joint and several guarantee of performance among companies in the same industry engaged in pre-sale housing sales contracts governed by the Consumer Protection Act.

Note 4: Pursuant to the Company's operational procedures for endorsements/guarantees, the total amount of endorsements/guarantees and the amount for a single enterprise is limited to three times the shareholders' equity in the Company's most recent financial statement.

Note 5: Pursuant to the operational procedures for endorsements/guarantees by First Steamship S.A. and its subsidiaries, the total amount of endorsements/guarantees and the amount for a single enterprise is limited to five times the net value in the company's most recent financial statement.

Note 6: Pursuant to the operational procedures for endorsements/guarantees by Royal Sunway Development Co., Ltd., the total amount of endorsements/guarantees is limited to twenty times the net value in the Company's most recent financial statement, and the amount for a single enterprise is limited to ten times the net value in the company's most recent financial statement.

Note 7: The Company has collected a promissory note amounting to NT\$290,900 thousand as collateral for the guarantee from Royal Sunway Development Co., Ltd.

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

**Table 3 Major securities held at the end of the period (excluding investment in subsidiaries, other related party, and joint ventures)**  
(December 31, 2025)

Companies held	Types and name of securities	Relationship with the securities issuer	Account	Expressed in Thousands of New Taiwan Dollars					Note
				at the end of the period					
				Number of shares (units)	Carrying amount	Percentage	Maximum interim holding percentage	Fair Value	
First Steamship Co., Ltd.	PRO Brand Technology (TW) Inc. (PBT) unsecured convertible bonds	A subsidiary of other related party	Financial assets measured at fair value through profit or loss - current	3	96,669	-	-	96,669	
Ahead Capital Ltd.	Shares of Wanjia Group	-	Financial assets measured at fair value through profit or loss - current	1,772,000	715	0.32%	0.32%	715	
Ahead Capital Ltd.	Tian An Australia Ltd. stock	-	Financial assets measured at fair value through profit or loss - current	1,513,412	11,121	1.75%	1.75%	11,121	
Media Assets Global Ltd.	Tian An Australia Ltd. stock	-	Financial assets measured at fair value through profit or loss - current	12,763	94	0.01%	0.01%	94	
Heritage Riches Ltd.	Tian An Australia Ltd. stock	-	Financial assets measured at fair value through profit or loss - current	1,225,653	9,007	1.42%	1.42%	9,007	

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

**Table 4 Receivables from related parties with amounts exceeding \$100 million or 20% of the capital stock  
(December 31, 2025)**

Expressed in Thousands of New Taiwan Dollars

Companies with balances recognized under accounts receivable	Name of transaction counterparty	Relationship	Account receivables-related parties balance	Turnover rate	Overdue accounts receivable from related parties		Amount of accounts receivable from related parties subsequently collected	Provision for loss allowance amount
					Amount	Processing method		
The Company	Royal Sunway Development Co., Ltd.	Subsidiary with 55% shareholdings	636,730	-	-	-	-	-
First Steamship S.A.	The Company	Parent company	964,180	-	-	-	-	-
First Steamship S.A.	Ahead Capital Ltd.	Subsidiary with 100% shareholdings	637,632	-	-	-	-	-
First Steamship S.A.	Media Assets Global Ltd.	Subsidiary with 100% shareholdings	352,047	-	-	-	-	-
First Steamship S.A.	Grand Ocean Retail Group Ltd.	Other related party	615,793	-	-	-	-	-
First Steamship S.A.	Mariner Finance Ltd.	The same ultimate parent company	326,951	-	-	-	-	-
Nature Sources Ltd.	First Steamship S.A.	Parent company	282,556	-	-	-	-	-
Mariner Finance Ltd.	Zhuke Technology (Zhuke Group)	Other related party	306,078	-	-	-	-	360,078
Mariner Finance Ltd.	Hainan Sanhe Licheng Business Service Co., Ltd.	Other related party	153,080	-	-	-	-	151,077

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

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

**Table 5 Business relationships and significant intercompany transactions : Appendix 5, please refer to the chinese version consolidated financial statements P67.  
(December 31, 2025)**

Expressed in Thousands of New Taiwan Dollars

Number	Name of transaction counterparty	Transaction counterparties	Relationship with the counterparty	Transaction details			
				Account	Amount	Transaction terms	The ratio of consolidated total revenue or total assets
0	The Company	Royal Sunway Development Co., Ltd.	1	Other receivables - related parties	636,730	Mutually agreed	5.40%
1	First Steamship S.A.	The Company	2	Other receivables - related parties	964,180	Mutually agreed	8.18%
1	First Steamship S.A.	Ahead Capital Ltd.	1	Other receivables - related parties	637,632	Mutually agreed	5.41%
1	First Steamship S.A.	Media Assets Global Ltd.	1	Other receivables - related parties	352,047	Mutually agreed	2.99%
1	First Steamship S.A.	Mariner Finance Ltd.	3	Other receivables - related parties	326,951	Mutually agreed	2.78%
2	Nature Sources Ltd.	First Steamship S.A.	2	Other receivables - related parties	282,556	Mutually agreed	2.40%

Note 1: Companies are numbered as follows:

1. 0 represents the parent company and the ultimate controller.
2. Subsidiaries should be numbered sequentially starting from the Arabic numeral 1 by company.

Note 2: The types of relationship with the counterparty are indicated as follows:

1. The parent company and the ultimate controller to the subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: The aforementioned amounts have been offset when preparing the consolidated financial statements.

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

**Table 6 Information on investees (excluding investee companies in mainland China)**  
**(December 31, 2025)**

Expressed in Thousands of New Taiwan Dollars

Name of Investor	Name of investee company	Location	Main business activities	Original investment amount		at the end of the period held			Maximum interim holding or investment situation	Profit (Loss) of the Invested Company for the Current Period	Investment profit (loss) recognized by The Company	Note
				At the end of the period	At the end of last year	Number of 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%	100,794	55.00%	(39,457)	(21,702)	Subsidiary
The Company	First Steamship S.A.	Panama	Investment holding company, International transportation and shipping agency	1,866,942	1,866,942	594	100.00%	2,531,627	100.00%	(1,067,813)	(1,067,813)	Subsidiary
The Company	First Mariner Holding Ltd.	British Virgin Islands	Investment holding company	1,549,499	1,549,499	49,300,000	100.00%	(283,493)	100.00%	(3,619)	(3,619)	Subsidiary
The Company	Alliance Steamship S.A.	Panama	Domestic and international marine transportation	377,160	377,160	120,000	100.00%	418,665	100.00%	(4,690)	(4,690)	Subsidiary
The Company	Advantage Steamship Co., Ltd.	Liberia	Domestic and international marine transportation	-	-	-	100.00%	(38)	100.00%	(19)	(19)	Subsidiary (Note 5)
The Company	Best Steamship S.A.	Panama	Domestic and international marine transportation	534,310	534,310	170,000	100.00%	519,356	100.00%	(14,767)	(14,767)	Subsidiary
The Company	Black Sea Steamship S.A.	Panama	Domestic and international marine transportation	345,730	345,730	110,000	100.00%	304,837	100.00%	(15,658)	(15,658)	Subsidiary
The Company	Excellent Steamship International S.A.	Panama	Domestic and international marine transportation	282,870	282,870	90,000	100.00%	370,667	100.00%	30,017	30,017	Subsidiary
The Company	Grand Steamship S.A.	Panama	Domestic and international marine transportation	502,880	502,880	160,000	100.00%	565,596	100.00%	(18,578)	(18,578)	Subsidiary
The Company	Longevity Navigation S.A.	Panama	Domestic and international marine transportation	424,305	424,305	135,000	100.00%	489,615	100.00%	28,244	28,244	Subsidiary
The Company	Mighty Steamship Co., Ltd.	Liberia	Domestic and international marine transportation	-	-	-	100.00%	(38)	100.00%	(19)	(19)	Subsidiary (Note 5)
The Company	Praise Maritime S.A.	Panama	Domestic and international marine transportation	581,455	581,455	185,000	100.00%	697,811	100.00%	37,782	37,782	Subsidiary
The Company	Reliance Steamship S.A.	Panama	Domestic and international marine transportation	377,160	377,160	120,000	100.00%	418,785	100.00%	(413)	(413)	Subsidiary
The Company	Ship Bulker Steamship S.A.	Panama	Domestic and international marine transportation	377,160	377,160	120,000	100.00%	369,779	100.00%	(18,257)	(18,257)	Subsidiary
The Company	Shining Steamship International S.A.	Panama	Domestic and international marine transportation	301,728	301,728	96,000	100.00%	372,680	100.00%	35,583	35,583	Subsidiary
The Company	Sure Success Steamship S.A.	Panama	Domestic and international marine transportation	449,449	449,449	143,000	100.00%	587,258	100.00%	12,050	12,050	Subsidiary
The Company	Grand Ocean Retail Group Ltd.	Cayman Islands	Investment holding company	434,544	814,024	10,437,000	5.34%	203,947	10.00%	(890,325)	(89,032)	Other related party (Note 3)
The Company	Da Yu Financial Holdings Ltd.	Hong Kong	Corporate financing advisory services and asset management services.	597,890	440,763	994,980,000	29.11%	898,880	29.11%	155,508	45,268	Other related party
The Company	Sandmartin International Holdings Ltd.	Hong Kong	Media and entertainment platform-related industry	258,475	258,475	473,869,283	38.52%	0	38.52%	0	0	Other related party
Royal Sunway Development Co., Ltd.	Jiawang Assets Development Co., Ltd.	Taiwan	Real estate trading and leasing	9,800	9,800	980,000	49.00%	20,864	49.00%	24,805	12,154	Other related party

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

Name of Investor	Name of investee company	Location	Main business activities	Original investment amount		at the end of the period held			Maximum interim holding or investment situation	Profit (Loss) of the Invested Company for the Current Period	Investment profit (loss) recognized by The Company	Note
				At the end of the period	At the end of last year	Number of shares	Ratio	Carrying amount				
Ahead Capital Ltd.	Grand Ocean Retail Group Ltd.	Cayman Islands	Investment holding company	0	455,735	-	0.00%	0	1.79%	(890,325)	Note 1	Other related party
First Steamship S.A.	Grand Ocean Retail Group Ltd.	Cayman Islands	Investment holding company	1,302,817	2,577,260	46,284,000	23.67%	904,011	46.83%	(890,325)	Note 1	Other related party
First Steamship S.A.	Ahead Capital Ltd.	British Virgin Islands	Investment holding company	487,165	487,165	1,550	100.00%	(621,917)	100.00%	(34,658)	Note 1	Grandchild subsidiary
First Steamship S.A.	Heritage Riches Ltd.	British Virgin Islands	Investment holding company	314	314	5	100.00%	31,302	100.00%	4,157	Note 1	Grandchild subsidiary
First Steamship S.A.	Media Assets Global Ltd.	British Virgin Islands	Investment holding company	157,150	157,150	50,000	100.00%	(352,036)	100.00%	(80)	Note 1	Grandchild subsidiary
First Steamship S.A.	Nature Sources Ltd.	Hong Kong	Investment holding company	264,955	264,955	8,430,000	100.00%	282,519	100.00%	(248)	Note 1	Grandchild subsidiary
First Mariner Holding Ltd.	First Mariner Capital Ltd.	British Virgin Islands	Investment holding company	1,034,676	1,034,676	32,920,000	100.00%	(289,308)	100.00%	(3,168)	Note 1	Grandchild subsidiary
First Mariner Holding Ltd.	Mariner Far East Ltd.	Hong Kong	Investment holding company	119,434	119,434	3,800,000	100.00%	4,103	100.00%	(185)	Note 1	Grandchild subsidiary
First Mariner Capital Ltd.	Mariner Capital Ltd.	Hong Kong	Investment holding company	880,354	880,354	28,010,000	100.00%	(290,256)	100.00%	(3,078)	Note 1	Grandchild subsidiary

Note 1: Disclosure may be exempted in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" of the Republic of China.

Note 2: The Amounts in this table are expressed in terms of the spot exchange rate on the financial reporting date and the average exchange rate for the period.

Note 3: First Steamship Co., Ltd. pledged 10,000,000 shares as collateral.

Note 4: Except for Grand Ocean Retail Group Ltd., Da Yu Financial Holdings Ltd., Sandmartin International Holdings Ltd., Jiawang Assets Development Co., Ltd., and Grand Ocean Retail Group Ltd., which were reclassified as an other related party on December 30, 2025, the amounts have been offset when preparing the consolidated financial statements.

Note 5: The actual capital injection has not yet been made.

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

**FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES Notes to the Consolidated Financial Statements (continued)****Table 7 Information on investment in mainland China  
(December 31, 2025)****1. Information on investees in mainland China businesses**

(Expressed in Thousands of New Taiwan Dollars)

Name of investee company in Mainland China	Main business activities	Paid-in capital			Investment method (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of this period		Investment amount remitted or received during this period.		Accumulated investment amount remitted from Taiwan at the end of this period.	Profit (Loss) of the Invested Company for the Current Period	The percentage of direct or indirect investments held by the Company	Investment profit (loss) recognized for the current period	Carrying amounts of investment at the end of the period	Investment income remitted back up to the current period.
							Remitted	Received							
Beijing Shouhai International Economic and Technical Consulting Service Co., Ltd.	Provide personnel technical support and training for vessel operations, supply and repair of vessel spare parts and objects, and offer business consulting and technical services.	-	-	-	(1)	5,126	(USD 163)	-	-	5,126	-	-	-	-	-
Mariner Finance Ltd. (Note 4)	Automobile finance leasing company businesses	840,667	(USD 26,747)	-	(1)	840,667	(USD 26,747)	-	-	840,667	(2,805)	100.00%	(2,805)	(288,681)	-
Shanghai Youxin Car Leasing Ltd.	Car leasing	22,358	(CNY 5,000)	(Note 6)	(1)	Note (7)		-	-	-	(4,318)	100.00%	(4,318)	(59,540)	-
Wuhan Youxin Car Leasing Ltd.	Car leasing	4,472	(CNY 1,000)	(Note 6)	(1)	Note (7)		-	-	-	-	100.00%	-	(6,394)	-
Chongqing Youren Car Leasing Ltd.	Car leasing	4,472	(CNY 1,000)	(Note 6)	(1)	Note (7)		-	-	-	-	100.00%	-	(11,283)	-
Fuzhou Youli Car Leasing Ltd.	Car leasing	4,472	(CNY 1,000)	(Note 6)	(1)	Note (7)		-	-	-	(1)	100.00%	(1)	(360)	-
Qingdao Youcheng Car Leasing Ltd.	Car leasing	8,943	(CNY 2,000)	(Note 6)	(1)	Note (7)		-	-	-	-	100.00%	-	(13,673)	-
Dongguan Youcheng Car Leasing Ltd.	Car leasing	4,472	(CNY 1,000)	(Note 6)	(1)	Note (7)		-	-	-	-	100.00%	-	(4,807)	-
Guangzhou Youqiang Car Leasing Ltd.	Car leasing	4,472	(CNY 1,000)	(Note 6)	(1)	Note (7)		-	-	-	-	100.00%	-	(1,307)	-
Changsha Youli Car Service Ltd.	Car leasing	4,472	(CNY 1,000)	(Note 6)	(1)	Note (7)		-	-	-	(1)	100.00%	(1)	(1,579)	-
Xian Youcheng Car Service Ltd.	Car leasing	4,472	(CNY 1,000)	(Note 6)	(1)	Note (7)		-	-	-	-	100.00%	-	(3,821)	-
Chengdu Youcheng Car Leasing Ltd.	Car leasing	4,472	(CNY 1,000)	(Note 6)	(1)	Note (7)		-	-	-	-	100.00%	-	(286)	-
Lianyungang Youren Car Service Ltd.	Car leasing	4,472	(CNY 1,000)	(Note 6)	(1)	Note (7)		-	-	-	-	100.00%	-	(1,052)	-
Jinan Youli Car Leasing Ltd.	Car leasing	22,358	(CNY 5,000)	(Note 6)	(1)	Note (7)		-	-	-	-	100.00%	-	(4,651)	-
Urumqi Taroko Car Rental Co., Ltd.	Car leasing	8,943	(CNY 2,000)	(Note 6)	(1)	Note (7)		-	-	-	(4)	100.00%	(4)	(6,761)	-
Hainan Sanhe Licheng Business Service Co., Ltd.	Tourist car rental	22,358	(CNY 5,000)	-	(1)	Note (7)		-	-	-	-	50.00%	-	-	-
Hainan Sanhe Licheng Business Service Co., Ltd.	Tourist car rental	89,432	(CNY 20,000)	-	(1)	Note (7)		-	-	-	-	55.00%	-	-	-

**2. Investment limit for reinvestment in Mainland China**

Cumulative amount of investment funds remitted from Taiwan to Mainland China as of the end of the current period	Investment amount approved by the Investment Commission, Ministry of Economic Affairs	Investment limit for Mainland China as stipulated by the Investment Commission, Ministry of Economic Affairs
845,793	3,821,313	4,468,166
USD 26,910	USD 121,582	(Note 3)

Note 1: The investment was made through reinvestment in an existing third-region company, which in turn invested in a Mainland China company.

Note 2: Limit calculation: consolidated net equity for the current period × 60% = NTD 7,446,943 thousand × 60% = NTD 4,468,166 thousand

Note 3: Investment gains and losses are recognized based on financial statements audited by an international accounting firm affiliated with a certified public accounting firm in the Republic of China.

Note 4: The Amounts in this table are expressed in terms of the spot exchange rate on the financial reporting date and the average exchange rate for the period.

Note 5: The capital verification has not yet been conducted.

Note 6: Remitted through the subsidiary, Mariner Finance Ltd.

Note 7: Except for Hainan Sanhe Licheng Business Service Co., Ltd. and Shanghai Zhuke Technology Co., Ltd., the aforementioned invested companies have been offset when preparing the consolidated financial statements.

**3. Significant Transactions: For the period from January 1, 2025, to December 31, 2025, significant transactions directly or indirectly with the Mainland invested companies (eliminated when preparing the consolidated report), please refer to the "Information on significant transactions" note.**