

DONG FANG OFFSHORE CO., LTD.
FINANCIAL STATEMENTS AND INDEPENDENT
AUDITORS' REPORT
DECEMBER 31, 2025 AND 2024

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

DONG FANG OFFSHORE CO., LTD.

DECEMBER 31, 2025 AND 2024 FINANCIAL STATEMENTS AND INDEPENDENT

AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Dong Fang Offshore Co., Ltd.

Opinion

We have audited the accompanying balance sheets of Dong Fang Offshore Co., Ltd. (the "Company") as at December 31, 2025 and 2024, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

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

Recognition of construction revenue - assessment on the stage of completion

Description

Refer to Note 4(25) for accounting policies on construction contracts, Note 5 for critical judgements, accounting estimates and uncertainty of assumptions adopted in the construction contract accounting policy, and Note 6(17) for details of contract assets, contract liabilities and construction revenue.

As the estimated total costs are assessed by the management based on the different nature of constructions and the price fluctuations in the market to estimate the costs for each construction activity such as estimated subcontract charges and material and labour expenses, and the complexity of aforementioned total cost usually involves involves subjective judgement and contains a high degree of uncertainty, which might affect the construction revenue recognition, we consider the assessment on the stage of completion which was applied on construction revenue recognition as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter on the stage of completion:

1. Obtained an understanding of the nature of business and industry, and assessed the reasonableness of internal process applied to estimated total construction costs, including the basis for estimating the estimated total costs for construction contracts of the same nature.
2. Assessed and tested the internal controls used by the management to recognise construction revenue based on the stage of completion, including checking the supporting documents of additional or reduced constructions and significant constructions performed in the period.
3. Sampled and tested the subcontracts that have been assigned, and assessed the basis and reasonableness of estimated costs for those that have not been assigned.
4. Performed substantive procedures relating to the construction profit or loss statement, including sampling and verifying the costs incurred in the period with the appropriate evidence, and recalculating and confirming that construction revenue calculated based on the stage of completion had been accounted for appropriately.

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

Management is responsible for the preparation and fair presentation of the 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, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including supervisors, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

SUNG-TSE WANG

Feng, Min-Chuan

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 11, 2026

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

DONG FANG OFFSHORE CO., LTD.
BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Assets	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,690,712	11	\$ 1,720,568	22
1136	Financial assets at amortised cost - current	6(3) and 8	93,227	1	56,134	1
1140	Contract assets - current	6(17)	3,179	-	1,691	-
1150	Notes receivable, net	6(4)	-	-	9,977	-
1170	Accounts receivable, net	6(4)	1,631,060	11	843,676	10
1220	Current income tax assets		21,687	-	-	-
130X	Inventories	6(5)	13,653	-	12,460	-
1410	Prepayments	6(6)	577,943	4	70,236	1
1470	Other current assets	7	10,776	-	714	-
11XX	Total current assets		<u>4,042,237</u>	<u>27</u>	<u>2,715,456</u>	<u>34</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non- current	6(2)	120,000	1	-	-
1535	Financial assets at amortised cost - non-current	6(3) and 8	34,444	-	36,085	1
1600	Property, plant and equipment	6(7) and 8	4,308,576	28	3,916,206	49
1755	Right-of-use assets	6(8)	351,874	2	53,373	1
1840	Deferred income tax assets	6(24)	13,547	-	1,623	-
1900	Other non-current assets	6(9)	6,296,118	42	1,196,693	15
15XX	Total non-current assets		<u>11,124,559</u>	<u>73</u>	<u>5,203,980</u>	<u>66</u>
1XXX	Total assets		<u>\$ 15,166,796</u>	<u>100</u>	<u>\$ 7,919,436</u>	<u>100</u>

(Continued)

DONG FANG OFFSHORE CO., LTD.

BALANCE SHEETS

DECEMBER 31, 2025 AND 2024

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

Items	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2130	Contract liabilities - current	6(17)	\$ 366,404	2	\$ 87,313	1
2150	Notes payable		3,341	-	-	-
2170	Accounts payable		1,474,230	10	663,191	8
2180	Accounts payable - related parties	7	3,028	-	11,284	-
2200	Other payables	6(10) and 7	256,413	2	190,367	3
2230	Current income tax liabilities		336,110	2	202,530	3
2280	Lease liabilities - current		66,882	-	11,925	-
2320	Long-term liabilities, current portion	6(11)	478,542	3	275,042	4
2399	Other current liabilities	7	114,996	1	8,150	-
21XX	Total current liabilities		<u>3,099,946</u>	<u>20</u>	<u>1,449,802</u>	<u>19</u>
Non-current liabilities						
2540	Long-term borrowings	6(11)	1,921,164	13	1,230,506	15
2570	Deferred income tax liabilities	6(24)	26,109	-	15,682	-
2580	Lease liabilities - non-current		289,987	2	42,458	1
2640	Net defined benefit liability, non-current	6(12)	410	-	2,029	-
25XX	Total non-current liabilities		<u>2,237,670</u>	<u>15</u>	<u>1,290,675</u>	<u>16</u>
2XXX	Total liabilities		<u>5,337,616</u>	<u>35</u>	<u>2,740,477</u>	<u>35</u>
Equity						
	Share capital	6(14)				
3110	Ordinary share		1,753,614	12	1,565,614	20
	Capital surplus	6(15)				
3200	Capital surplus		4,134,112	27	1,127,749	14
	Retained earnings	6(16)				
3310	Legal reserve		288,739	2	165,318	2
3350	Unappropriated retained earnings		3,652,715	24	2,320,278	29
3XXX	Total equity		<u>9,829,180</u>	<u>65</u>	<u>5,178,959</u>	<u>65</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		<u>\$ 15,166,796</u>	<u>100</u>	<u>\$ 7,919,436</u>	<u>100</u>

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

DONG FANG OFFSHORE CO., LTD.
STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

Items	Notes	Year ended December 31			
		2025		2024	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(17) and 7	\$ 10,460,828	100	\$ 6,818,357	100
5000 Operating costs	6(5)(22)(23) and 7	(7,863,562)	(75)	(5,007,996)	(73)
5900 Gross profit		<u>2,597,266</u>	<u>25</u>	<u>1,810,361</u>	<u>27</u>
Operating expenses	6(22)(23) and 7				
6100 Selling expenses		(11,586)	-	(3,245)	-
6200 General and administrative expenses		(293,794)	(3)	(278,059)	(4)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(633)	-	(461)	-
6000 Total operating expenses		<u>(306,013)</u>	<u>(3)</u>	<u>(281,765)</u>	<u>(4)</u>
6900 Operating profit		<u>2,291,253</u>	<u>22</u>	<u>1,528,596</u>	<u>23</u>
Non-operating income and expenses					
7100 Interest income	6(18)	55,729	1	35,231	1
7010 Other income	6(19) and 7	3,044	-	1,411	-
7020 Other gains and losses	6(20)	(55,973)	(1)	29,681	-
7050 Finance costs	6(21)	(50,101)	-	(39,498)	(1)
7000 Total non-operating income and expenses		<u>(47,301)</u>	<u>-</u>	<u>26,825</u>	<u>-</u>
7900 Profit before income tax		<u>2,243,952</u>	<u>22</u>	<u>1,555,421</u>	<u>23</u>
7950 Income tax expenses	6(24)	(476,972)	(5)	(340,332)	(5)
8200 Profit for the year		<u>\$ 1,766,980</u>	<u>17</u>	<u>\$ 1,215,089</u>	<u>18</u>
Other comprehensive income (loss)					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311 Gains on remeasurements of defined benefit plans	6(12)	\$ 2,501	-	\$ 879	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(24)	(500)	-	(177)	-
8300 Other comprehensive income		<u>\$ 2,001</u>	<u>-</u>	<u>\$ 702</u>	<u>-</u>
8500 Total comprehensive income for the year		<u>\$ 1,768,981</u>	<u>17</u>	<u>\$ 1,215,791</u>	<u>18</u>
Basic earnings per share (in dollars)					
9750 Basic earnings per share	6(25)	<u>\$ 11.11</u>		<u>\$ 7.94</u>	
Diluted earnings per share (in dollars)					
9850 Diluted earnings per share	6(25)	<u>\$ 10.95</u>		<u>\$ 7.88</u>	

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

DONG FANG OFFSHORE CO., LTD.
STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Ordinary share	Capital surplus, additional paid- in capital	Retained Earnings		Total equity
				Legal reserve	Accumulated deficit	
Year 2024						
Balance at January 1, 2024		\$ 1,499,444	\$ 692,500	\$ 66,485	\$ 1,353,264	\$ 3,611,693
Profit for the year		-	-	-	1,215,089	1,215,089
Other comprehensive income		-	-	-	702	702
Total comprehensive income for the year		-	-	-	1,215,791	1,215,791
Appropriations and distribution of 2023 retained earnings:	6(16)					
Legal reserve		-	-	98,833	(98,833)	-
Cash dividends		-	-	-	(149,944)	(149,944)
Issuance of common stock for cash	6(14)(15)	41,170	308,775	-	-	349,945
Exercise of employee share options	6(14)(15)	25,000	15,000	-	-	40,000
Share-based payment transaction	6(13)(15)	-	111,474	-	-	111,474
Balance at December 31, 2024		\$ 1,565,614	\$ 1,127,749	\$ 165,318	\$ 2,320,278	\$ 5,178,959
Year 2025						
Balance at January 1, 2025		\$ 1,565,614	\$ 1,127,749	\$ 165,318	\$ 2,320,278	\$ 5,178,959
Profit for the year		-	-	-	1,766,980	1,766,980
Other comprehensive income		-	-	-	2,001	2,001
Total comprehensive income for the year		-	-	-	1,768,981	1,768,981
Appropriation and distribution of 2024 retained earnings:	6(16)					
Legal reserve		-	-	123,421	(123,421)	-
Cash dividends		-	-	-	(313,123)	(313,123)
Issuance of common stock for cash	6(14)(15)	188,000	2,978,323	-	-	3,166,323
Share-based payment transaction	6(13)(15)	-	27,826	-	-	27,826
Changes in other capital surplus	6(15)	-	214	-	-	214
Balance at December 31, 2025		\$ 1,753,614	\$ 4,134,112	\$ 288,739	\$ 3,652,715	\$ 9,829,180

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

DONG FANG OFFSHORE CO., LTD.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

	Year ended December 31		
	Notes	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 2,243,952	\$ 1,555,421
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation on property, plant and equipment	6(7)(22)	290,111	266,650
Depreciation on right-of-use assets	6(8)(22)	56,908	11,891
Impairment loss determined in accordance with IFRS 9	12(2)	633	461
Interest income	6(18)	(55,729)	(35,231)
Gain on disposal of property, plan and equipment	6(20)	(23,779)	-
Interest expenses	6(21)	50,101	39,498
Gain from lease modification	6(8)(20)	-	(4)
Share-based payments	6(13)(23)	27,826	111,474
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets - current		(1,488)	(1,691)
Notes receivable, net		9,977	(9,977)
Accounts receivable (including related parties)		(788,017)	546,831
Inventories		(1,193)	(1,328)
Prepayments		(507,707)	8,924
Other current assets		(9,131)	1,902
Changes in operating liabilities			
Contract liabilities - current		279,091	16,890
Notes payable		3,341	-
Accounts payable (including related parties)		802,783	(223,474)
Other payables (including related parties)		55,313	(104,840)
Other current liabilities		106,846	(9,380)
Net defined benefit liability		882	2,083
Cash inflow generated from operations		2,540,720	2,176,100
Interest received		54,798	35,231
Interest paid		(49,062)	(39,715)
Income taxes paid		(367,076)	(341,449)
Net cash flows from operating activities		2,179,380	1,830,167
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortized cost		(35,452)	(22,467)
Acquisition of financial assets at fair value through other comprehensive income		(120,000)	-
Acquisition of property, plant and equipment	6(26)	(5,838,275)	(1,369,405)
Interest paid (capitalised interest payments)		(22,350)	-
Proceeds from disposal of property, plant and equipment		128,415	-
(Increase) decrease in refundable deposits		(16,239)	47,821
Decrease in other non-current assets		16	28
Net cash flows used in investing activities		(5,903,885)	(1,344,023)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(27)	900,000	-
Repayment of short-term borrowings	6(27)	(900,000)	(80,000)
Increase in long-term borrowings	6(27)	1,169,200	-
Repayment of long-term borrowings	6(27)	(275,042)	(340,444)
Issuance of common stock for cash	6(14)	3,166,323	349,945
Repayments of principal portion of lease liabilities	6(27)	(52,923)	(11,292)
Exercise of employee stock options	6(14)	-	40,000
Payment of cash dividends	6(16)	(313,123)	(149,944)
Exercise the right of reclamation		214	-
Net cash flows from (used in) financing activities		3,694,649	(191,735)
Net (decrease) increase in cash and cash equivalents		(29,856)	294,409
Cash and cash equivalents at beginning of year		1,720,568	1,426,159
Cash and cash equivalents at end of year		\$ 1,690,712	\$ 1,720,568

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

DONG FANG OFFSHORE CO., LTD.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

1. History and Organisation

Dong Fang Offshore Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company’s principal business activities comprise the provision of nearshore and offshore maritime construction support services for the offshore wind industry. Its major services include (1) marine construction projects guard vessel and patrol services for offshore operations; (2) environmental and regulatory compliance support for offshore wind projects; (3) transportation of personnel and cargo; (4) transportation of heavy construction equipment and large-scale machinery; (5) horizontal directional drilling (HDD) works for subsea cable installation; (6) marine mammal observation (MMO) services; (7) submarine telecommunications cable installation; (8) subsea cable storage and operations & maintenance (O&M); and (9) subsea cable burial and installation services.

Hung Hua Construction Co., Ltd. holds 39.62% of the Company’s outstanding shares, and it is the Company’s ultimate parent company.

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

These financial statements were authorised for issuance by the Board of Directors on March 11, 2026.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment

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

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 - comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards-Volume 11	January 1, 2026

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

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

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

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

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

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

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

4. Summary of Material Accounting Policies

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

(1) Compliance statement

The financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

- A. Except for defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation, the financial statements have been prepared under the historical cost convention.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

(3) Foreign currency translation

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

Foreign currency transactions and balances

- A. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- B. Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

- C. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- D. All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
 - (b) Assets that are held primarily for the purpose of trading;
 - (c) Assets that are expected to be realised within twelve months after the reporting period;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - (a) Liabilities that are expected to be settled in the normal operating cycle;
 - (b) Liabilities that are held primarily for the purpose of trading;
 - (c) Liabilities that are due to be settled within twelve months after the reporting period;
 - (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(5) Cash equivalents

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

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

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

(7) Financial assets at amortised cost

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

(8) Accounts and notes receivable

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

(9) Impairment of financial assets

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

(10) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(11) Leasing arrangements (lessor) – operating leases

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

(12) Inventories

The company classifies spare parts expected to be used within one year, which are intended for use in real estate, plant, and equipment, as inventory. Such inventories were measured at the lower of cost and net realisable value.

(13) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Vessel equipment (excluding generators, lifting equipment, dynamic positioning systems, and thrusters)	2~35 years
Ship docking repair	2~5 years
Generators, lifting equipment, dynamic positioning systems, and thrusters	5~10 years
Other equipment	3~5 years
Leasehold improvements	2~3 years

The aforementioned ship docking repair, generators, lifting equipment, dynamic positioning systems, and thrusters are deemed to be significant components of the vessel equipment.

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

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following: Fixed payments, less any lease incentives receivable.

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

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (a) The amount of the initial measurement of lease liability;
- (b) Any lease payments made at or before the commencement date;
- (c) Any initial direct costs incurred by the lessee; and

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

(15) Impairment of non-financial assets

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

(16) Borrowings

Borrowings comprise long-term and short-term bank borrowings and other long-term loans. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(17) Accounts and notes payable

- A. Accounts payable are liabilities for purchases of raw materials or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(18) Derecognition of financial liabilities

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

(19) Provisions

- A. Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(20) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the fair value per share estimated using a valuation technique specified in IFRS 2, 'Share-based Payment'.

(21) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(22) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(23) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(24) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities.

(25) Revenue recognition

A. Charter hire revenue

The Company's vessel chartering arrangements are accounted for in accordance with IFRS 16 Leases. Charter hire income derived from vessels chartered to customers is classified as operating lease income where substantially all the risks and rewards incidental to ownership of the underlying vessels are retained by the Company, and is recognized over the charter period.

B. Construction service revenue

Over the financial reporting period, the Company recognizes construction service revenue based on the progress towards completion of performance obligations (stage of completion). Customers pay the contract considerations according to the agreed payment milestones. A contract asset is recognized when the services rendered exceed the payments due from the customer; whereas a contract liability is recognized when the payments due from the customer exceed the services rendered by the Company.

C. Catering, accommodation, and housekeeping service revenue

The Company provides catering, accommodation, and housekeeping services on its offshore vessels for the offshore personnel transportation scopes. Revenue is recognized over time as the relevant services are rendered, based on the actual level of services or quantity provided during the financial reporting period.

D. Other service revenue

The Company provides specialized services based on customer requirements, such as vessel maintenance and offshore manpower supply. Revenue is recognized over time as the services are rendered, based on the actual services performed during the financial reporting period.

(26) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises expenses for the related costs for which the grants are intended to compensate.

(27) Operating segments

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

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

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

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

Recognition of construction revenue

The Company recognized revenue from construction services over time by using the percentage of completion method, which is the same method used to calculate the cost incurred during the construction period. The stage of completion is measured by the proportion of contractual costs incurred for work performed to date against the estimated total contractual costs for each contract. The estimation of total contractual costs and contract scope requires significant management's assessment and judgment, taking into consideration the nature of each project, expected subcontracting costs, and the consumption of materials, labor, and overheads. Accordingly, changes in these estimates and assumptions may affect the timing and amount of revenue and profit recognized under each construction contracts.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and revolving funds	\$ 2,185	\$ 4,069
Checking accounts and demand deposits	1,487,440	667,757
Time deposits	201,087	1,048,742
	<u>\$ 1,690,712</u>	<u>\$ 1,720,568</u>

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

B. The Company has no cash pledged to others.

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

<u>Items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Non-current items:		
Equity instruments		
Unlisted stocks	\$ 120,000	\$ -
Valuation adjustment	-	-
	<u>\$ 120,000</u>	<u>\$ -</u>

The Company has elected to classify unlisted stocks that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$120,000 and \$0 as at December 31, 2025 and 2024, respectively.

(3) Financial assets at amortised cost

<u>Items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Restricted deposit	\$ 62,454	\$ 55,431
Time deposits with maturity over three months	30,773	703
	<u>\$ 93,227</u>	<u>\$ 56,134</u>
Non-current items:		
Restricted deposit	<u>\$ 34,444</u>	<u>\$ 36,085</u>

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	<u>2025</u>	<u>2024</u>
Interest income	<u>\$ 3,031</u>	<u>\$ 8,543</u>

B. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was their carrying amounts.

C. Details of the Company's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

(4) Notes and accounts receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes receivable	\$ -	\$ 9,977
Accounts receivable	1,632,084	844,067
Less: Allowance for uncollectible accounts	(1,024)	(391)
	<u>\$ 1,631,060</u>	<u>\$ 853,653</u>

A. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 1,176,070	\$ -	\$ 692,473	\$ 9,977
Up to 90 days	<u>456,014</u>	<u>-</u>	<u>151,594</u>	<u>-</u>
	<u>\$ 1,632,084</u>	<u>\$ -</u>	<u>\$ 844,067</u>	<u>\$ 9,977</u>

The above ageing analysis was based on past due date.

- B. As of December 31, 2025 and 2024, accounts receivable was all from contracts with customers. And as of January 1, 2024, the balance of receivables from contracts with customers amounted to \$1,390,968.
- C. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's accounts receivable was their carrying amounts
- D. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Inventories

	December 31, 2025		
	Cost	Allowance for inventory valuation losses	Book value
Supplies	<u>\$ 13,653</u>	<u>\$ -</u>	<u>\$ 13,653</u>
	December 31, 2024		
	Cost	Allowance for inventory valuation losses	Book value
Supplies	<u>\$ 12,460</u>	<u>\$ -</u>	<u>\$ 12,460</u>

The cost recognised for the year:

	Year ended December 31	
	2025	2024
Charter hire and other costs	\$ 7,351,227	\$ 4,720,224
Construction cost	512,335	287,772
	<u>\$ 7,863,562</u>	<u>\$ 5,007,996</u>

(6) Prepayments

	December 31, 2025	December 31, 2024
Prepayments to suppliers	\$ 156,362	\$ 57,358
Prepayments for constructions	411,146	-
Prepaid expenses	8,851	11,711
Others	1,584	1,167
	<u>\$ 577,943</u>	<u>\$ 70,236</u>

Prepayments to suppliers mainly arise from prepayments for charter hire and submarine cables of offshore construction.

Prepayments for constructions mainly arise from the involvement in marine construction projects.

(7) Property, plant and equipment

	2025			
	Vessel equipment	Other equipment	Leasehold improvements	Total
	Lease	Owner-occupied	Owner-occupied	
At January 1				
Cost	\$ 4,529,979	\$ 14,241	\$ 8,729	\$ 4,552,949
Accumulated depreciation	(628,177)	(7,071)	(1,495)	(636,743)
	<u>\$ 3,901,802</u>	<u>\$ 7,170</u>	<u>\$ 7,234</u>	<u>\$ 3,916,206</u>
Opening net book amount as at January 1	\$ 3,901,802	\$ 7,170	\$ 7,234	\$ 3,916,206
Additions	738,355	17,589	31,173	787,117
Disposals (cost)	(130,714)	-	(297)	(131,011)
Disposals (accumulated depreciation)	26,078	-	297	26,375
Depreciation expense	(282,959)	(3,824)	(3,328)	(290,111)
Closing net book amount as at December 31	<u>\$ 4,252,562</u>	<u>\$ 20,935</u>	<u>\$ 35,079</u>	<u>\$ 4,308,576</u>
At December 31				
Cost	\$ 5,137,620	\$ 31,830	\$ 39,605	\$ 5,209,055
Accumulated depreciation	(885,058)	(10,895)	(4,526)	(900,479)
	<u>\$ 4,252,562</u>	<u>\$ 20,935</u>	<u>\$ 35,079</u>	<u>\$ 4,308,576</u>
	2024			
	Vessel equipment	Other equipment	Leasehold improvements	Total
	Lease	Owner-occupied	Owner-occupied	
At January 1				
Cost	\$ 4,151,322	\$ 11,219	\$ 1,670	\$ 4,164,211
Accumulated depreciation	(364,501)	(4,685)	(907)	(370,093)
	<u>\$ 3,786,821</u>	<u>\$ 6,534</u>	<u>\$ 763</u>	<u>\$ 3,794,118</u>
Opening net book amount as at January 1	\$ 3,786,821	\$ 6,534	\$ 763	\$ 3,794,118
Additions	378,657	3,022	7,059	388,738
Depreciation expense	(263,676)	(2,386)	(588)	(266,650)
Closing net book amount as at December 31	<u>\$ 3,901,802</u>	<u>\$ 7,170</u>	<u>\$ 7,234</u>	<u>\$ 3,916,206</u>
At December 31				
Cost	\$ 4,529,979	\$ 14,241	\$ 8,729	\$ 4,552,949
Accumulated depreciation	(628,177)	(7,071)	(1,495)	(636,743)
	<u>\$ 3,901,802</u>	<u>\$ 7,170</u>	<u>\$ 7,234</u>	<u>\$ 3,916,206</u>

Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(8) Leasing arrangements – lessee

- A. The Company leases various assets including buildings, transportation equipment, business vehicles and wharf. Rental contracts are typically made for periods of 1 to 10 year(s). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise vessels, temporary offices and parking spaces. Low-value assets comprise printers.
- C. The carrying amount of right-of-use assets and the depreciation expense are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land-wharf	\$ 6,538	\$ 7,404
Buildings	31,075	9,781
Transportation equipment	7,496	8,162
Bareboat chartered vessels	281,989	-
Other equipment-wharf	24,776	28,026
	<u>\$ 351,874</u>	<u>\$ 53,373</u>

	<u>Year ended December 31</u>	
	<u>2025</u>	<u>2024</u>
	<u>Depreciation expense</u>	<u>Depreciation expense</u>
Land-wharf	\$ 831	\$ 841
Buildings	6,809	3,786
Transportation equipment	5,011	4,091
Bareboat chartered vessels	41,110	-
Other equipment-wharf	3,147	3,173
	<u>\$ 56,908</u>	<u>\$ 11,891</u>

- D. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$355,592 and \$6,774, respectively.

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

	Year ended December 31	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 8,840	\$ 1,471
Expense on short-term lease contracts	\$ 3,730,682	\$ 2,745,069
Expense on leases of low-value assets	\$ 259	\$ 320
Gain on lease modification	\$ -	\$ 4

F. For the years ended December 31, 2025 and 2024, the Company's total cash outflow for leases were \$3,792,704 and \$2,758,152, respectively.

(9) Other non-current assets

	December 31, 2025	December 31, 2024
Prepayments for equipment	\$ 6,269,224	\$ 1,186,021
Guarantee deposits paid	26,894	10,655
Others	-	17
	<u>\$ 6,296,118</u>	<u>\$ 1,196,693</u>

A. Prepayments for equipment mainly arise from the newly constructed vessel equipment and vessel equipment improvements. Details of capital expenditure contracted for at the balance sheet date but not yet incurred are provided in Note 9(2).

B. Amount of borrowing costs capitalised as part of prepayments for equipment and the range of the interest rates for such capitalisation are as follows:

	Year ended December 31	
	2025	2024
Amount capitalised	\$ 22,350	\$ -
Range of the interest rates for capitalisation	2.28%~2.45%	-

(10) Other payables

	December 31, 2025	December 31, 2024
Wages and salaries payable	\$ 87,913	\$ 73,183
VAT payable	51,457	26,420
Employees' compensation payable	25,206	17,535
Vessel operating expenses payable	19,466	32,860
Maintenance fees payable	17,784	2,484
Payable on machinery and equipment	10,315	620
Insurance payable	8,219	5,244
Service fees payable	6,412	3,992
Others	29,641	28,029
	<u>\$ 256,413</u>	<u>\$ 190,367</u>

(11) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2025</u>
Long-term bank borrowings				
Secured borrowings	Borrowing period is from December 30, 2022 to December 30, 2029; interest is repayable monthly; principal is repayable in quarterly installments in the amount of \$36,488 thousand.	2.23%~2.28 %	Pledged deposits and vessel equipment	\$ 887,870
Secured borrowings	Borrowing period is from April 18, 2022 to April 18, 2026; interest is repayable monthly; principal is repayable in quarterly installments in the amount of \$25,000 thousand.	2.37%	Pledged deposits and vessel equipment	299,000
Secured borrowings	Borrowing period is from December 30, 2021 to June 30, 2027; interest is repayable monthly; principal is repayable in semi-annual installments in the amount of \$14,545 thousand.	2.37%	Pledged deposits and vessel equipment	43,636
Secured borrowings	Borrowing period is from March 13, 2025 to March 13, 2030 with a grace period of 1 year; interest is repayable monthly; principal is repayable in quarterly installments in the amount of \$1,500 thousand.	2.28%	Pledged deposits and vessel equipment	50,000
Unsecured borrowings	Borrowing period is from January 2, 2025 to January 2, 2028; interest is repayable monthly; principal is repayable at maturity.	2.28%	NA	479,200
Unsecured borrowings	Borrowing period is from April 8, 2025 to October 8, 2027; interest is repayable monthly; principal is repayable at maturity.	2.45%	NA	640,000
				<u>2,399,706</u>
Less: Current portion of long-term borrowings				(478,542)
				<u>\$ 1,921,164</u>

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2024</u>
Long-term bank borrowings				
Secured borrowings	Borrowing period is from December 30, 2022 to December 30, 2029; interest is repayable monthly; principal is repayable quarterly installments in the amount of \$36,488 thousand.	2.10%~ 2.28%	Pledged deposits and vessel equipment	\$ 1,033,821
Secured borrowings	Borrowing period is from April 18, 2022 to April 18, 2026; interest is repayable monthly; principal is repayable in quarterly installments in the amount of \$25,000 thousand.	2.25%~ 2.37%	Pledged deposits and vessel equipment	399,000
Secured borrowings	Borrowing period is from December 30, 2021 to June 30, 2027; interest is repayable monthly; principal is repayable in semi-annual installments in the amount of \$14,545 thousand.	2.25%~ 2.37%	Pledged deposits and vessel equipment	72,727
				\$ 1,505,548
Less: Current portion of long-term borrowings				(275,042)
				<u>\$ 1,230,506</u>

(12) Pensions

A. (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations (\$	1,482)	(\$ 2,688)
Fair value of plan assets	<u>1,072</u>	<u>659</u>
Net defined benefit liability	<u>(\$ 410)</u>	<u>(\$ 2,029)</u>

(c) Movements in net defined benefit liabilities are as follows:

	<u>2025</u>		
	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
At January 1	(\$ 2,688)	\$ 659	(\$ 2,029)
Current service cost	(1,234)	-	(1,234)
Interest (expense) income	(48)	14	(34)
	<u>(3,970)</u>	<u>673</u>	<u>(3,297)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	13	13
Change in demographic assumptions	1,524	-	1,524
Change in financial assumptions	(173)	-	(173)
Experience adjustments	<u>1,137</u>	<u>-</u>	<u>1,137</u>
	<u>2,488</u>	<u>13</u>	<u>2,501</u>
Pension fund contribution	<u>-</u>	<u>386</u>	<u>386</u>
At December 31	<u>(\$ 1,482)</u>	<u>\$ 1,072</u>	<u>(\$ 410)</u>

	2024		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 970)	\$ 145	(\$ 825)
Current service cost	(1,072)	-	(1,072)
Interest (expense) income	(14)	3	(11)
Past service cost	(1,504)	-	(1,504)
	<u>(3,560)</u>	<u>148</u>	<u>(3,412)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	7	7
Change in demographic assumptions	124	-	124
Change in financial assumptions	120	-	120
Experience adjustments	628	-	628
	<u>872</u>	<u>7</u>	<u>879</u>
Pension fund contribution	-	504	504
At December 31	<u>(\$ 2,688)</u>	<u>\$ 659</u>	<u>(\$ 2,029)</u>

- (d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2025 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Year ended December 31	
	2025	2024
Discount rate	1.55%	1.80%
Future salary increases	2.00%	2.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2025</u>				
Effect on present value of defined benefit obligation	(\$ 85)	\$ 90	\$ 90	(\$ 85)
<u>December 31, 2024</u>				
Effect on present value of defined benefit obligation	(\$ 148)	\$ 157	\$ 157	(\$ 148)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2026 amount to \$435.

(g) As of December 31, 2025, the weighted average duration of the retirement plan is 23 years. The analysis of timing of the future pension payment was as follows:

Over 5 years	\$ 2,151
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B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2025 and 2024, were \$13,855 and \$10,075, respectively.

(13) Share-based payment

A. For the years ended December 31, 2025 and 2024, the Company's share-based payment arrangements were as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract period</u>	<u>Vesting conditions</u>
Employee stock options (1)-A	2024.02.22	2500	-	Vested immediately
Employee stock options (1)-B	2024.05.15	2500	5 years	Note
Cash capital increase reserved for employee preemption	2025.11.13	887	-	Vested immediately

Note: The vesting conditions are that 25%, 50%, 75% and 100% of the employee stock options can be exercised after 1 year, 2 years, 3 years and 4 years from the grant date.

The share-based payment arrangements above are settled by equity.

B. Details of the share-based payment arrangements are as follows:

	<u>2025</u>	
	<u>No. of options (in thousands)</u>	<u>Weighted-average exercise price (in dollars)</u>
<u>Employee stock options (1)</u> (same as options outstanding at December 31)	<u>2,495</u>	\$ 26.00
Options exercisable at December 31	<u>624</u>	-

	<u>2025</u>	
	<u>No. of options (in thousands)</u>	<u>Weighted-average exercise price (in dollars)</u>
<u>Cash capital increase reserved for employee preemption</u>		
Options outstanding at January 1	-	\$ -
Options granted	887	168.00
Options exercised	(887)	168.00
Options outstanding at December 31	<u>-</u>	-

	<u>2024</u>	
	<u>No. of options (in thousands)</u>	<u>Weighted-average exercise price (in dollars)</u>
<u>Employee stock options (1)</u>		
Options outstanding at January 1	-	\$ -
Options granted	5,000	21.00
Options exercised	(2,500)	16.00
Options expired	(5)	26.00
Options outstanding at December 31	<u>2,495</u>	26.00
Options exercisable at December 31	<u>-</u>	26.00

C. The expiry date and exercise price of stock options outstanding at balance sheet date are as follows:

		December 31, 2025	
Issue date approved	Expiry date	No. of shares (in thousands)	Exercise price (in dollars)
2024.02.22	2025.02.21	2,500	\$ 16.00
2024.05.15	2029.05.14	2,495	26
2025.11.13	2025.11.13	-	168

		December 31, 2024	
Issue date approved	Expiry date	No. of shares (in thousands)	Exercise price (in dollars)
2024.02.22	2025.02.21	2,500	\$ 16
2024.05.15	2029.05.14	2,500	26

D. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Exercise price (in dollars)	Expected price volatility (Note)	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock options (1)-A	2024.02.22	16.00	44.08%	0.50 year	1.8%	1.04%	35.33
Employee stock options (1)-B	2024.05.15	26.00	64.60%	3.75 years	1.8%	1.44%	28.53
Cash capital increase reserved for employee preemption	2025.11.13	168.00	44.87%	0.003 years	0.0%	1.22%	2.4449

Note: Expected price volatility rate was estimated using the historical closing price of the most recent period in the same industry with length of this period approximate to the length of the stock options' expected life as the stock price, and the annualised standard deviation of return on the stock during this period.

E. Expenses incurred on share-based payment transactions are shown below:

	Year ended December 31	
	2025	2024
Equity-settled	\$ 27,826	\$ 111,474

(14) Share capital

A. As of December 31, 2025, the Company's authorised capital was \$2,000,000, consisting of 200,000 thousand shares of ordinary stock (including employee stock options, preferred shares with warrants and corporate bonds with warrants), and the paid-in capital was \$1,753,614 with a par value of NT\$10 (in dollars) per share. All proceeds from shares issued have been collected.

B. Movements in the number of the Company's ordinary shares outstanding (in thousands) are as follows:

	2025	2024
At January 1	156,561	149,944
Cash capital increase	18,800	4,117
Employee stock options exercised	-	2,500
At December 31	<u>175,361</u>	<u>156,561</u>

In order to cooperate with the initial listing on the Taipei Exchange, the Board of Directors of the Company during its meeting on October 23, 2025 resolved to increase the Company's capital by issuing 18,800 thousand ordinary shares. The aforementioned capital increase of ordinary shares included public underwriting, competitive auction and employee subscription for 16,920 thousand and 1,880 thousand shares, respectively. In addition, the shares for public underwriting and employee subscription were issued at a premium price of NT\$168 (in dollars) per share; while the shares for competitive auction were issued at a premium price of NT\$168.59 (in dollars) per share based on the weighted average winning bid. The effective date of the capital increase was set on November 14, 2025 with a total amount of capital increase amounting to \$3,166,323 thousand. All the proceeds from the shares issued had been collected, and the registration for the change was completed on December 11, 2025. Furthermore, details of the compensation costs recognised for the cash capital increase reserved for employee preemption are provided in Note 6(13), 'Share-based payments'.

On June 12, 2024, the Company's Board of Directors resolved to increase its capital by \$349,945 through issuing 4,117 thousand new shares with a par value of NT\$10 (in dollars) per share. The capital increase was set effective on July 19, 2024. As of December 31, 2025, the Company had collected the proceeds from shares amounting to \$349,945 and the registration had been completed on August 29, 2024.

On July 17, 2024, the issuance of new shares through employee stock options was set effective on July 19, 2024 as resolved by the Company's Board of Directors. The subscription price amounted to NT\$16 (in dollars) per share. The number of exercised shares was 2,500 thousand shares. The total proceeds from shares which had been collected amounted to \$40,000 and the registration had been completed on August 29, 2024.

(15) Retained earnings

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2025			
	Share premium	Employee stock options	Other	Total
At January 1	\$ 1,104,776	\$ 22,973	\$ -	\$ 1,127,749
Compensation costs of employee stock options	2,168	25,658	-	27,826
Employee stock options exercised	-	-	-	-
Cash capital increase	2,978,323	-	-	2,978,323
Exercise the right of reclamation	-	-	214	214
At December 31	<u>\$ 4,085,267</u>	<u>\$ 48,631</u>	<u>\$ 214</u>	<u>\$ 4,134,112</u>

	2024		
	Share premium	Employee stock options	Total
At January 1	\$ 692,500	\$ -	\$ 692,500
Compensation costs of employee stock options	-	111,474	111,474
Employee stock options exercised	103,501	(88,501)	15,000
Cash capital increase	<u>308,775</u>	<u>-</u>	<u>308,775</u>
At December 31	<u>\$ 1,104,776</u>	<u>\$ 22,973</u>	<u>\$ 1,127,749</u>

(16) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. The remainder, if any, to be retained or to be appropriated shall be resolved by the stockholders at the stockholders' meeting.

B. The Company's dividend policy is summarised below:

Considering that the Company is currently in the stage of corporate growth, the dividend policy is based on the different business development stage, profit situation, future investment and operating plans and changes in the industrial environment as well as shareholders' interest and the Company's long-term general plans. Dividends shall be appropriately distributed in the form of cash or stock. The ratio of cash dividends shall account for at least 10% of the total dividends distributed. However, the distribution types and ratio of the abovementioned earnings may be purposed by the Board of Directors based on the actual net income and funds status and be resolved by the shareholders.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. The appropriations of 2024 and 2023 earnings as resolved by the shareholders on June 30, 2025 and June 28, 2024, are as follows:

	Year ended December 31			
	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 123,421		\$ 98,833	
Cash dividends	313,123	\$ 2.00	149,944	\$ 1.00
	<u>\$ 436,544</u>		<u>\$ 248,777</u>	

E. As of March 11, 2026, the appropriations of 2025 earnings have not been resolved by the Company's Board of Directors.

(17) Operating revenue

	Year ended December 31	
	2025	2024
Charter hire revenue	\$ 7,542,007	\$ 5,684,550
Revenue from contracts with customers	2,918,821	1,133,807
	<u>\$ 10,460,828</u>	<u>\$ 6,818,357</u>

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of services over time in the following:

	Year ended December 31	
	2025	2024
Timing of revenue recognition		
Over time		
-Construction revenue	\$ 572,727	\$ 303,180
-Catering, accommodation, and housekeeping services	361,101	160,061
-Other income		
-Equipment utilisation services	1,300,333	391,266
-Other services	684,660	279,300
	<u>\$ 2,918,821</u>	<u>\$ 1,133,807</u>

B. Contract assets and liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Current contract assets:			
Contract assets- construction contract	<u>\$ 3,179</u>	<u>\$ 1,691</u>	<u>\$ -</u>
Current contract liabilities:			
Contract liabilities- construction contract	<u>\$ 366,404</u>	<u>\$ 87,313</u>	<u>\$ 14,126</u>

C. Revenue recognised that was included in the contract liability balance at the beginning of the year

	Year ended December 31	
	2025	2024
Advance sales receipts	<u>\$ 66,584</u>	<u>\$ 14,126</u>

D. Unfulfilled long-term construction contracts

The transaction price of the long-term construction contracts that are partially unsatisfied as at December 31, 2025 and 2024, amounted to \$2,346,758 and \$2,285,339, respectively. Management expects that the transaction price of the unsatisfied contracts as of December 31, 2025 and 2024, will be recognised as revenue amounting to \$1,993,127 and \$672,983, respectively, during the next reporting period.

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

	December 31, 2025	December 31, 2024
First year	\$ 2,863,902	\$ 3,509,469
Second year	1,742,907	1,033,950
Third year	2,309,751	1,238,890
Fourth year	1,366,956	423,400
Fifth year	1,366,956	423,400
	<u>\$ 9,650,472</u>	<u>\$ 6,629,109</u>

(18) Interest income

	Year ended December 31	
	2025	2024
Interest income from bank deposits	\$ 52,698	\$ 26,688
Interest income from financial assets measured at amortised cost	3,031	8,543
	<u>\$ 55,729</u>	<u>\$ 35,231</u>

(19) Other income

	Year ended December 31	
	2025	2024
Government grants revenue	\$ 3,044	\$ 103
Other income, others	-	1,308
	<u>\$ 3,044</u>	<u>\$ 1,411</u>

(20) Other gains and losses

	Year ended December 31	
	2025	2024
Gains on disposals of property, plant and equipment	\$ 23,779	\$ -
Foreign exchange (losses) gains	(77,218)	29,866
Gains arising from lease modifications	-	4
Others	(2,534)	(189)
	<u>(\$ 55,973)</u>	<u>\$ 29,681</u>

(21) Financial costs

	Year ended December 31	
	2025	2024
Interest expense:		
Bank borrowings	\$ 41,121	\$ 37,815
Other long-term borrowings	-	210
Lease liabilities	8,840	1,471
Others	140	2
	<u>\$ 50,101</u>	<u>\$ 39,498</u>

(22) Expenses by nature

	Year ended December 31	
	2025	2024
Employee benefit expense	\$ 487,268	\$ 442,807
Depreciation on property, plant and equipment	290,111	266,650
Depreciation on right-of-use assets	56,908	11,891
	<u>\$ 834,287</u>	<u>\$ 721,348</u>

(23) Employee benefit expense

	Year ended December 31	
	2025	2024
Wages and salaries	\$ 392,989	\$ 282,240
Employee stock options	27,826	111,474
Labour and health insurance fees	27,092	19,128
Pension costs	15,123	12,662
Other personnel expenses	24,238	17,303
	<u>\$ 487,268</u>	<u>\$ 442,807</u>

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall be 1% to 3% for employees' compensation, of which at least 5% of total amount of employees' compensation shall be set aside for non-managerial employees, and shall not be higher than 3% for directors' and supervisors' remuneration.

B. For the years ended December 31, 2025 and 2024, employees' compensation was accrued at \$24,983 and \$17,312, respectively; while directors' and supervisors' remuneration was accrued at \$2,271 and \$1,102, respectively. The amounts were recognised in salary expenses.

The employees' compensation and directors' and supervisors' remuneration for the year ended December 31, 2025 were estimated and accrued based on 1.1% and 0.1% of distributable profit of current year as of the end of reporting period.

For 2024, the employees' compensation and directors' and supervisors' remuneration resolved at the meeting of Board of Directors amounted to \$17,566 and \$1,117, respectively. The difference of \$269 between employees' compensation of \$17,566 and directors' and supervisors' remuneration of \$1,117 as resolved by the Board of Directors and the amounts of \$17,312 and \$1,102 recognised in the 2024 financial statements had been adjusted in the profit or loss of 2025.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(24) Income tax

A. (a) Income tax expense

	Year ended December 31	
	2025	2024
Current tax:		
Current tax on profits for the year	\$ 450,869	\$ 295,470
Tax on undistributed surplus earnings	39,883	36,977
Prior year income tax overestimation	(11,783)	(3,681)
Total current tax	<u>\$ 478,969</u>	<u>\$ 328,766</u>
Deferred income tax:		
Origination and reversal of temporary differences	(1,997)	11,566
Income tax expense	<u>\$ 476,972</u>	<u>\$ 340,332</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Year ended December 31	
	2025	2024
Remeasurement of defined benefit obligations	<u>(\$ 500)</u>	<u>(\$ 177)</u>

(c) Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2025	2024
Tax calculated based on profit before tax and statutory tax rate	\$ 448,790	\$ 311,084
Expenses disallowed by tax regulation	82	40
Temporary differences not recognised as deferred tax assets	- (4,088)
Prior year income tax overestimation	(11,783)	(3,681)
Tax on undistributed earnings	39,883	36,977
Income tax expense	<u>\$ 476,972</u>	<u>\$ 340,332</u>

B. Amounts of deferred income tax assets or liabilities as a result of temporary differences are as follows:

	2025			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred income tax assets:				
-Temporary differences:				
Unused compensated absences	\$ 212	\$ 73	\$ -	\$ 285
Pensions	241	341	(500)	82
Unrealised sales discounts and allowances	1,170	12,010	-	13,180
	<u>\$ 1,623</u>	<u>\$ 12,424</u>	<u>(\$ 500)</u>	<u>\$ 13,547</u>
-Deferred income tax liabilities:				
Unrealised exchange gain	(15,682)	(10,427)	-	(26,109)
	<u>(\$ 14,059)</u>	<u>\$ 1,997</u>	<u>(\$ 500)</u>	<u>(\$ 12,562)</u>
	2024			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred income tax assets:				
-Temporary differences:				
Unused compensated absences	\$ 333	(\$ 121)	\$ -	\$ 212
Pensions	165	253	(177)	241
Unrealised sales discounts and allowances	2,488	(1,318)	-	1,170
	<u>\$ 2,986</u>	<u>(\$ 1,186)</u>	<u>(\$ 177)</u>	<u>\$ 1,623</u>
-Deferred income tax liabilities:				
Unrealised exchange gain	(5,302)	(10,380)	-	(15,682)
	<u>(\$ 2,316)</u>	<u>(\$ 11,566)</u>	<u>(\$ 177)</u>	<u>(\$ 14,059)</u>

C. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

(25) Earnings per share

	Year ended December 31, 2025		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 1,766,980</u>	<u>\$ 159,034</u>	<u>\$ 11.11</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	1,766,980	159,034	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	2,098	
Employees' compensation	<u>-</u>	<u>262</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,766,980</u>	<u>161,394</u>	<u>\$ 10.95</u>
	Year ended December 31, 2024		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 1,215,089</u>	<u>\$ 152,946</u>	<u>\$ 7.94</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	1,215,089	152,946	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	933	
Employees' compensation	<u>-</u>	<u>293</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,215,089</u>	<u>154,172</u>	<u>\$ 7.88</u>

(26) Supplemental cash flow information

Investing activities with partial cash payments

	Year ended December 31	
	2025	2024
Purchase of property, plant and equipment	\$ 787,117	\$ 388,738
Less: Opening balance of prepayments for equipment	(1,186,021)	(204,734)
Add: Ending balance of prepayments for equipment	6,269,224	1,186,021
Add: Opening balance of payable on equipment	620	-
Less: Ending balance of payable on equipment	(10,315)	(620)
Less: Capitalised interest payments	(22,350)	-
Cash paid during the year	<u>\$ 5,838,275</u>	<u>\$ 1,369,405</u>

Prepayments for equipment were shown as other non-current assets.

(27) Changes in liabilities from financing activities

	2025			Liabilities from financing activities-gross
	Long-term borrowings	Lease liabilities		
At January 1	\$ 1,505,548	54,383		1,559,931
Changes in cash flow from financing activities	894,158	(52,923)		841,235
Changes in other non-cash items	-	355,409		355,409
At December 31	<u>\$ 2,399,706</u>	<u>\$ 356,869</u>		<u>\$ 2,756,575</u>

	2024			
	Short-term borrowings	Long-term borrowings	Lease liabilities	Liabilities from financing activities-gross
At January 1	\$ 80,000	\$ 1,845,992	58,936	1,984,928
Changes in cash flow from financing activities	(80,000)	(340,444)	(11,292)	(431,736)
Changes in other non-cash items	-	-	6,739	6,739
At December 31	<u>\$ -</u>	<u>\$ 1,505,548</u>	<u>\$ 54,383</u>	<u>\$ 1,559,931</u>

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Hung Hua Construction Co., Ltd.	The Company's parent company
Jung Hsing Marine Construction Co., Ltd.	Other related party
Po-Lin Chen	The Company's chairman
Chung-Pang Chen	The Company's director
Tsung-Hsing Chen	Lineal relative of the Company's chairman
Hang-Chuan Chen	Other related party

(2) Significant related party transactions

A. Operating revenue

	Year ended December 31	
	2025	2024
Charter hire revenue		
Hung Hua Construction Co., Ltd.	\$ -	\$ 7,980
Other operating revenue:		
Hung Hua Construction Co., Ltd.	-	3,280
	\$ -	\$ 11,260

The Company's sales prices to related parties are the same as those of general customers. The credit terms are 45 to 60 days after the invoice date. For general customers, the credit terms are 30 to 60 days after the invoice date.

The Company's other operating revenue from related parties mainly pertains to vessel maintenance.

B. Purchases and other operating costs

	Year ended December 31	
	2025	2024
Charter hire cost		
Hung Hua Construction Co., Ltd.	\$ 56,601	\$ 67,803
Jung Hsing Marine Construction Co., Ltd.	6,205	7,022
Construction cost		
Hung Hua Construction Co., Ltd.	125,611	52,249
Jung Hsing Marine Construction Co., Ltd.	-	132
Other operating costs:		
Hung Hua Construction Co., Ltd.	-	196
Jung Hsing Marine Construction Co., Ltd.	39	542
	\$ 188,456	\$ 127,944

The Company's purchase prices for charter hire cost and construction cost from related parties are the same as those of general suppliers. The payment terms are 60 days after the invoice date. For general suppliers, the payment terms are 30 to 60 days after the invoice date.

The Company's other operating costs from related parties mainly arise from general affairs expenditure such as vessel repair and maintenance expense and transportation expense.

C. Receivables from related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other receivables: (shown as 'other current assets')		
Hung Hua Construction Co., Ltd.	<u>\$ -</u>	<u>\$ 6</u>

Other receivables pertain to payments of transportation expenses on behalf of related parties.

D. Payables to related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts payable:		
Hung Hua Construction Co., Ltd.	\$ 1,965	\$ 10,222
Jung Hsing Marine Construction Co., Ltd.	<u>1,063</u>	<u>1,062</u>
	<u>3,028</u>	<u>11,284</u>
Other payables:		
Hung Hua Construction Co., Ltd.	<u>-</u>	<u>158</u>
	<u>\$ 3,028</u>	<u>\$ 11,442</u>

Accounts payable to related parties mainly arise from construction and charter hire payments. The payables bear no interest.

Other payables mainly arise from office rent and repair and maintenance expense.

E. Advance receipts

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
CHEN, HANG-CHUAN	<u>\$ -</u>	<u>\$ 313</u>

F. For the years ended December 31, 2025, the borrowings from financial institutions and non-financial institutions were jointly guaranteed by Po-Lin Chen.

For the years ended December 31, 2024, the borrowings from financial institutions and non-financial institutions were jointly guaranteed by Po-Lin Chen, Chung-Pang Chen and Tsung-Hsing Chen.

G. Operating expenses

	Year ended December 31	
	2025	2024
Hung Hua Construction Co., Ltd.	\$ 300	\$ 1,800

Operating expenses mainly arise from office rent expense.

H. Other income

	Year ended December 31	
	2025	2024
Hung Hua Construction Co., Ltd.	\$ -	\$ 60

(3) Key management compensation

	Year ended December 31	
	2025	2024
Short-term employee benefits	\$ 58,279	\$ 41,312
Post-employment benefits	294	202
Share-based payment	21,801	101,332
	<u>\$ 80,374</u>	<u>\$ 142,846</u>

8. Pledged Assets

The Company's assets pledged as collateral are as follows:

Pledged asset	Book value		Purpose
	December 31, 2025	December 31, 2024	
Restricted bank deposits (shown as current financial assets at amortised cost)	\$ 62,454	\$ 55,431	Short-term borrowings and performance guarantee
Restricted bank deposits (shown as non-current financial assets at amortised cost)	34,444	36,085	Long-term borrowings
Property, plant and equipment - vessel equipment	3,183,967	3,373,464	Long-term borrowings
	<u>\$ 3,280,865</u>	<u>\$ 3,464,980</u>	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies:

None.

(2) Commitments:

A. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Property, plant and equipment	\$ 10,738,082	\$ 3,847,578

It mainly pertains to newly constructed vessel equipment and vessel equipment improvements. The amount that had been paid is provided in Note 6(9), Prepayments for equipment.

B. As of December 31, 2025 and 2024, the performance letters of guarantee issued by the Company for performance of construction projects amounted to \$451,767 and \$453,640, respectively.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

The Board of Directors of the Company during its meeting on March 11, 2026 resolved to increase the Company's capital within the limit of 4,500 thousand shares based on the market conditions and the Company's needs.

12. Others

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets at amortised cost	\$ 3,484,448	\$ 2,677,640
<u>Financial liabilities</u>		
Financial liabilities at amortised cost	\$ 4,136,718	\$ 2,370,390
Lease liabilities	\$ 356,869	\$ 54,383

Note: Financial assets at amortised cost include cash and cash equivalents, financial assets at amortised cost (current and non-current), notes receivable, accounts receivable (including related parties), other receivables (including related parties) and guarantee deposits paid. Financial liabilities at amortised cost include short-term borrowings, notes payable, accounts payable (including related parties), other payables (including related parties) and long-term borrowings (including current portion).

B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.
- (b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as use of foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2025		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 18,686	31.43	\$ 587,301
EUR:NTD	32,129	36.90	1,185,560
SGD:NTD	465	24.45	11,369
			<u>\$ 1,784,230</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 10,427	31.43	\$ 327,721
EUR:NTD	28,630	36.90	1,056,447
SGD:NTD	628	24.45	15,355
			<u>\$ 1,399,523</u>

				December 31, 2024		
				Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$	22,900		32.83	\$	751,807
EUR:NTD		31,651		34.35		1,087,212
SGD:NTD		874		24.23		21,177
NOK:NTD		74,500		2.87		213,815
RMB:NTD		305		4.50		1,373
						<u>\$ 2,075,384</u>
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	\$	13,944		32.83	\$	457,782
EUR:NTD		3,065		34.35		105,283
SGD:NTD		153		24.23		3,707
RMB:NTD		-		-		-
						<u>\$ 566,772</u>

- ii. The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2025 and 2024, amounted to (\$77,218) and \$29,866, respectively.

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

Year ended December 31, 2025					
Sensitivity analysis					
	Degree of variation		Effect on profit or loss		comprehensive income
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	1%	\$	4,698	\$	-
EUR:NTD	1%		9,484		-
SGD:NTD	1%		91		-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	1%	\$	2,622	\$	-
EUR:NTD	1%		8,452		-
SGD:NTD	1%		123		-

Year ended December 31, 2024					
Sensitivity analysis					
	Degree of variation		Effect on profit or loss		comprehensive income
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	1%	\$	6,014	\$	-
EUR:NTD	1%		8,698		-
SGD:NTD	1%		169		-
NOK:NTD	1%		1,711		-
RMB:NTD	1%		11		-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	1%	\$	3,662	\$	-
EUR:NTD	1%		842		-
SGD:NTD	1%		30		-

Cash flow and fair value interest rate risk

- i. The Company's main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 2025 and 2024, the Company's borrowings at variable rate were mainly denominated in New Taiwan dollars.
- ii. If the borrowing interest rate of New Taiwan dollars had increased/decreased by 1% with all other variables held constant, profit, net of tax for the years ended December 31, 2025 and 2024 would have increased/decreased by \$19,198 and \$12,044, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The Company manages their credit risk taking into consideration the entire company's concern. According to the Company's credit policy, the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.
- iii. The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.
- iv. The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The Company applies the modified approach using a provision matrix to estimate the expected credit loss in accordance with customer types.

	2025	2024
At January 1	\$ 391	\$ -
Provision for impairment	633	461
Write-offs	-	(70)
At December 31	<u>\$ 1,024</u>	<u>\$ 391</u>

- vi. The Company used the forecastability to adjust historical and timely information to assess the default possibility of contract assets, accounts and notes receivable. On December 31, 2025 and 2024, the provision matrix is as follows:

	Up to 90 days		Total
	Not past due	past due	
<u>At December 31, 2025</u>			
Expected loss rate	0.06%	0.06%	
Total book value	\$ 1,179,249	\$ 456,014	\$ 1,635,263
Loss allowance	\$ 739	\$ 285	\$ 1,024

	Up to 90 days		Total
	Not past due	past due	
<u>At December 31, 2024</u>			
Expected loss rate	0.06%	0.06%	
Total book value	\$ 704,141	\$ 151,594	\$ 855,735
Loss allowance	\$ 300	\$ 91	\$ 391

(c) Liquidity risk

- i. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. Company treasury invests surplus cash in interest bearing current accounts, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As at December 31, 2025 and 2024, the Company held money market position of \$1,688,527 and \$1,716,499, respectively, that are expected to readily generate cash inflows for managing liquidity risk.
- iii. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2025	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<u>Non-derivative financial liabilities:</u>				
Lease liabilities	\$ 75,855	\$ 69,960	\$ 171,840	\$ 68,251
Long-term borrowings (including current portion)	525,000	209,701	1,378,948	471,609

December 31, 2024	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<u>Non-derivative financial liabilities:</u>				
Lease liabilities	\$ 13,097	\$ 11,854	\$ 16,092	\$ 17,188
Long-term borrowings (including current portion)	303,957	494,017	825,901	-

Except for the above, the Company's non-derivative financial liabilities mature within 1 year.

(3) Fair value information

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

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

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

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

Except for financial instruments not measured at fair value, the carrying amounts of financial instruments, including cash and cash equivalents, notes receivable, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, notes payable, accounts payable, other payables and long-term borrowings (including current portion), are approximate to their fair values.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2025 and 2024 are as follows:

(a) The related information of natures of the assets and liabilities is as follows:

(there were no such transactions as of December 31, 2024)

December 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Equity securities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ 120,000</u>

- (b) The methods and assumptions the Company used to measure fair value are as follows:
- i. The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed shares. The Company uses the closing price as market quoted prices.
 - ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).
 - iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
 - iv. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
 - v. The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.

D. For the years ended December 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3 for the year ended December 31, 2025:
(there were no such transactions as of December 31, 2024)

	2025	
	Equity instruments	
At January 1	\$	-
Acquired in the year		120,000
At December 31	\$	120,000

F. For the years ended December 31, 2025 and 2024, there was no transfer into or out from Level 3.

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

(there were no such transactions as of December 31, 2024)

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	\$ 120,000	Discounted cash flow	Weighted average cost of capital	15.42%~16.42%	The higher the weighted average cost of capital, the lower the fair value;
			Discount for lack of marketability	20%~30%	The higher the long-term revenue growth rate and long- term pre-tax operating margin, the higher the fair value;

H. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. Based on the Company's assessment, there is no material impact on profit or loss or other comprehensive income if the inputs used to valuation models have changed.

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to Table 1.

D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to Table 2.

E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.

F. Significant inter-company transactions during the reporting period: None.

(2) Information on investees

None.

(3) Information on investments in Mainland China

None.

14. Segment Information

(1) General information

The Company operates business only in a single industry. The chief operating decision-maker, Board of Directors, who allocates resources and assesses performance of the Company as a whole, has identified that the Company has only one reportable operating segment.

(2) Measurement of segment information

The Company's segment profit (loss) is measured with the operating profit (loss) before tax, which is used as a basis for the Company in assessing the performance of the operating segments. The accounting policies and accounting estimates of the operating segment and the significant accounting policies, significant accounting estimates and assumptions described in Notes 4 and 5 are the same.

(3) Information on products and services

Please refer to Note 6(17) for the related information.

(4) Geographical information

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

	Year ended December 31			
	2025		2024	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	<u>\$ 10,460,828</u>	<u>\$ 10,991,012</u>	<u>\$ 6,818,357</u>	<u>\$ 5,202,357</u>

Non-current assets are property, plant and equipment, right-of-use asset and other non-current assets, but excluding non-current financial assets at fair value through other comprehensive income and deferred income tax assets.

(5) Major customer information

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

	Year ended December 31	
	2025	2024
Company I	\$ 2,787,688	\$ 1,102,680
Company J	2,660,120	816,908
Company C	1,678,746	361
Company A	40,035	3,466,625
Company F	605,589	286,740
	<u>\$ 7,772,178</u>	<u>\$ 5,673,314</u>

Dong Fang Offshore Co., Ltd.
Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
Year ended December 31, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

				As of December 31, 2025				
Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	Number of shares	Book value (Note 3)	Ownership (%)	Fair value	Footnote (Note 4)
Dong Fang Offshore Co., Ltd.	Apex Aviation Inc.	NA	Non-current financial assets at fair value through other comprehensive income	4,000,000	\$ 120,000	4.6%	\$ 120,000	None

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities, in accordance with IFRS 9, 'Financial instruments'.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

Dong Fang Offshore Co., Ltd.

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

Year ended December 31, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount (Note)	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Dong Fang Offshore Co., Ltd.	Hung Hua Construction Co., Ltd.	The Company's parent company	Purchases	\$ 182,212	2.32%	60 days after the invoice date	Based on general purchase prices and terms	Similar to general transaction terms	\$ 1,965	0.13%	

Note: The purchase amounts include charter hire cost and construction cost.

DONG FANG OFFSHORE CO., LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2025

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

Statement 1

Item	Description		Amount
Cash on hand and petty cash	NTD	2,020 thousand	\$ 2,020
	USD	2 thousand; exchange rate 31.43	66
	EUR	3 thousand; exchange rate 36.90	94
	MYR	1 thousand; exchange rate 7.48	5
Checking accounts and demand	NTD	1,284,803 thousand	1,284,830
	USD	5,510 thousand; exchange rate 31.43	161,862
	EUR	421 thousand; exchange rate 36.90	15,524
	GBP	84 thousand; exchange rate 42.33	3,558
	SGD	465 thousand; exchange rate 24.45	11,359
	AUD	177 thousand; exchange rate 21.01	3,721
	JPY	57 thousand; exchange rate 0.20	11
	NOK	2,113 thousand; exchange rate 3.11	6,575
Time deposits	NTD	200,000 thousand	200,000
	USD	35 thousand; exchange rate 31.43	1,087
			<u>\$ 1,690,712</u>

DONG FANG OFFSHORE CO., LTD.
STATEMENT OF TRADE RECEIVABLES
DECEMBER 31, 2025

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

Statement 2

Customer Name	Description	Amount	Note
<u>Non-related parties:</u>			
Company A		\$ 513,109	
Company B		492,987	
Company C		302,761	
Company D		98,983	
Company E		86,743	
Others		137,501	Balance of each customer has not exceeded 5% of total account balance
		<u>1,632,084</u>	
Less: Allowance for uncollectible		(1,024)	
		<u>\$ 1,631,060</u>	

DONG FANG OFFSHORE CO., LTD.
STATEMENT OF TRADE PAYABLES (INCLUDING RELATED PARTIES)
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 3

<u>Customer Name</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
<u>Non-related parties:</u>			
Company A		\$ 1,009,346	
Company B		141,199	
Company C		127,117	
Others		196,568	Balance of each supplier has not exceeded 5% of total account balance
		<u>1,474,230</u>	
<u>Related parties:</u>			
Hung Hua Construction Co., Ltd.		1,965	
Jung Hsing Marine Construction Co., Ltd.		1,063	
		<u>3,028</u>	
		<u>\$ 1,477,258</u>	

DONG FANG OFFSHORE CO., LTD.
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2025

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

Statement 4

Creditor	Description	Amount	Contract Period	Interest Rate	Expiring Within One Year	Expiring Beyond One Year	Collateral
Bank SinoPac	Secured borrowings	\$ 819,060	2022/12/30- 2029/12/30	2.23%~2.28%	\$ 134,640	\$ 684,420	Vessel equipment pledged for borrowings
Bank SinoPac	Secured borrowings	68,810	2022/12/30- 2029/12/30	2.23%~2.28%	11,311	\$ 57,499	"
Yuanta Commercial Bank	Secured borrowings	261,208	2022/4/18- 2026/4/18	2.37%	261,208	\$ -	"
Yuanta Commercial Bank	Secured borrowings	37,792	2022/4/18- 2026/4/18	2.37%	37,792	\$ -	"
Yuanta Commercial Bank	Secured borrowings	15,545	2021/12/30- 2027/6/30	2.37%	10,364	\$ 5,181	"
Yuanta Commercial Bank	Secured borrowings	15,818	2021/12/30- 2027/6/30	2.37%	10,545	\$ 5,273	"
Yuanta Commercial Bank	Secured borrowings	12,273	2021/12/30- 2027/6/30	2.37%	8,182	\$ 4,091	"
Bank SinoPac	Secured borrowings	50,000	2025/3/13- 2030/3/13	2.28%	4,500	\$ 45,500	"
CTBC Bank	Unsecured borrowings	640,000	2025/4/8- 2027/10/8	2.28%	-	\$ 640,000	NA
Yuanta Commercial Bank	Unsecured borrowings	479,200	2025/1/2- 2028/1/2	2.45%	-	\$ 479,200	"
		<u>\$ 2,399,706</u>			<u>\$ 478,542</u>	<u>\$ 1,921,164</u>	

DONG FANG OFFSHORE CO., LTD.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025

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

Statement 5

Item	Quantity	Amount
Charter hire revenue	47 projects	\$ 7,542,007
Revenue from contracts with customers:		
Construction revenue	3 construction projects	572,727
Catering, accommodation, and housekeeping services	Note	361,101
Others	"	
Equipment utilisation services		1,300,333
Other services		684,660
		<u>\$ 10,460,828</u>

Note: It pertains to other operating revenue arising from catering, accommodation, and housekeeping services, which are provided based on the projects or each requirement.

DONG FANG OFFSHORE CO., LTD.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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

Statement 6

Item	Amount	Note
Charter hire cost	\$ 3,710,807	
Vessel Service cost	2,417,266	
Construction cost	512,335	
Other operating costs	<u>1,223,154</u>	Balance of each account has not exceeded 5% of total account balance
Total operating cost	<u>\$ 7,863,562</u>	

DONG FANG OFFSHORE CO., LTD.
STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

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

Statement 7

Item	Amount	Note
Advertisement expense	\$ 8,891	
Training	1,889	
Others	806	
	<u>\$ 11,586</u>	Balance of each account has not exceeded 5% of total account balance

DONG FANG OFFSHORE CO., LTD.
STATEMENT OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

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

Statement 8

<u>Item</u>	<u>Amount</u>	<u>Note</u>
Wages and salaries	\$ 184,340	
Others	<u>109,444</u>	Balance of each account has not exceeded 5% of total account balance
	<u>\$ 293,784</u>	

DONG FANG OFFSHORE CO., LTD.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY
FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 9

Function Nature	Year ended December 31, 2025			Year ended December 31, 2024		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit expenses						
Wages and salaries	\$ 236,465	\$ 178,487	\$ 414,952	\$ 185,439	\$ 204,492	\$ 389,931
Labour and health insurance fees	17,013	10,079	27,092	14,604	4,524	19,128
Pension costs	10,904	4,219	15,123	9,346	3,316	12,662
Directors' remuneration	-	5,863	5,863	-	3,783	3,783
Other employee benefit expenses	14,419	9,819	24,238	12,066	5,237	17,303
Depreciation expenses	333,861	13,158	347,019	269,644	8,897	278,541

Note:

1. As at December 31, 2025 and 2024, the Company had 247 and 196 employees, both including 8 non-employee directors.
2. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information:
 - (a) The average employee benefit expense of current year was \$2,014 (in thousands) ((Total employee benefit expense of current year-Total directors' compensation of current year)/(Number of employees of current year-Number of non-employee directors of current year)).
The average employee benefit expense of prior year was \$2,335 (in thousands) ((Total employee benefit expense of prior year-Total directors' compensation of prior year)/(Number of employees of prior year-Number of non-employee directors of prior year)).
 - (b) The average wages and salaries of current year were \$1,736 (in thousands) (Total wages and salaries of current year/(Number of employees of current year-Number employee of non- directors of current year)).
The average wages and salaries of prior year were \$2,074 (in thousands) (Total wages and salaries of prior year/(Number of employees of prior year-Number of non-employee directors of prior year)).
 - (c) Adjustment of average employee salaries was (-16.29%) ((Average employee salaries in current year - Average employee salaries in previous year) / Average employee salaries in previous year).

DONG FANG OFFSHORE CO., LTD.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY
FUNCTION (Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 9

(d) The Company has set up an audit committee so there is no supervisor's remuneration.

(e) The Company's compensation policy:

The distributions of directors' remuneration and employees' compensation are made in accordance with the Articles of Incorporation of the Company and dividend policy. The emoluments of general manager and vice-general manager shall be paid in accordance with the general pay levels of the industry regardless of the Company's operating profit and loss.

To encourage employees and operation team, a ratio of distributable profit of the current year (profit before tax that excludes employees' compensation and directors' remunerations), after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 1% for employees' compensation and shall not be higher than 3% for directors' remuneration.