

**SHIH WEI NAVIGATION CO., LTD. AND
SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024**

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

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Representation Letter

The entities that are required to be included in the combined financial statements of Shih Wei Navigation Co., Ltd. as of and for the year ended December 31, 2025 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Shih Wei Navigation Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Shih Wei Navigation Co., Ltd.
Chairwoman: LAN, SHIN-CHYI

Date: March 10, 2026.



安侯建業聯合會計師事務所

KPMG

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Independent Auditors' Report

To the Board of Directors of Shih Wei Navigation Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Shih Wei Navigation Co., Ltd. and its subsidiaries (“the Group”), which comprise the consolidated balance sheet as of December 31, 2025 and 2024, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that, in our professional judgment, should be communicated are as follows:

1. Revenue recognition

Please refer to notes 4(n) to the consolidated financial statements for the accounting policy on revenue recognition and notes 6(s) for descriptions of revenue recognition.

As the cut-off of revenue recognition of the Group involves manual operations and is subject to judgment, and the amount of revenue is material, we considered the cut-off of revenue recognition as the key audit matter.

How the matter was addressed in our audit:

- According to the understanding of the design and implementation of the internal controls related to the rental revenue recognition, we designed the audit procedures of the existence of rental revenue to evaluate the operating effectiveness of these internal controls.
- We performed a test of details of rental revenues by inspecting the accounting records and external supporting documents to verify the correctness of sales amounts and the situation of collection.
- We performed confirmation procedures of rental agreement to verify the existence of the charterers and the sales terms.
- We execute sale cut-off tests for a certain period before and after the balance sheet date to check the correctness of the timing of the revenue recognition.

2. Impairment assessment of property, plant and equipment

Please refer to notes 4(l) to the consolidated financial statement for the accounting policy on impairment of non-financial assets.

The Group's main business items are shipping and tourism business. The shipping industry is affected by the global economic situation and fierce competition in the shipping market. The operating performance of the tourism industry continues to suffer losses, so there is a risk of asset impairment.

Numerous assumptions and estimates used in the asset impairment assessment process, which involves management's subjective judgment and is highly uncertain. The estimation results have a significant impact on the consolidated financial statement, so we considered impairment assessment as the key audit matter.

How the matter was addressed in our audited:

- Obtain the impairment evaluation report of each CGU provided by the management, inspecting the accuracy of information from internal and external sources and evaluate management's reasonableness in identifying impairment.
- Evaluate the assumptions used by management when conducting impairment testing, including whether the classification of CGU, cash flow forecasts and discount rates are appropriate, and check the setting of the evaluation model calculation formula.
- Evaluate the recoverable amount determined using a third-party expert evaluation report, review the reasonableness of relevant assumptions, and evaluate the qualifications and independence of the expert.

Other Matters

Shih Wei Navigation Co., Ltd. has prepared its parent-company-only financial statements as of and for the year ended December 31, 2025, on which we have issued an unmodified opinion. Shih Wei Navigation Co., Ltd. has prepared its parent-company-only financial statements as of and for the year ended December 31, 2024, on which we have issued an unmodified opinion.

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

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

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

Those charged with governance including the Audit Committee or supervisors are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

The engagement partners on the audit resulting in this independent auditors' report are Chih, Shih-Chin and Tseng, Kuo-Yang.

KPMG

Taipei, Taiwan (Republic of China)
March 10, 2026

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

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

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

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2025		December 31, 2024		Liabilities and Equity		December 31, 2025		December 31, 2024	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6(a) and Note 6(u))	\$ 1,991,995	12	2,203,455	12	2100	Short-term borrowings (Note 6(i) and Note 6(u))	\$ 716,000	4	776,000	4
1110	Current financial assets at fair value through profit or loss (Note 6(b) and Note 6(u))	64,918	-	45,438	-	2110	Short-term notes and bills payable (Note 6(k) and Note 6(u))	99,860	1	99,781	-
1170	Accounts receivable, net (Note 6(u) and Note 7)	48,003	-	39,952	-	2130	Current contract liabilities (Note 6(s))	86,608	-	109,454	1
1206	Other non-operating receivables, others (Note 6(u) and Note 7)	52,951	-	60,356	-	2170	Accounts payable (Note 6(u) and Note 7)	92,040	1	179,718	1
1220	Total current tax assets	1,890	-	1,835	-	2200	Other payables (Note 6(u))	172,289	1	179,359	1
130X	Inventories	89,671	-	172,467	1	2220	Other payables to related parties (Note 6(u) and Note 7)	-	-	316	-
1460	Non-current assets classified as held for sale, net (Note 6(g))	-	-	273,938	1	2230	Current tax liabilities	29,694	-	-	-
1476	Other current financial assets (Note 6(d), (u) and Note 8)	159,481	1	379,386	2	2250	Current provisions (Note 6(m) and Note 9)	11,905	-	13,114	-
1479	Other current assets	95,920	1	78,480	-	2280	Current lease liabilities (Note 6(n) and Note 6(u))	5,391	-	5,393	-
		<u>2,504,829</u>	<u>14</u>	<u>3,255,307</u>	<u>16</u>	2320	Total long-term liabilities, current portion (Note 6(j), (l) and Note 6(u))	2,772,682	16	1,334,991	6
						2399	Other current liabilities, others	2,217	-	2,416	-
								<u>3,988,686</u>	<u>23</u>	<u>2,700,542</u>	<u>13</u>
Non-current assets:						Non-Current liabilities:					
1510	Non-current financial assets at fair value through profit or loss (Note 6(b) and Note 6(u))	89,844	-	73,025	-	2530	Bonds payable (Note 6(l) and Note 6(u))	576,510	3	1,051,605	5
1517	Total non-current financial assets at fair value through other comprehensive income (Note 6(c), (u) and Note 7)	16,000	-	-	-	2540	Long-term borrowings (Note 6(j) and Note 6(u))	3,298,016	18	6,108,695	29
1550	Investments accounted for using equity method (Note 6(e))	42,722	-	50,458	-	2570	Deferred tax liabilities (Note 6(p))	709,906	4	709,768	3
1600	Property, plant and equipment (Note 6(g) and Note 8)	14,829,351	83	16,313,287	79	2580	Non-current lease liabilities (Note 6(n) and Note 6(u))	8,128	-	13,218	-
1755	Right-of-use assets (Note 6(h))	13,001	-	18,291	-			<u>4,592,560</u>	<u>25</u>	<u>7,883,286</u>	<u>37</u>
1840	Deferred tax assets (Note 6(p))	28,709	-	21,268	-			<u>8,581,246</u>	<u>48</u>	<u>10,583,828</u>	<u>50</u>
1915	Prepayments for equipment (Note 9)	363,017	2	1,003,221	5	Total liabilities					
1980	Other non-current financial assets (Note 6(d), (u) and Note 8)	202,542	1	77,356	-	Equity attributable to owners of parent (Note 6(l) and Note 6(q)):					
1990	Other non-current assets, others (Note 6(o) and Note 7)	51,144	-	50,327	-	3110	Ordinary shares	3,892,716	21	3,892,716	19
		<u>15,636,330</u>	<u>86</u>	<u>17,607,233</u>	<u>84</u>	3200	Capital surplus	3,305,627	18	3,305,627	16
						Retained earnings :					
						3310	Legal reserve	460,228	3	460,228	2
						3320	Special reserve	-	-	62,286	-
						3350	Unappropriated retained earnings (accumulated deficit)	1,599,477	9	1,586,995	8
								<u>2,059,705</u>	<u>12</u>	<u>2,109,509</u>	<u>10</u>
						3400	Other equity interests	217,477	1	803,852	4
						Total equity attributable to owners of parent:		9,475,525	52	10,111,704	49
						36XX	Non-controlling interests (Note 6(f))	84,388	-	167,008	1
						Total equity		<u>9,559,913</u>	<u>52</u>	<u>10,278,712</u>	<u>50</u>
Total assets		<u>\$ 18,141,159</u>	<u>100</u>	<u>20,862,540</u>	<u>100</u>	Total liabilities and equity		<u>\$ 18,141,159</u>	<u>100</u>	<u>20,862,540</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

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

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income****For the years ended December 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

		2025		2024	
		Amount	%	Amount	%
	Operating Revenues (Note 6(s) and Note 7):				
4300	Rental revenue	\$ 2,989,322	94	3,310,635	95
4800	Other operating revenue	194,584	6	182,137	5
	Operating revenue, net	<u>3,183,906</u>	<u>100</u>	<u>3,492,772</u>	<u>100</u>
5000	Operating costs (Note 6(o) and Note 7)	2,980,647	94	3,180,361	91
	Gross (loss) profit from operations	203,259	6	312,411	9
6200	Administrative expenses (Note (n) and Note 6(o))	298,128	9	296,013	8
	Net operating (loss) income	<u>(94,869)</u>	<u>(3)</u>	<u>16,398</u>	<u>1</u>
	Non-operating income and expenses (Note 6(e), (g) and Note 7) :				
7100	Interest income	80,704	2	117,751	3
7190	Other income	100,188	3	153,545	4
7228	Gains on lease modification	-	-	34	-
7230	Foreign exchange (losses) gains	113,447	4	(156,082)	(4)
7235	Gains on financial assets at fair value through profit or loss	14,591	-	5,933	-
7370	Shares of loss of associates and joint ventures accounted for using equity method	(7,736)	-	(8,452)	-
7510	Interest expense	(356,214)	(11)	(514,108)	(15)
7590	Other expenses	(10,395)	-	(17,873)	(1)
7610	Gains (losses) on disposals of property, plant and equipment (Note 6(g))	51,644	2	78,661	2
7673	Impairment loss recognised in profit or loss, property, plant and equipment (Note 6(g))	-	-	(105,661)	(3)
	Total non-operating income and expenses	<u>(13,771)</u>	<u>-</u>	<u>(446,252)</u>	<u>(14)</u>
	Profit (loss) from continuing operations before tax	<u>(108,640)</u>	<u>(3)</u>	<u>(429,854)</u>	<u>(13)</u>
7950	Less: Income tax expenses (Note 6(p))	23,499	1	(24,939)	(1)
	Profit (loss)	<u>(132,139)</u>	<u>(4)</u>	<u>(404,915)</u>	<u>(12)</u>
8300	Other comprehensive income :				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	(357)	-	2,354	-
8349	Less : Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>(72)</u>	<u>-</u>	<u>470</u>	<u>-</u>
		<u>(285)</u>	<u>-</u>	<u>1,884</u>	<u>-</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(586,375)	(19)	866,138	25
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	<u>(586,375)</u>	<u>(19)</u>	<u>866,138</u>	<u>25</u>
8300	Other comprehensive income (loss)	<u>(586,660)</u>	<u>(19)</u>	<u>868,022</u>	<u>25</u>
	Total comprehensive income (loss)	<u>\$ (718,799)</u>	<u>(23)</u>	<u>463,107</u>	<u>13</u>
	Profit (loss), attributable to:				
8610	Owners of parent	\$ (49,519)	(1)	(269,253)	(8)
8620	Non-controlling interests	<u>(82,620)</u>	<u>(3)</u>	<u>(135,662)</u>	<u>(4)</u>
		<u>\$ (132,139)</u>	<u>(4)</u>	<u>(404,915)</u>	<u>(12)</u>
	Comprehensive income (loss) attributable to:				
8710	Owners of parent	\$ (636,179)	(20)	598,769	17
8720	Non-controlling interests	<u>(82,620)</u>	<u>(3)</u>	<u>(135,662)</u>	<u>(4)</u>
		<u>\$ (718,799)</u>	<u>(23)</u>	<u>463,107</u>	<u>13</u>
	Basic (loss) earnings per share (Note 6(r))	<u>\$ (0.13)</u>		<u>(0.69)</u>	
	Diluted (loss) earnings per share (Note 6(r))	<u>\$ (0.13)</u>		<u>(0.69)</u>	

See accompanying notes to consolidated financial statements.

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

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Changes in Equity****For the years ended December 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent									
	Share capital		Retained earnings				Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements			
Balance at January 1, 2024	\$ 3,892,716	3,267,784	460,228	43,174	1,882,052	2,385,454	(62,286)	9,483,668	220,134	9,703,802
Loss	-	-	-	-	(269,253)	(269,253)	-	(269,253)	(135,662)	(404,915)
Other comprehensive income	-	-	-	-	1,884	1,884	866,138	868,022	-	868,022
Total comprehensive income	-	-	-	-	(267,369)	(267,369)	866,138	598,769	(135,662)	463,107
Appropriation and distribution of retained earnings:										
Special reserve appropriated	-	-	-	19,112	(19,112)	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(7,660)	-	-	(8,576)	(8,576)	-	(16,236)	16,236	-
Changes in ownership interests in subsidiaries	-	45,503	-	-	-	-	-	45,503	-	45,503
Changes in non-controlling interests	-	-	-	-	-	-	-	-	66,300	66,300
Balance at December 31, 2024	3,892,716	3,305,627	460,228	62,286	1,586,995	2,109,509	803,852	10,111,704	167,008	10,278,712
Profit	-	-	-	-	(49,519)	(49,519)	-	(49,519)	(82,620)	(132,139)
Other comprehensive income	-	-	-	-	(285)	(285)	(586,375)	(586,660)	-	(586,660)
Total comprehensive income	-	-	-	-	(49,804)	(49,804)	(586,375)	(636,179)	(82,620)	(718,799)
Appropriation and distribution of retained earnings:										
Special reserve used to offset accumulated deficits	-	-	-	(62,286)	62,286	-	-	-	-	-
Balance at December 31, 2025	\$ <u>3,892,716</u>	<u>3,305,627</u>	<u>460,228</u>	<u>-</u>	<u>1,599,477</u>	<u>2,059,705</u>	<u>217,477</u>	<u>9,475,525</u>	<u>84,388</u>	<u>9,559,913</u>

See accompanying notes to consolidated financial statements.

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

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the years ended December 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2025</u>	<u>2024</u>
Cash flows from (used in) operating activities:		
Loss before tax	\$ (108,640)	(429,854)
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expenses	1,270,615	1,352,963
Amortization expenses	1,201	1,248
Net gains on financial assets or liabilities at fair value through profit or loss	(14,591)	(5,933)
Interest expenses	356,214	514,108
Interest income	(80,704)	(117,751)
Dividend income	(2,125)	(2,145)
Shares of losses of associates and joint ventures accounted for using equity method	7,736	8,452
(Gains) on disposal of property, plant and equipment	(51,644)	(78,661)
Impairment loss on non-financial assets	-	105,661
Unrealized foreign exchange loss (gain)	48,189	140,404
Gains on lease modification	-	(34)
Total adjustments to reconcile profit	<u>1,534,891</u>	<u>1,918,312</u>
Changes in operating assets and liabilities:		
Net (gains) on financial assets or liabilities at fair value through profit or loss	(21,709)	(33,778)
Increase in accounts receivable	(9,558)	(10,260)
Decrease (increase) in other receivable	4,936	(3,979)
Decrease (increase) in inventories	75,277	(44,138)
(Increase) decrease in other current assets	(19,408)	156,373
Decrease in contract liabilities	(20,066)	(10,625)
(Decrease) increase in accounts payable	(79,932)	15,170
Increase (decrease) in other payables	35,473	(32,192)
(Decrease) increase in other current liabilities	(114)	37
Decrease in net defined benefit liabilities	(1,043)	(1,033)
Total adjustments	<u>1,498,747</u>	<u>1,953,887</u>
Cash inflow generated from operations	1,390,107	1,524,033
Interest received	80,704	117,751
Interest paid	(374,100)	(546,143)
Income taxes paid	(1,091)	(116,278)
Net cash flows from operating activities	<u>1,095,620</u>	<u>979,363</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(16,000)	-
Acquisition of investments accounted for using equity method	-	(18,122)
Proceeds from disposal of non-current assets classified as held for sale	273,938	-
Acquisition of property, plant and equipment	(852,450)	(1,640,628)
Proceeds from disposal of property, plant and equipment	1,170,120	1,070,657
Increase in refundable deposits	(24)	(59)
Acquisition of intangible assets	(1,392)	(1,161)
Decrease (increase) in other financial assets	94,239	(21,450)
Increase in prepayments equipment	-	(745,223)
Dividends received	2,125	2,145
Net cash flows from investing activities	<u>670,556</u>	<u>(1,353,841)</u>
Cash flows from (used in) financing activities:		
Decrease in short-term loans	(60,000)	-
Proceeds from issuing bonds	-	609,919
Proceeds from long-term debt	80,000	1,627,359
Repayments of long-term debt	(1,724,313)	(3,241,859)
Decrease in other payables to related parties	(54)	(66,201)
Payments of lease liabilities	(5,945)	(4,849)
Change in non-controlling interests	-	66,300
Net cash flows used in financing activities	<u>(1,710,312)</u>	<u>(1,009,331)</u>
Effects of exchange rate changes on cash and cash equivalents	<u>(267,324)</u>	<u>203,039</u>
Net decrease in cash and cash equivalents	<u>(211,460)</u>	<u>(1,180,770)</u>
Cash and cash equivalents at beginning of period	<u>2,203,455</u>	<u>3,384,225</u>
Cash and cash equivalents at end of period	<u>\$ 1,991,995</u>	<u>2,203,455</u>

See accompanying notes to consolidated financial statements.

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

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

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

(1) Company history

Shih Wei Navigation Co., Ltd. (the “Company”) was incorporated in the Republic of China (ROC) in March 1985. The Company and its subsidiaries (the Group) mainly engages in cargo shipping services and shipping agency, resort hotels for tourists, as well as sales and lease of cargo vessels.

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

These consolidated financial statements were authorized for issue by the Board of Directors on March 10, 2026.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(Continued)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do so with the endorsement of the FSC.

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

(4) Summary of material accounting policies:

The significant accounting policies presented in the consolidated financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

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

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

(ii) Functional and presentation currency

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

(Continued)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

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

(ii) List of subsidiaries in the consolidated financial statements

List of the subsidiaries included in the consolidated financial statements:

Name investor	Name of investee	Scope of business	Percentage of ownership		Notes
			December 31, 2025	December 31, 2024	
The Company	Dong Lien Maritime S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
The Company	Fortunate Maritime S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
The Company	Dancewoods Hotel & Resort (Dancewoods)	Resort hotel service and recreational grounds and facilities	55.43 %	55.43 %	
Dong Lien Maritime S.A. Panama	Audrey Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Brave Pescadores S.A.	Cargo shipping services and shipping agency	100.00 %	100.00 %	

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name investor	Name of investee	Scope of business	Percentage of ownership		Notes
			December 31, 2025	December 31, 2024	
Dong Lien Maritime S.A. Panama	Bright Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Brilliant Pescadores S.A.	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Danceflora Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Dancewood Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Elegant Pescadores S.A. (Panama)	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Endurance Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Eternity Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Excellent Pescadores S.A. (Panama)	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Fair Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Federal Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Forever Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Fourseas Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Gallant Pescadores S.A.	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Genius Pescadores S.A. (Panama)	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Glaring Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Honor Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Huge Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Indigo Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Leader Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Modest Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Moon Bright Shipping Corporation	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Patriot Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Penghu Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Skyhigh Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Spinnaker Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Stamina Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Summit Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Superior Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Trump Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Unicorn Brilliant S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Valor Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	

(Continued)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name investor	Name of investee	Scope of business	Percentage of ownership		Notes
			December 31, 2025	December 31, 2024	
Dong Lien Maritime S.A. Panama	Vigor Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Wise Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Wonderful Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	

(d) Foreign currencies

(i) Foreign currency transactions

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

(ii) Foreign operations

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

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

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

(Continued)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non current.

- (i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- (ii) It holds the asset primarily for the purpose of trading;
- (iii) It expects to realize the asset within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non current.

- (i) It expects to settle the liability in its normal operating cycle;
- (ii) It holds the liability primarily for the purpose of trading
- (iii) The liability is due to be settled within twelve months after the reporting period; or
- (iv) It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(f) Cash and cash equivalents

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

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(g) Financial instruments

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

(Continued)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Financial assets

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

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

1) Financial assets measured at amortized cost

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

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

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

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

Some accounts receivables are held within a business model whose objective is achieved by both collecting contractual cash flows and selling by the Group, therefore, those receivables are measured at FVOCI. However, they are included in the ' trade receivables' line item.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

(Continued)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost (For example, financial assets of holding for trading, managed and evaluated on a fair value basis.) described as above are measured at FVTPL, including derivative financial assets. Trade receivables that the Group intends to sell immediately or in the near term are measured at FVTPL; however, they are included in the 'trade receivables' line item. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost. The Group always recognizes lifetime ECLs for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

(Continued)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

5) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

3) Financial liabilities

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

(Continued)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

4) Derecognition of financial liabilities

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

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

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. Inventory write-downs are made by item.

Net realizable value is the estimated selling price of inventories less costs necessary to make the sale.

(i) Investment in associates

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

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

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

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

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

(Continued)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method without remeasuring the retained interest.

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

(j) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent expenditure

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

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Depreciation

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

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1)Buildings	
Freehold	50-55 years
Lease improvements	Based on lease periods
2)Vessel equipment	
Vessels	15-25 years
Equipment	3-10 years
Vessel overhaul	2 years
3)Other equipment	3-20 years

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

(k) Leases

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

(i) As a lessee

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

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

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

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
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Lease payments included in the measurement of the lease liability comprise the following:

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

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

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

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

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

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

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

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

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
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For sale-and-leaseback transactions, the Group applies the requirements for determining when a performance obligation is satisfied in IFRS15 to determine whether the transfer of an asset is accounted for as a sale of the asset. If the transfer of an asset satisfies the requirement of IFRS15 to be accounted for as a sale of the asset, the Group derecognizes the transferred asset, then measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained. Accordingly, the Group recognizes only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. For leaseback transaction, the Group applies the lessee accounting policy. If the transfer of an asset does not satisfy the requirement of IFRS15 to be accounted for as a sale of the asset, the Group continues to recognize the transferred asset and recognizes the financial liability equal to the transfer proceeds.

(ii) As a lessor

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

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

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

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

(l) Impairment of non financial assets

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

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

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

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

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

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

(m) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(n) Revenue from contracts with customers

(i) Revenue from contracts with customers

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

1) Vessel operations and lease services

As the Group provides vessel operations and lease services, customers simultaneously receive and consume the benefits provided by the Group's satisfaction of performance obligations. Consequently, the related revenue is recognized when services are provided. The revenue from vessel operations and leases is recognized over time based on the number of days services has been provided.

2) Lodging and catering services

The Group provides lodging and catering services. Revenue from these services is recognized over time as the services are rendered, since the customer simultaneously receives and consumes the benefits provided and no other party is required to re-perform the completed services. The related revenue is recognized in the financial reporting period in which the services are provided.

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
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(o) Income taxes

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

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

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

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

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

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

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

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

- (i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

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

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

Grant date of a share-based payment award is the date on which the number of shares subscribed by employees is confirmed.

(r) Earnings per share

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

(s) Operating segments

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

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

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

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
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Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

Impairment of property, plant and equipment

- In the process of evaluating the potential impairment of assets, the Group is required to make subjective judgments in determining the independent cash flows, useful lives, expected future income and expenses related to the specific asset groups considering of the nature of the industry. Any changes in these estimates based on changed economic conditions or business strategies and could result in significant impairment charges or reversal in future years. The key assumptions used in determining the recoverable amount are disclosed in Note 6 (g).

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand	\$ 42,432	43,844
Bank deposits	527,355	726,806
Cash equivalents	1,422,208	1,432,805
Cash and cash equivalents in the consolidated statement of cash flows	\$ 1,991,995	2,203,455

- (i) The above cash and cash equivalent had not been pledged as collateral for borrowings.
- (ii) Bank deposits which did not meet the definition of cash equivalent have been transferred to other financial assets. Please refer to Note 6(d).
- (iii) Please refer to Note 6(u) for the interest rate risk and sensitivity analysis on the financial assets and liabilities of the Group.

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

	December 31, 2025	December 31, 2024
Current:		
Shares of exchange-listed and OTC-listed companies	\$ 23,984	24,141
Shares of overseas listed	33,381	14,855
Overseas bonds	4,496	4,475
Exchange Traded Fund	2,577	1,787
Embedded derivatives-redemption rights (Note 6(k))	480	180
	\$ 64,918	45,438
Non-current:		
Unlisted common shares	\$ 89,844	73,025
Total	\$ 154,762	118,463

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
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(i) For information on the Group's hedge on credit, currency and interest rate of its financial instruments, please refer to Note 6(u).

(ii) The above financial assets had not been pledged as collateral for borrowings.

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

	December 31, 2025	December 31, 2024
Equity investments at fair value through other comprehensive income :		
Unlisted common shares	\$ 16,000	-

(i) 1. Equity investments at fair value through other comprehensive income

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for the long term strategic purposes.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of December 31, 2025 and 2024.

(ii) For credit risk (including the impairment of debt investments) and market risk, please refer to note 6(u).

(iii) The above financial assets had not been pledged as collateral for borrowings.

(d) Other financial assets

Other financial assets were as follows:

	December 31, 2025	December 31, 2024
Current:		
Restricted assets	\$ 159,481	379,386
Non-current:		
Restricted assets	\$ 202,542	77,356

The other financial assets of the Group had been pledged as collateral. Please refer to Note 8.

(e) Investments accounted for using equity method

The components of investments accounted for using equity method at the reporting date were as follows:

	December 31, 2025	December 31, 2024
Associate	\$ 42,722	50,458

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
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(i) Associate

In accordance with the investment agreement, the Group obtained one seat of the board of the investee, Thermolysis Co., Ltd., who became a related party thereafter, resulting in the Group to have a significant influence over the it. Subsequently, the employee share options of the related party were converted into ordinary shares in March and May 2024, resulting in the Group's ownership percentage to decrease from 9.16% to 9.15%. Moreover, the related party conducted a cash capital increase in September 2024, wherein the Group subscribed 824 thousand ordinary shares for \$18,122 thousand, which was not in proportion to its existing ownership, resulting in the Group's shareholding to decrease from 9.15% to 8.98%. Furthermore, the employee share options of the related party were converted into ordinary shares in May 2025, resulting in the Group's ownership percentage to decrease from 8.98% to 8.96%.

Net income attribute to the Group :

	For the years ended December 31	
	2025	2024
Loss from continuing operations	\$ (7,736)	(8,452)

(ii) Pledge

As of December 31, 2025 and 2024, the above investments accounted for using the equity method of the Group had not been pledged as collateral.

(f) Subsidiaries that have material non-controlling interest

Subsidiaries that have material non-controlling interest were as follows:

Subsidiaries	Country of registration	Percentage of non-controlling interests	
		December 31, 2025	December 31, 2024
Dancewoods Hotel & Resort	Taiwan	44.57 %	44.57 %

In December 2024, the Group increased its investment in its subsidiary, Dancewood Hotel & Resort by \$133,700 thousand in cash, without proportionate shareholding, thus increasing its equity from 51.65% to 55.43%. The difference between the acquisition cost and the book value of the subsidiary's equity resulting from this transaction was a debit balance of \$16,236 thousand, which was offset by \$7,660 thousand of capital surplus from the same type of transactions, and the remaining \$8,576 thousand was offset against retained earnings.

The following information on the aforementioned subsidiaries have been prepared in accordance with IFRS endorsed by the FSC. Intra-group transactions were not eliminated in this information.

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
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Dancewoods Hotel & Resort financial information

	December 31, 2025	December 31, 2024
Current assets	\$ 150,906	312,429
Non-current assets	2,711,120	2,799,735
Current liabilities	(1,257,418)	(1,175,788)
Non-current liabilities	<u>(1,486,527)</u>	<u>(1,632,923)</u>
Net assets	<u>\$ 118,081</u>	<u>303,453</u>
Non-controlling interest	<u>\$ 84,388</u>	<u>167,008</u>
	<u>For the years ended December 31</u>	
	2025	2024
Operating revenue	<u>\$ 195,557</u>	<u>183,663</u>
Profit (loss) from continuing operations	(185,371)	(280,582)
Other comprehensive income	-	-
Comprehensive income	<u>\$ (185,371)</u>	<u>(280,582)</u>
Net income (loss) attribute to non-controlling interest	<u>\$ (82,620)</u>	<u>(135,662)</u>
Comprehensive income (loss) attribute to non-controlling interest	<u>\$ (82,620)</u>	<u>(135,662)</u>
	<u>For the years ended December 31</u>	
	2025	2024
Net cash flows from operating activities	\$ (108,263)	(146,187)
Net cash flows from investing activities	6,859	(14,449)
Net cash flows from financing activities	<u>(64,899)</u>	<u>242,098</u>
Net (decrease) increase in cash and cash equivalents	<u>\$ (166,303)</u>	<u>81,462</u>

(g) Property, plant and equipment

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

	Land	Buildings	Vessel Equipment	Other Equipment	Total
Cost or deemed cost:					
Balance on January 1, 2025	\$ 684,976	2,528,932	26,155,273	704,861	30,074,042
Additions	-	3,372	842,872	6,206	852,450
Disposals and retirements	-	-	(3,074,393)	(577)	(3,074,970)
Prepayments for equipment (reclassification)	-	-	606,914	-	606,914
Reclassifications	-	-	-	(452)	(452)
Effect of change in foreign exchange rates	-	-	(1,092,686)	-	(1,092,686)
Balance on December 31, 2025	<u>\$ 684,976</u>	<u>2,532,304</u>	<u>23,437,980</u>	<u>710,038</u>	<u>27,365,298</u>

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
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	<u>Land</u>	<u>Buildings</u>	<u>Vessel Equipment</u>	<u>Other Equipment</u>	<u>Total</u>
Balance on January 1, 2024	\$ 684,976	2,523,165	26,204,513	688,139	30,100,793
Additions	-	5,767	1,622,744	12,117	1,640,628
Disposals and retirements	-	-	(2,546,891)	(819)	(2,547,710)
Prepayments for equipment (reclassification)	-	-	-	5,424	5,424
Reclassified to assets held for sale	-	-	(878,670)	-	(878,670)
Effect of change in foreign exchange rates	-	-	1,753,577	-	1,753,577
Balance on December 31, 2024	<u>\$ 684,976</u>	<u>2,528,932</u>	<u>26,155,273</u>	<u>704,861</u>	<u>30,074,042</u>
Depreciation and impairment loss:					
Balance on January 1, 2025	\$ -	417,809	12,771,256	571,690	13,760,755
Depreciation for the period	-	58,118	1,170,335	36,498	1,264,951
Disposals and retirements	-	-	(1,956,142)	(352)	(1,956,494)
Reclassifications	-	-	(226)	(226)	(452)
Effect of change in foreign exchange rates	-	-	(532,813)	-	(532,813)
Balance on December 31, 2025	<u>\$ -</u>	<u>475,927</u>	<u>11,452,410</u>	<u>607,610</u>	<u>12,535,947</u>
Balance on January 1, 2024	\$ -	360,692	12,751,476	499,107	13,611,275
Depreciation for the period	-	57,117	1,217,841	73,290	1,348,248
Disposals and retirements	-	-	(1,555,007)	(707)	(1,555,714)
Reclassified to assets held for sale	-	-	(604,732)	-	(604,732)
Impairment losses	-	-	105,661	-	105,661
Effect of change in foreign exchange rates	-	-	856,017	-	856,017
Balance on December 31, 2024	<u>\$ -</u>	<u>417,809</u>	<u>12,771,256</u>	<u>571,690</u>	<u>13,760,755</u>
Carrying value:					
Balance on December 31, 2025	<u>\$ 684,976</u>	<u>2,056,377</u>	<u>11,985,570</u>	<u>102,428</u>	<u>14,829,351</u>
Balance on January 1, 2024	<u>\$ 684,976</u>	<u>2,162,473</u>	<u>13,453,037</u>	<u>189,032</u>	<u>16,489,518</u>
Balance on December 31, 2024	<u>\$ 684,976</u>	<u>2,111,123</u>	<u>13,384,017</u>	<u>133,171</u>	<u>16,313,287</u>

- (i) Operating leases relate to leases of vessel equipment and equipment under finance leases, with lease terms within 25 months and extendable for another 4-15 months. All operating lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the assets upon maturity of the lease.
- (ii) The Group entered into a sales agreement in April 2025, at the amount of \$201,584 thousand (USD \$6,880 thousand), \$490,779 thousand (USD \$15,615 thousand) and \$472,550 thousand (USD \$15,035 thousand), the sales price with book value of \$188,340 thousand (USD \$6,428 thousand), \$472,299 thousand (USD \$15,027 thousand) and \$452,938 thousand (USD \$14,411 thousand), wherein the delivery procedures have been completed in accordance with the contract, resulting in the disposal gain of \$52,288 thousand to be recognized as disposal of property, plant and equipment in the consolidated comprehensive income statement.
- (iii) The Group entered into sales agreement in March, May and October 2024, at the amounts of \$227,150 thousand (USD \$7,000 thousand), \$438,854 thousand (USD \$13,524 thousand) and 420,412 thousands (USD \$12,794 thousand), the sales prices were respectively with book values of \$227,085 thousand (USD \$6,998 thousand) and \$372,558 thousand (USD \$11,481 thousand) and 406,042 (USD \$12,385 thousand), wherein the delivery procedures had been completed in accordance with the contract, resulting in the disposal gain of \$78,779 thousand to be recognized as disposal of property, plant and equipment in the consolidated comprehensive income statement.

(Continued)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Non-current assets held for sale

On December 24, 2024, the Group's Board of Directors resolved to sell ships. The sale agreement was signed in January 2025, and the related sale procedures have begun. The vessel was sold in February 2025, with net proceeds from the sale (after deducting transaction costs) amounting to \$273,938 thousand (USD \$8,356 thousand).

Additionally, after measuring the lower of the carrying amount and fair value less costs to sell, an impairment loss of \$105,661 thousand was recognized and reported under the impairment loss of property, plant, and equipment in the consolidated statement of comprehensive income.

(v) For the years ended December 31, 2025 and 2024, due to the global economic environment and intense competition in the maritime transportation market, the recoverable amount of the Shipping Division was estimated based on its value-in-use, which was calculated using the pre tax discount rates of 7.49% and 7.1%, respectively. As the recoverable amount exceeded the carrying amount, no impairment loss was recognized. Furthermore, due to the government's tourism policies and industry conditions, the Group performed an impairment test on its hotel-related assets (under its Tourism Division), wherein the recoverable amount was determined based on its fair value, measured using the market comparison approach by an external valuation specialist engaged by the Group. The valuation used the recent transaction prices of similar properties in comparable locations obtained from the Ministry of the Interior's Real Estate Transaction Price Inquiry Service as a reference. Since the recoverable amount exceeded the carrying amount, no impairment loss was recognized.

(vi) As of December 31, 2025 and 2024, the above property, plant and equipment were pledged as collateral. Please refer to Note 8.

(h) Right-of-use assets

	<u>Land</u>	<u>Buildings</u>	<u>Other Equipment</u>	<u>Total</u>
Cost or deemed cost:				
Balance on January 1, 2025	\$ 885	21,330	2,376	24,591
Additions	374	-	-	374
Reductions	(342)	-	-	(342)
Balance on December 31, 2025	<u>\$ 917</u>	<u>21,330</u>	<u>2,376</u>	<u>24,623</u>
Balance on January 1, 2024	\$ 343	11,387	1,646	13,376
Additions	542	9,943	730	11,215
Reductions	-	-	-	-
Balance on December 31, 2024	<u>\$ 885</u>	<u>21,330</u>	<u>2,376</u>	<u>24,591</u>
Depreciation and impairment loss:				
Balance on January 1, 2025	\$ 465	4,057	1,778	6,300
Depreciation for the period	267	5,063	334	5,664
Reductions	(342)	-	-	(342)
Balance on December 31, 2025	<u>\$ 390</u>	<u>9,120</u>	<u>2,112</u>	<u>11,622</u>

(Continued)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Land</u>	<u>Buildings</u>	<u>Other Equipment</u>	<u>Total</u>
Balance on January 1, 2024	\$ 215	364	1,006	1,585
Depreciation for the period	<u>250</u>	<u>3,693</u>	<u>772</u>	<u>4,715</u>
Balance on December 31, 2024	<u>\$ 465</u>	<u>4,057</u>	<u>1,778</u>	<u>6,300</u>
Carrying value:				
Balance on December 31, 2025	<u>\$ 527</u>	<u>12,210</u>	<u>264</u>	<u>13,001</u>
Balance on January 1, 2024	<u>\$ 128</u>	<u>11,023</u>	<u>640</u>	<u>11,791</u>
Balance on December 31, 2024	<u>\$ 420</u>	<u>17,273</u>	<u>598</u>	<u>18,291</u>

(i) Short-term loans

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Secured bank loans	<u>\$ 716,000</u>	<u>776,000</u>
Unused short-term credit lines	<u>\$ 23,000</u>	<u>98,355</u>
Range of interest rate	<u>2.2%~3.35%</u>	<u>2.157%~3.16%</u>

The Group pledged its assets as collateral for its loans. Please refer to Note 8.

(j) Long-term loans

The details were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Secured bank loans	\$ 5,575,062	7,443,686
Less: current portion	<u>(2,277,046)</u>	<u>(1,334,991)</u>
Total	<u>\$ 3,298,016</u>	<u>6,108,695</u>
Unused long-term credit lines	<u>\$ 200,000</u>	<u>-</u>
Range of interest rate	<u>2.2%~5.96%</u>	<u>0.5%~7.53%</u>

(i) Dancewoods Hotel & Resort signed a syndicated loans contract with a financial institution in the second quarter of 2017, and signed an extension contract in December 2023. The credit period extends from the first drawdown date to the expiration date of 12 years. The loan amount is 2.3 billion, and the repayment method includes maturity repayment and amortization. As of December 31, 2025, the company had allocated long-term and short-term borrowings of \$2,282,080 thousand, which were paid off gradually from August 2023 to May 2029. According to the contract, exemption from reviewing financial ratios from 2022 to 2024, and waiver of additional markups on the borrowing rate due to noncompliance with financial commitments were granted. From 2025, the following financial ratios will be reviewed in the financial report:

- 1) Interest coverage ratio [(net profit before tax + depreciation + amortization + interest expense) / interest expense]: should be maintained at more than 1.5 times.
- 2) Net worth: not less than \$400,000 thousand.

(Continued)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

These financial ratios, which are reviewed annually, was based on the 2025 annual financial report of Dancewoods Hotel & Resort. If the borrower defaults on any of the above financial commitments during the current period, the borrower may do some adjustments before providing its non-consolidated financial report for the following year that has been audited and certified by accountants. If the adjusted financial ratios audited by accountants comply with the above financial statements, they will not be regarded as a default event; rather, the latest interest rate adjustment base date after the review date will be regarded as the starting point, wherein the loan interest rate shall be increased by an additional 0.05% until the next review of the financial ratios meets the financial ratios in this paragraph. The Company may make adjustments prior to the issuance of the following year's standalone financial statements audited by the independent accountants.

As the Company did not meet the aforementioned financial ratio requirements for the year 2025, the relevant adjustments will be made in accordance with the terms of the contract.

(ii) Borrowing and repayment

For the years ended December 31, 2025 and 2024, the Group borrowed the amounts of \$80,000 thousand and \$1,627,359 thousand, with maturities set in August 2027 and October 2031, respectively. In addition, the Group repaid \$1,724,313 thousand and \$3,241,859 thousand, respectively.

(iii) Collateral for bank loan

The Group pledged its assets as collateral for its loans; please refer to Note 8.

(k) Short-term notes and bills payable

December 31, 2025			
	Guarantee or acceptance institution	Range of interest rates(%)	Amount
Commercial paper payable	Mega Bills	3.468%	\$ 100,000
Less: Discount on short-term notes and bills payable			(140)
Total			\$ 99,860
December 31, 2024			
	Guarantee or acceptance institution	Range of interest rates(%)	Amount
Commercial paper payable	Mega Bills	3.468%	\$ 100,000
Less: Discount on short-term notes and bills payable			(219)
Total			\$ 99,781

For the years ended December 31, 2025 and 2024, the Group borrowed the amount of \$0 thousand; with an interest rate of 3.468% maturing in January 2025 and January 2024, respectively.

(Continued)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Bonds Payable

The information on the issuance of secured convertible bonds of the Group was as follows:

	December 31, 2025	December 31, 2024
Total amount of secured convertible bonds issued sixth time domestically	\$ 500,000	500,000
Total amount of secured convertible bonds issued seventh time domestically	600,000	600,000
Unamortized balance of discount on bonds payable	(27,754)	(48,295)
Cumulative converted amount	(100)	(100)
Less: Current portion due within one year	<u>(495,636)</u>	<u>-</u>
Balance of bonds payable at the end of the period	<u>\$ 576,510</u>	<u>1,051,605</u>
Embedded derivatives-redemption rights (listed in FVTPL-current)	<u>\$ 480</u>	<u>180</u>
Components of equity-conversion rights(listed in APIC-share option)	<u>\$ 107,127</u>	<u>107,127</u>
Embedded derivatives redemption rights (listed in financial assets at fair value though profit or loss)	<u>\$ 300</u>	<u>320</u>
Interest expense	<u>\$ 20,541</u>	<u>9,215</u>

In June 2023, the Group issued the sixth secured conversion bonds. A total of 5,000 bonds were issued at par value of \$100 thousand per bond, with a total par value of \$500 million. The issued period is three years, the coupon rate is 0%, and a total issue price is \$538,546 thousand.

The holders of each unit of bonds have the right to convert the bonds into common shares of the Group at 22.1 per share, and the conversion price shall be adjusted in accordance with the prescribed calculation formula in the event of a change in share capital or the payment of cash dividends by the Group. The conversion period is from September 22, 2023 to June 21, 2026. From the day following the expiration of three months from the date of issuance to 40 days before the expiration of the issuance period, the Group may also convert the Group's convertible bonds to cash by redeeming all of the outstanding bonds at the par value of the bonds if the closing price of the Group's common stock on the Taiwan Stock Exchange exceeds 30% or more of the prevailing conversion price for 30 consecutive trading days, or if the outstanding balance of the bonds is less than 10% of the total amount of the bonds originally issued. The corporate bonds payable are classified as current liabilities as of December 31, 2025

On December, 2024, the Group issued the seventh secured conversion bonds. A total of 6,000 bonds were issued at par value of \$100 thousand per bond, with a total par value of \$600 million. The issued period is three years, the coupon rate is 0%, and a total issue price of the issuance is \$614,616. The corporate bonds payable are classified as current liabilities as of December 31, 2025

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The holders of each unit of bonds have the right to convert the bonds into common shares of the Group at \$19.30 per share, and the conversion price shall be adjusted in accordance with the prescribed calculation formula in the event of a change in share capital or the payment of cash dividends by the Group. The conversion period is from March 18, 2025 to December 17, 2027. From the day following the expiration of three months from the date of issuance to 40 days before the expiration of the issuance period, the Group may also convert the Group's convertible bonds to cash by redeeming all of the outstanding bonds at the par value of the bonds if the closing price of the Group's common stock on the Taiwan Stock Exchange exceeds 30% or more of the prevailing conversion price for 30 consecutive trading days, or if the outstanding balance of the bonds is less than 10% of the total amount of the bonds originally issued. The bonds payable were classified as non-current liabilities as of December 31, 2025.

(m) Current provisions

	Provision for Litigation Liabilities
Balance on January 1, 2025	\$ 13,114
Payments made during the period	(667)
Impact of exchange rate	(542)
Balance on December 31, 2025	<u>\$ 11,905</u>
Balance on January 1, 2024	\$ 49,128
Reclassified to other income during the period	(29,507)
Payments made during the period	(9,836)
Impact of exchange rate	3,329
Balance on December 31, 2024	<u>\$ 13,114</u>

The provision for litigation is estimated by the merged company in response to the lawsuit filed against the 2020 inspection by the International Transport Workers' Federation (ITF). For related information, please refer to Note 9.

(n) Lease liabilities

The Group's lease liabilities were as follows:

	December 31, 2025	December 31, 2024
Current	\$ 5,391	5,393
Non-current	\$ 8,128	13,218

Please refer to Note 6(u) for maturity analysis.

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The amounts recognized in profit or loss were as follows:

	For the years ended December 31	
	2025	2024
Interest on lease liabilities	\$ <u>479</u>	<u>420</u>
Expenses relating to short-term leases	\$ <u>943</u>	<u>932</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>1,025</u>	<u>721</u>

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

	For the years ended December 31	
	2025	2024
Total cash outflow for leases	\$ <u>8,392</u>	<u>6,922</u>

(i) Real estate leases

The Group leases land, buildings and equipment for its office use, with lease terms ranging from 3 to 5 years.

(ii) Other leases

The Group also has short-term leases or leases of low-value items. The Group has elected not to recognize its right-of-use assets and lease liabilities for these leases.

(o) Employee benefits

(i) Defined benefit plans

Reconciliation of defined obligation at present value and asset at fair value were as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligations	\$ 20,444	18,068
Fair value of plan assets	<u>(25,292)</u>	<u>(22,230)</u>
Net defined benefit liabilities(assets)	<u>\$ (4,848)</u>	<u>(4,162)</u>

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

(Continued)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Movements in present value of the defined benefit obligations

The movement in present value of the defined benefit obligations for the Group were as follows:

	For the years ended December 31	
	2025	2024
Defined benefit obligations on January 1	\$ 18,068	21,872
Current service cost and interest cost	289	262
Remeasurements loss (gain):		
— Actuarial loss (gain) arising from financial assumptions	347	(695)
— Actuarial loss (gain) arising from experience	1,740	287
Welfare payment	-	(3,658)
Defined benefit obligations on December 31	<u>\$ 20,444</u>	<u>18,068</u>

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Group were as follows:

	For the years ended December 31	
	2025	2024
Fair value of plan assets on January 1	\$ (22,230)	(22,647)
Interests income	(355)	(272)
Remeasurements loss		
— Return on plan assets excluding interest income	(1,730)	(1,946)
Contributions paid by the employer	(977)	(1,023)
Welfare payment	-	3,658
Fair value of plan assets on December 31	<u>\$ (25,292)</u>	<u>(22,230)</u>

4) Expenses recognized in profit or loss

The expenses that should be recognized in profit or loss for the Group were as follows:

	For the years ended December 31	
	2025	2024
Net interest of net liabilities for defined benefit obligations	<u>\$ (66)</u>	<u>(10)</u>
Operating expense	<u>\$ (66)</u>	<u>(10)</u>

(Continued)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

5) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.400 %	1.600 %
Future salary increase rate	2.000 %	2.000 %

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is \$942 thousand. The weighted average lifetime of the defined benefits plans is 9 years.

6) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	<u>Influences of defined benefit obligations</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
December 31, 2025		
Discount rate	\$ (433)	446
Future salary increase rate	391	(382)
December 31, 2024		
Discount rate	(416)	430
Future salary increase rate	382	(373)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

The analysis is performed on the same basis for prior year.

(ii) Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$8,131 thousand and \$8,054 thousand for the years ended December 31, 2025 and 2024, respectively.

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(p) Income tax

- (i) The components of income tax for the years ended December 31, 2025 and 2024 were as follows:

	<u>For the years ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Current tax expenses		
Current periods	\$ 26,313	-
Adjustment of current income tax for the previous period	<u>4,417</u>	<u>(586)</u>
	<u>30,730</u>	<u>(586)</u>
Deferred tax expenses		
Occurrence and reversal of temporary differences	<u>(7,231)</u>	<u>(24,353)</u>
Income tax expenses	<u>\$ 23,499</u>	<u>(24,939)</u>

The amount of income tax recognized in other comprehensive income for the years ended December 31, 2025 and 2024 were as follows:

	<u>For the years ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Item that will not be reclassified subsequently to profit or loss		
Remeasurement from defined benefit plans	<u>\$ (72)</u>	<u>470</u>

The reconciliation of income tax expense and profit before tax for the years ended December 31, 2025 and 2024 were as followed:

	<u>For the years ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Profit before tax	<u>\$ (108,640)</u>	<u>(429,854)</u>
Income tax expense at domestic statutory tax rate	\$ (21,728)	(85,971)
Impact of foreign jurisdiction tax rate differences	7,186	7,708
Recognition of previously unrecognized tax losses	34,085	65,768
Changes in unrecognized temporary differences	-	(19,995)
Deferred tax effect of earnings of subsidiaries	2,634	(419)
Unrecognized temporary differences	4,417	(586)
Others	<u>(3,095)</u>	<u>8,556</u>
Total	<u>\$ 23,499</u>	<u>(24,939)</u>

(Continued)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Deferred tax assets and liabilities

1) Recognized deferred tax assets and liabilities

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

Deferred Tax Liabilities:

	Unappropriated earnings of subsidiaries	Unrealized exchange gains and losses	Defined Benefit Plans	Others	Total
Balance on January 1, 2025	\$ 709,001	-	767	-	709,768
Debit (credit) Income statement	-	-	210	-	210
Debit (credit) Other Comprehensive Income	-	-	(72)	-	(72)
Balance on December 31, 2025	<u>\$ 709,001</u>	<u>-</u>	<u>905</u>	<u>-</u>	<u>709,906</u>
Balance on January 1, 2025	\$ 712,271	3,656	91	-	716,018
Debit (credit) Income statement	(3,270)	(3,656)	206	-	(6,720)
Debit (credit) other comprehensive income	-	-	470	-	470
Balance on December 31, 2024	<u>\$ 709,001</u>	<u>-</u>	<u>767</u>	<u>-</u>	<u>709,768</u>

Deferred Tax Assets:

	Impairment Loss	Unrealized exchange gains and losses	Others	Total
Balance on January 1, 2025	\$ 2,733	18,033	502	21,268
Debit (credit) Income statement	(400)	7,841	-	7,441
Balance on December 31, 2025	<u>\$ 2,333</u>	<u>25,874</u>	<u>502</u>	<u>28,709</u>
Balance on January 1, 2024	\$ 3,133	-	502	3,635
Debit (credit) Income statement	(400)	18,033	-	17,633
Balance on December 31, 2024	<u>\$ 2,733</u>	<u>18,033</u>	<u>502</u>	<u>21,268</u>

2) Unrecognized deferred tax liabilities

The consolidated entity is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of 2025. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details are as follows:

	December 31, 2025	December 31, 2024
Aggregate amount of temporary differences related to investments in subsidiaries	<u>\$ 5,033,081</u>	<u>5,386,504</u>
Unrecognized deferred tax liabilities	<u>\$ 1,006,616</u>	<u>1,077,301</u>

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Unrecognized deferred tax assets

The R.O.C. Income Tax Act allows the carry forward of net losses, as assessed by the tax authorities, to offset against taxable income. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

As of December 31, 2025, the Group had not recognized the prior years' loss carry-forwards as deferred tax assets, and the expiry years thereof were as follows:

<u>Year of occurrence</u>	<u>Unused balance</u>	<u>Expiry year</u>
2016	\$ 73,633	2026
2017	256,262	2027
2018	258,475	2028
2019	252,739	2029
2020	205,219	2030
2021	186,433	2031
2022	183,402	2032
2023	208,379	2033
2024	265,805	2034
2025	170,423	2035
	<u>\$ 2,060,770</u>	

(iii) The Company and the domestic subsidiary's income tax returns were examined and approved by the tax authority detailed as follows:

<u>Company</u>	<u>Approved year</u>
The Company	2023(The 2022 amount has not yet been approved)
Dancewoods Hotel & Resort	2023

(q) Capital and other equity

As of December 31, 2025 and 2024, the Company's authorized capital consisted of 500,000 thousand shares, amounting to \$5,000,000 thousand, with par value of \$10 (New Taiwan dollars) per share. All of the issued shares were ordinary shares consisted of 389,272 thousand, respectively, and the funds had been received.

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Capital surplus

The components of the capital surplus were as follows:

	December 31, 2025	December 31, 2024
Issuance of shares at a premium	\$ 2,742,374	2,742,374
Treasury stock transactions	701	701
Conversion of bonds	372,330	372,330
Employee stock options	13,737	13,737
Share option	107,127	107,127
Other	<u>69,358</u>	<u>69,358</u>
	<u>\$ 3,305,627</u>	<u>3,305,627</u>

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

(ii) Retained earnings

The Company's articles of incorporation require that after-tax earnings shall first be offset against any deficit, and 10% of the remaining balance shall be set aside as legal reserve. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital. Special reserve may be appropriated for operations or to meet regulations. The remaining earnings, if any, may be appropriated according to the proposal presented in the annual shareholders' meeting by the Board of Directors.

In accordance with the Company's Articles of Incorporation, which were approved during the shareholders' meeting, The net amount of other equity deductions accumulated by the Company in the previous period shall be included in the special surplus reserve of the same amount from the undistributed surplus of the previous period, and if there is still any shortfall, the amount of the net profit after tax for the current period shall be included in the undistributed surplus of the current period by adding items other than the net profit after tax for the current period.

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

In response to competition in maritime market, the Company's dividend policy is based on the principle of prudence, under which the Company considers its long-term financing structure and operations. Thus, when earnings and funds become sufficient for operations and expansion, cash dividends or stock dividends will be distributed. The distribution of cash dividends should be at least 10% of earnings.

1) Legal reserve

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

2) Special reserve

In accordance with the rule issued by the FSC, a portion of the current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. The amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions. As of December 31, 2025 and 2024, the special earnings reserve was \$0 thousand and \$62,286 thousand.

3) Earnings distribution

Earnings distribution for the years ended December 31, 2024 and December 31, 2023, was decided by the resolution adopted at the board meeting held on June 25, 2025 and June 25, 2024. The earnings were distributed as follows:

(iii) OCI accumulated in reserves, net of tax

	Exchange differences on translation of foreign financial statements
Balance on January 1, 2025	\$ 803,852
Exchange differences on foreign operations	(586,375)
Balance on December 31, 2025	<u>\$ 217,477</u>
Balance on January 1, 2024	\$ (62,286)
Exchange differences on foreign operations	866,138
Balance on December 31, 2024	<u><u>\$ 803,852</u></u>

(Continued)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(r) Earnings per share

The basic earnings per share and diluted earnings per shares were calculated as follows:

(i) Basic earnings per share (NT dollars)

	For the years ended December 31	
	2025	2024
Profit (Loss) attributable to ordinary shareholders of the company	\$ (49,519)	(269,253)
Weighted-average number of ordinary shares (shares in thousands)	389,272	389,272
	\$ (0.13)	(0.69)

(ii) Diluted earnings per share (NT dollars)

	For the years ended December 31	
	2025	2024
Profit (Loss) attributable to ordinary shareholders of the company (diluted)	\$ (49,519)	(269,253)
Weighted-average number of ordinary shares (shares in thousands)	389,272	389,272
Weighted-average number of ordinary shares (shares in thousands)	389,272	389,272
	\$ (0.13)	(0.69)

Note: The item has an anti-dilutive effect on January 1 to December 31, 2025 and 2024, and hence it is not included in the calculation of diluted earnings per share.

(s) Revenue from contracts with customers

(i) Details of revenue

	For the year ended December 31, 2025		
	Shipping segment	Tourism segment	Total
Primary geographical markets:			
Taiwan	\$ 649	195,376	196,025
Asia	2,587,006	-	2,587,006
Europe	381,538	-	381,538
Other	19,337	-	19,337
	\$ 2,988,530	195,376	3,183,906

(Continued)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the year ended December 31, 2025		
	Shipping segment	Tourism segment	Total
Major products/services lines:			
Rental income	\$ 2,988,530	792	2,989,322
Other operating income	-	194,584	194,584
	<u>\$ 2,988,530</u>	<u>195,376</u>	<u>3,183,906</u>
	For the year ended December 31, 2024		
	Shipping segment	Tourism segment	Total
Primary geographical markets:			
Taiwan	\$ 112	182,747	182,859
Asia	2,609,271	-	2,609,271
Europe	617,515	-	617,515
Other	83,127	-	83,127
	<u>\$ 3,310,025</u>	<u>182,747</u>	<u>3,492,772</u>
Major products/services lines:			
Rental income	\$ 3,310,025	610	3,310,635
Other operating income	-	182,137	182,137
	<u>\$ 3,310,025</u>	<u>182,747</u>	<u>3,492,772</u>

(ii) Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities	<u>\$ 86,608</u>	<u>109,454</u>	<u>115,602</u>

The opening balances of contract liabilities amounting to \$109,454 thousand and \$115,602 thousand, as of January 1, 2025 and 2024 were recognized as income for the years ended December 31, 2025 and 2024, respectively.

(t) Remunerations to employees and directors

The Company resolved at the board meeting to amend its articles of incorporation at June 25, 2025. Under the revised articles, if the Company incurs profit for the year, the profit should first be used to offset against any accumulated deficits. The remainder, if any, 2% (in form of stock or cash) shall be appropriated as employee remuneration (of which, 10% shall be reserved specifically for frontline employees); recipients may include employees of the Company and its subsidiaries who meet certain requirements. Also, a maximum rate of 5% shall be appropriated as remuneration to directors and supervisors.

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Based on the Company's articles of incorporation prior to the amendment, if the Company incurs profit for the year, the profit should first be used to offset against any accumulated deficits. The remainder, if any, 2% (in form of stock or cash) shall be appropriated as employee remuneration; recipients may include employees of the Company and its subsidiaries who meet certain requirements. Also, a maximum rate of 5% shall be appropriated as remuneration to directors and supervisors.

No remunerations to employees and directors were accrued for the years ended 2025 and 2024 due to the net loss after tax incurred by the Company. Related information would be available on the Market Observation Post System website.

(u) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amounts of financial assets and contract assets represent the maximum credit risk exposure.

2) Concentration of credit risk

As of December 31, 2025 and 2024, the accounts receivable amounted to \$100,954 thousand and \$100,308 thousand, constituting 0.56% and 0.48%, respectively, of the consolidated total assets. Most of the customers of the Group have good reputation, hence, there is no significant credit risk.

3) Accounts receivable of credit risk

As of the reporting date, the amount of the Group's maximum exposure to credit risk, which could cause a financial loss to the Group due to the counterparties' failure to discharge an obligation, was the carrying amount of the financial assets recognized in the consolidated balance sheets.

(ii) Liquidity risk

The following are the contractual maturities of financial liabilities, including the interest payment and excluding the impact of netting agreements.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>within 6 months</u>	<u>6-12months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>More than 5 years</u>
December 31, 2025							
Non-derivative financial liabilities							
Secured bank loans	\$ 6,291,062	6,513,325	1,693,882	1,571,228	1,401,184	1,847,031	-
Short-term notes and bills payable	99,860	100,000	100,000	-	-	-	-
Non-interest bearing liabilities	264,329	264,329	264,329	-	-	-	-
Lease liabilities	13,519	14,098	2,928	2,788	3,696	4,686	-
Bonds payable	<u>1,072,146</u>	<u>1,100,000</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>600,000</u>	<u>-</u>
	<u>\$ 7,740,916</u>	<u>7,991,752</u>	<u>2,061,139</u>	<u>2,074,016</u>	<u>1,404,880</u>	<u>2,451,717</u>	<u>-</u>

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>within 6 months</u>	<u>6-12months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>More than 5 years</u>
December 31, 2024							
Non-derivative financial liabilities							
Secured bank loans	\$ 8,219,686	8,982,543	1,656,557	1,104,378	3,362,396	2,856,048	3,164
Notes and accounts payable	99,781	100,000	100,000	-	-	-	-
Non-interest bearing liabilities	359,393	359,393	359,393	-	-	-	-
Lease liabilities	18,611	19,849	2,929	2,929	5,610	8,381	-
Bonds payable	<u>1,051,605</u>	<u>1,100,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>600,000</u>	<u>-</u>
	<u>\$ 9,749,076</u>	<u>10,561,785</u>	<u>2,118,879</u>	<u>1,107,307</u>	<u>3,868,006</u>	<u>3,464,429</u>	<u>3,164</u>

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

(iii) Market risk

1) Currency risk

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

	<u>December 31, 2025</u>			<u>December 31, 2024</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 5,516	31.4300	173,353	3,649	32.7850	119,632
JPY:USD	36	0.0064	7	30,262	0.0064	6,352
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	77,000	31.4300	2,420,110	75,996	32.7850	2,491,536
USD:JPY	60,936	0.0064	12,236	38,582	0.0064	8,098

2) Sensitivity analysis

A strengthening (weakening) of 1% of the NTD against the USD for the year ended December 31, 2025 and 2024, would have increased (decreased) the net profit after tax by \$18,072 thousand and \$18,989 thousand, respectively. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases. The analysis assumes that all other variables remain constant, and is performed on the same basis for the years ended December 31, 2025 and 2024.

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the years ended December 31, 2025 and 2024, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$113,447 thousand \$(156,082) thousand, respectively.

4) Interest rate analysis

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

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

If the interest rate had increased or decreased by 0.5% basis points, the Group's net income would have increased or decreased by \$27,147 thousand and \$32,879 thousand for the years ended December 31, 2025 and 2024, respectively, with all other variable factors remaining constant. This is mainly due to the Group's borrowing at variable rates.

5) Other market price risk

The Group was exposed to equity price risk on its investments classified as financial assets at FVTPL. For the years ended December 31, 2025 and 2024, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	For the years ended December 31			
	2025		2024	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Prices of securities at the reporting date				
Increasing 5%	\$ <u>800</u>	<u>7,714</u>	<u>-</u>	<u>5,914</u>
Decreasing 5%	\$ <u>(800)</u>	<u>(7,714)</u>	<u>-</u>	<u>(5,914)</u>

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Fair value of financial instruments

1) The Categories and Fair values of Financial Instruments

The Group assesses its financial instruments at fair value through profit or loss on a recurring basis by using the fair value method.

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2025				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non derivative financial assets mandatorily measured at fair value through profit or loss	\$ 154,282	64,438	-	89,844	154,282
Embedded derivatives- Repayment Right	480	-	-	480	480
Subtotal	<u>154,762</u>	<u>64,438</u>	<u>-</u>	<u>90,324</u>	<u>154,762</u>
Financial assets at fair value through other comprehensive income					
Equity investment	16,000	-	-	16,000	16,000
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 1,991,995	-	-	-	-
Accounts receivable	48,003	-	-	-	-
Other receivable	52,951	-	-	-	-
Other financial assets-current and non-current	362,023	-	-	-	-
Refundable deposit	30,770	-	-	-	-
Subtotal	<u>\$ 2,485,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,656,504</u>	<u>64,438</u>	<u>-</u>	<u>106,324</u>	<u>170,762</u>

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

		December 31, 2025				
		Fair Value				
	Book Value	Level 1	Level 2	Level 3	Total	
Financial liabilities at amortized cost						
Bank loans	\$ 6,291,062	-	-	-	-	
Short-term notes and bills payable	99,860	-	-	-	-	
Notes payable and accounts payable	92,040	-	-	-	-	
Other payables (include related parties)	172,289	-	-	-	-	
Lease liabilities	13,519	-	-	-	-	
Bonds payable	<u>1,072,146</u>	-	-	-	-	
Subtotal	<u>\$ 7,740,916</u>	-	-	-	-	
		December 31, 2024				
		Fair Value				
	Book Value	Level 1	Level 2	Level 3	Total	
Financial assets at fair value through profit or loss						
Non derivative financial assets mandatorily measured at fair value through profit or loss	\$ 118,283	45,258	-	73,025	118,283	
	<u>180</u>	-	-	<u>180</u>	<u>180</u>	
Subtotal	<u>118,463</u>	<u>45,258</u>	-	<u>73,205</u>	<u>118,463</u>	
Financial assets measured at amortized cost						
Cash and cash equivalents	\$ 2,203,455	-	-	-	-	
Accounts receivable	39,952	-	-	-	-	
Other receivable	60,356	-	-	-	-	
Other financial assets-current and non-current	456,742	-	-	-	-	
Refundable deposits	<u>30,746</u>	-	-	-	-	
Subtotal	<u>\$ 2,791,251</u>	-	-	-	-	
Total	<u>\$ 2,909,714</u>	<u>45,258</u>	-	<u>73,205</u>	<u>118,463</u>	

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2024				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities at amortized cost					
Bank loans	\$ 8,219,686	-	-	-	-
Short-term notes and bills payable	99,781	-	-	-	-
Notes payable and accounts payable	179,718	-	-	-	-
Other payables (include related parties)	179,675	-	-	-	-
Lease liabilities	18,611	-	-	-	-
Bonds Payable	<u>1,051,605</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>\$ 9,749,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

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

2.1) Financial assets and financial liabilities measured at amortized cost

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

3) Valuation techniques for financial instruments measured at fair value

3.1) Non-derivative financial instruments

Financial instruments traded in active markets are based on quoted market prices. Market prices quoted from main exchanges and over-the-counter are the basis of fair value of equity instruments and credit instrument traded in active markets.

If the quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have a quoted price in an active market. If a financial instrument does not accord with the definition aforementioned, then it is considered to be without a quoted price in an active market. In general, market with low trading volume or high bid-ask spreads is an indication of non-active market.

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group's financial instruments, such as stock of listed companies and beneficiary certificates, are trade in active markets, and the fair value is based on quoted market prices.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

3.2) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of forward currency is usually determined by the forward currency exchange rate. Measurement of structured derivatives is based on option pricing models (i.e. Black-Scholes model) or other valuation methods (i.e. Monte Carlo simulation).

- 4) There were no transfers from each level for the years ended December 31, 2025 and 2024.
- 5) Reconciliation of Level 3 fair values

	At fair value through profit or loss		Fair value through other comprehensive income
	Embedded derivatives- Repayment Right	Non-derivative mandatorily measured at fair value through profit or loss	Unquoted equity instruments
Opening balance, January 1, 2025	\$ 180	73,025	-
Total gains and losses	300	-	-
Purchase	-	16,819	16,000
Ending Balance, December 31, 2025	<u>\$ 480</u>	<u>89,844</u>	<u>16,000</u>
Opening balance, January 1, 2024	\$ 200	51,000	-
Total gains and losses	(320)	-	-
Purchase	-	22,025	-
Issued	300	-	-
Ending Balance, December 31, 2024	<u>\$ 180</u>	<u>73,025</u>	<u>-</u>

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024, the total gains and losses that were included in “other gains and losses” were as follows:

	For the years ended December 31	
	2025	2024
Total gains and losses recognized		
In profit or loss, and presented in “gains and losses on financial assets at fair value through profit or loss”	300	(320)

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

The Group’s financial instruments that use Level 3 inputs to measure fair value include “financial assets measured at fair value through profit or loss – debt investments” and “fair value through other comprehensive income – equity investments”.

Most of the Group’s financial instruments that use Level 3 inputs have only one significant unobservable input. Only equity investment with no-active markets have multiple significant unobservable inputs. The significant unobservable inputs of the equity investments with no-active markets are independent, therefore, there is no correlation between them.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Redemption rights of convertible bonds	Binomial Tree convertible bonds pricing model	·Volatility: December 31, 2025 and December 31, 2024 was 44.28% and 33.25%, respectively.	·The estimated fair value would increase if the volatility was higher.
Financial assets at fair value through profit or loss – equity investment without an active market	Market approach	·The multiplier of price-to-book ratio (December 31, 2025 and December 31, 2024 were 0.88 and 0.89) ·Market illiquidity discount (December 31, 2025 and December 31, 2024 were both 20%)	·The estimated fair value would decrease if the multiplier of price-to-book ratio were lower. ·The estimated fair value would decrease if the market illiquidity discount were higher.

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through other comprehensive income – equity investment without an active market	Market approach	<ul style="list-style-type: none"> ·The multiplier of price-to-earnings ratio (December 31, 2025 was 0.94) ·Market illiquidity discount (December 31, 2025 was 20%) 	<ul style="list-style-type: none"> ·The estimated fair value would decrease if the multiplier of price-to-earnings ratio was lower. ·The estimated fair value would decrease if the market illiquidity discount were higher.

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

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

	<u>Inputs</u>	<u>Fluctuation in inputs</u>	<u>Profit or loss</u>		<u>Other comprehensive income</u>	
			<u>Favorable</u>	<u>Unfavorable</u>	<u>Favorable</u>	<u>Unfavorable</u>
December 31, 2025						
Financial assets at fair value through profit or loss						
Equity investments without an active market	Multiplier of price-to-book ratio	5%	4,492	(4,492)	-	-
Financial assets at fair value through other comprehensive income						
			-	-	800	(800)
December 31, 2024						
Equity investments without an active market	Multiplier of price-to-book ratio	5%	3,651	(3,651)	-	-

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Financial risk management

(i) Overview

The Group has exposures to the following risks from its financial instruments:

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

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

(ii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. As at the end of the reporting period, the amount of the Group's maximum exposure to credit risk, which could cause a financial loss to the Group due to the counterparties' failure to discharge an obligation, is the carrying amount of the financial assets as recognized in the consolidated balance sheets.

To maintain the quality of trade receivables, the Group applies credit risk management procedures to reduce the credit risk from specific customers. The credit evaluation of an individual customer includes the consideration of factors that will affect payment ability such as present financial condition, past transaction records and current economic conditions.

In addition, the credit risk of bank deposits, fixed-income investments and other financial instrument transactions with banks is monitored and evaluated by the Group's financial department. Since the counterparties are creditworthy banks and other financial institutions and enterprises with credit ratings higher than investment grades, the default risks were considered immaterial, and the credit risks were not significant.

(iii) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, and continuously monitoring forecast and actual cash flows, matching the maturity profiles of financial assets and liabilities, as well as continuously modifying the credit agreements to decrease the repayments for the latest two years.

The Group meets its needs for operating funds mainly through financing, including acquiring credit lines and entering into new loan agreements with financial institutions or other related parties. As of December 31, 2025, the unused financing facilities was amounted \$223,000 thousand.

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Market risk

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

1) Currency risk

Many of the Group's operating activities are carried out using foreign currency, which exposes it to adverse changes in foreign currency exchange rates. To avoid the impairment of foreign currency-denominated assets and negative cash flows due to exchange rate fluctuations, the Group closely monitors the exchange rate fluctuations and regulates its foreign currency position mainly through entering into currency-convertible loan agreements based on future cash flow demand and the current foreign currency position. The convertible agreement could reduce the adverse effect of the exchange rate fluctuations on the Group's income.

2) Interest rate risk

The Group was exposed to interest rate risk arising from borrowings at both fixed and floating interest rates. To reduce the adverse influence of market interest rate fluctuations, the Group evaluates market interest rate fluctuations regularly, observes the trend of interest rate fluctuations and maintains a certain level of yield after considering both security and liquidity of the Group's funds.

3) Other market price risk

The Group is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading. The Group does not actively trade in these investments as the management of the Group minimizes the risk by holding different investment portfolios.

(w) Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while providing sufficient return to stockholders through the optimization of the debt and equity balance. The Group's capital structure consists of its net debt (borrowings offset by cash) and equity (comprising share capital, capital surplus, retained earnings and other equity). For the overall planning of the Group's long-term development and the assets needed for this development, the Group determines the vessels needed and the corresponding capital expenditures to achieve the target shipping capacity and future growth. In addition, in light of the nature of the industry, future development of the Group and factors such as changes in the external environment, the Group considers the future capital needs and dividend requirements to ensure the Group will be able to continue as going concerns and return the earnings to stockholders while taking account of the interest of other stockholders, as well as to maintain the optimal capital structure to enhance stockholders' value in the long term.

The Group's management regularly reviews its capital structure and evaluates the risks that might accompany the different capital structure requirements. Generally, the Group adopts prudent risk management strategies.

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(7) Related-party transactions

(a) Names and relationship with related parties

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

<u>Name of related party</u>	<u>Relationship with the Group</u>
Benefit Transport S.A.	Other related party
Pei Lin Investment Corp.	"
Luo Pan Investment Corp.	"
Liang Yu Investment Corp.	"
Fei Yuan Investment Corp.	"
Huo Da Investment Corp.	"
Dancewood Manor Co., Ltd.	"
Da Si Management Consulting Co., Ltd.	"
Kun Lun Construction Co., Ltd.	"
Chung Ai Investment, Ltd.	"
Oceanlance Maritime Co. Ltd	"
Thermolysis Co., Ltd.	Associates

(b) Significant transactions with related parties

(i) Operating revenue

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

<u>Account</u>	<u>Relationship</u>	<u>For the years ended December 31</u>	
		<u>2025</u>	<u>2024</u>
Other operating income	Other related party	\$ <u>266</u>	<u>357</u>

Other operating revenue incurred from providing related parties with catering services.

(ii) Operating cost

<u>Relationship</u>	<u>For the years ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Other related party	\$ <u>9,613</u>	<u>4,708</u>

The Group stated that the transaction terms with the aforementioned companies did not differ significantly from those applied to other vendors.

(Continued)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Receivables from related parties

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Account receivable	Other related party	\$ <u>6</u>	<u>12</u>
Other receivables (classified as other current assets)	"	\$ <u>-</u>	<u>5</u>

(iv) Payables to related parties

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Account payable	Other related party	\$ <u>1,382</u>	<u>1,421</u>
Other payables- related parties	"	\$ <u>-</u>	<u>179</u>

The acquisitions of financial assets from related parties are summarized as follows:

<u>Account</u>	<u>Relationship</u>	<u>For the years ended December 31</u>					
		<u>2025</u>			<u>2024</u>		
		<u>Number of shares</u>	<u>Purpose</u>	<u>Acquisition price</u>	<u>Number of shares</u>	<u>Purpose</u>	<u>Acquisition price</u>
Current financial assets at fair value through other comprehensive income	Other related party	\$ <u>1,000,000</u>	STOCK	<u>16,000</u>	-	-	-

(v) In 2024, the consolidated entity did not participate in the capital increase of an associate in proportion to its ownership interest. Please refer to Note 6(e) for further details.

(vi) Other

<u>Account</u>	<u>Relationship</u>	<u>For the years ended December 31</u>	
		<u>2025</u>	<u>2024</u>
Rental Expense	Other related party	\$ <u>720</u>	<u>812</u>
Service fee	"	\$ <u>571</u>	<u>571</u>
Miscellaneous expenses	"	\$ <u>100</u>	<u>48</u>

(Continued)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vii) Loans from related parties

<u>Related party name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Pei Lin Investment Corp.	\$ <u>-</u>	<u>33</u>

The interests payable on loans from related parties (classified as other payables to related parties) were \$0 thousand and \$104 thousand as of December 31, 2025 and 2024, respectively. and the related interest expenses were \$0 thousand and \$1,546 for the years ended December 31, 2025 and 2024, respectively.

(viii) Other transactions with related parties

The Group leased part of the office and received rentals (classified as other income) from related parties based on the contracts. The information were listed as below:

<u>Relationship</u>	<u>For the years ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Other related party	\$ <u>69</u>	<u>69</u>

The rental prices offered to related parties are based on the market prices.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	<u>For the years ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 7,263	7,555
Post-employment benefits	216	216
	<u>7,479</u>	<u>7,771</u>

(8) Assets pledged as security:

The carrying amounts of assets pledged as security were as follows:

<u>Assets pledged as security</u>	<u>Liabilities secured by pledge</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other financial assets-current and noncurrent	Bank loans	\$ 138,796	224,202
Other financial assets-current and noncurrent	Bonds payable	180,000	180,000
Other financial assets-current and noncurrent	Unearned revenue- Gift certificates	43,227	57,792
Property, plant and equipment	Bank loans	13,789,929	15,088,015
Property, plant and equipment	Bonds payable	90,953	91,742
		<u>\$ 14,242,905</u>	<u>15,641,751</u>

(Continued)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(9) Significant commitments and contingencies

- (a) Dong Lien Maritime S.A. Panama, a subsidiary of the Company, and its sub-subsidiaries Genius Pescadores S.A., Fourseas Pescadores S.A., Summit Pescadores S.A., Stamina Pescadores S.A., Audrey Pescadores S.A., Moon Bright Shipping Corporation, Federal Pescadores S.A., Unicorn Brilliant S.A., Valor Pescadores S.A., and Modest Pescadores S.A., which collectively operate 11 vessels, were subject to an inspection by the ITF that resulted in certain disputes. Following negotiations, the parties agreed that the total compensation shall not exceed USD 700 thousand, and any amount beyond this cap will not be further compensated. As of December 31, 2025, the Company has assessed that it is obligated to an outflow of resources embodying economic benefits in the amount of USD 379 thousand and has recognized a corresponding provision for liabilities. Please refer to Note 6(m) for details.
- (b) Vessel purchase and construct contract

The group has signed contracts for the construction of bulk carriers. The total contract price and the advance payments made according to the contracts are as follows:

	December 31, 2025	December 31, 2024
Total contract price	<u>Not exceeding USD39,000thousand</u>	<u>Not exceedingUSD78,000thousand</u>
Paid amount	<u>\$363,017(USD11,550thousand)</u>	<u>\$1,003,221(USD30,600thousand)</u>

(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Other

- (a) A summary of employee benefits, depreciation, and amortization, by function, is as follows:

		For the year ended December 31					
		2025			2024		
By item	By function	Cost of sale	Operating expense	Total	Cost of sale	Operating expense	Total
Employee benefits							
Salary		710,862	130,477	841,339	778,576	126,636	905,212
Labor and health insurance		5,620	10,529	16,149	5,596	11,266	16,862
Pension		2,561	5,504	8,065	2,509	5,535	8,044
Others		91,297	6,616	97,913	100,927	6,353	107,280
Depreciation		1,247,336	23,279	1,270,615	1,327,523	25,440	1,352,963
Depletion		-	-	-	-	-	-
Amortization		-	1,201	1,201	-	1,248	1,248

(Continued)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	DONG LIEN MARITIME S.A. PANAMA	FOREVER PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	31,430	31,430	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	13,013,246	13,013,246
1	DONG LIEN MARITIME S.A. PANAMA	ETERNITY PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	31,430	31,430	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	13,013,246	13,013,246
1	DONG LIEN MARITIME S.A. PANAMA	VALOR PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	125,720	125,720	-	-	Short-term financing	-	Capital expenditures and working capital	-	-	-	13,013,246	13,013,246
1	DONG LIEN MARITIME S.A. PANAMA	FAIR PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	62,860	-	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	13,013,246	13,013,246
1	DONG LIEN MARITIME S.A. PANAMA	VIGOR PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	25,144	-	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	13,013,246	13,013,246
1	DONG LIEN MARITIME S.A. PANAMA	PATRIOT PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	597,170	597,170	591,597	-	Short-term financing	-	Capital expenditures and working capital	-	-	-	13,013,246	13,013,246
1	DONG LIEN MARITIME S.A. PANAMA	MOON BRIGHT SHIPPING CORPORATION	Other receivables from related parties	Yes	31,430	31,430	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	13,013,246	13,013,246
1	DONG LIEN MARITIME S.A. PANAMA	FEDERAL PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	47,145	47,145	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	13,013,246	13,013,246
1	DONG LIEN MARITIME S.A. PANAMA	MODEST PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	47,145	47,145	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	13,013,246	13,013,246
1	DONG LIEN MARITIME S.A. PANAMA	PENGHU PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	47,145	47,145	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	13,013,246	13,013,246
1	DONG LIEN MARITIME S.A. PANAMA	DANCEWOOD PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	15,715	15,715	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	13,013,246	13,013,246
1	DONG LIEN MARITIME S.A. PANAMA	BRAVE PESCADORES S.A.	Other receivables from related parties	Yes	15,715	-	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	13,013,246	13,013,246
1	DONG LIEN MARITIME S.A. PANAMA	GENIUS PESCADORES S.A. (PANAMA)	Other receivables from related parties	Yes	25,144	25,144	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	13,013,246	13,013,246

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	DONG LIEN MARITIME S.A. PANAMA	SPINNAKER PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	25,144	25,144	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	13,013,246	13,013,246
1	DONG LIEN MARITIME S.A. PANAMA	ENDURANCE PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	25,144	25,144	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	13,013,246	13,013,246
1	DONG LIEN MARITIME S.A. PANAMA	INDIGO PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	25,144	25,144	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	13,013,246	13,013,246
1	DONG LIEN MARITIME S.A. PANAMA	The Company	Other receivables from related parties	Yes	15,715	15,715	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	13,013,246	13,013,246
1	DONG LIEN MARITIME S.A. PANAMA	Dancewoods Hotel & Resort	Other receivables from related parties	Yes	15,715	15,715	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	13,013,246	13,013,246
1	DONG LIEN MARITIME S.A. PANAMA	ELEGANT PESCADORES S.A. (PANAMA)	Other receivables from related parties	Yes	37,716	37,716	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	13,013,246	13,013,246
1	DONG LIEN MARITIME S.A. PANAMA	FORTUNATE MARITIME S.A. PANAMA	Other receivables from related parties	Yes	31,430	-	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	13,013,246	13,013,246
1	DONG LIEN MARITIME S.A. PANAMA	The Company	Other receivables from related parties	Yes	2,200,100	1,822,940	1,822,940	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	13,013,246	13,013,246
1	DONG LIEN MARITIME S.A. PANAMA	Dancewoods Hotel & Resort	Other receivables from related parties	Yes	597,170	597,170	597,170	2.38	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	3,903,974	5,205,298

Note 1: Limitation of financing was based on 30% of the lending company's net equity on December 31, 2025; if the loan to overseas company whose voting shares are 100% owned directly or indirectly by the lender or lending to parent, the limitation of financing would have been based on 100% of the lending company's net equity on December 31, 2025.

Note 2: Limitation of financing was based on 40% of the lending company's net equity on December 31, 2025, if the loan to overseas company whose voting shares are 100% owned directly or indirectly by the lender or lending to parent, the limitation of financing would have been based on 100% of the lending company's net equity on December 31, 2025.

Note 3: The amounts of the actual borrowings at the end of the period had been eliminated during the preparation of the consolidated financial statements.

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/guarantees to third parties on behalf of parent company	Endorsements/guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The company	DONG LIEN MARITIME S.A. PANAMA	1	9,475,525	474,649	425,618	331,328	-	4.49 %	56,853,150	Yes	No	No
0	The company	ELEGANT PESCADORES S.A. (PANAMA)	1	9,475,525	290,659	199,739	199,739	-	2.11 %	56,853,150	Yes	No	No
0	The company	GENIUS PESCADORES S.A. (PANAMA)	1	9,475,525	834,047	818,959	473,857	-	8.64 %	56,853,150	Yes	No	No
0	The company	MOON BRIGHT SHIPPING CORPORATION	1	9,475,525	229,439	154,007	154,007	-	1.63 %	56,853,150	Yes	No	No
0	The company	FAIR PESCADORES S.A. PANAMA	1	9,475,525	246,940	246,940	246,940	-	2.61 %	56,853,150	Yes	No	No
0	The company	FOREVER PESCADORES S.A. PANAMA	1	9,475,525	191,723	-	-	-	- %	56,853,150	Yes	No	No
0	The company	ETERNITY PESCADORES S.A. PANAMA	1	9,475,525	153,967	-	-	-	- %	56,853,150	Yes	No	No
0	The company	FEDERAL PESCADORES S.A. PANAMA	1	9,475,525	228,762	-	-	-	- %	56,853,150	Yes	No	No
0	The company	MODEST PESCADORES S.A. PANAMA	1	9,475,525	440,020	314,300	314,300	-	3.32 %	56,853,150	Yes	No	No
0	The company	PATRIOT PESCADORES S.A. PANAMA	1	9,475,525	950,443	950,443	-	-	10.03 %	56,853,150	Yes	No	No
0	The company	PENGHU PESCADORES S.A. PANAMA	1	9,475,525	328,129	227,553	227,553	-	2.40 %	56,853,150	Yes	No	No
0	The company	DANCEWOOD PESCADORES S.A. PANAMA	1	9,475,525	345,841	258,289	258,289	-	2.73 %	56,853,150	Yes	No	No
0	The company	SPINNAKER PESCADORES S.A. PANAMA	1	9,475,525	268,888	221,115	221,115	-	2.33 %	56,853,150	Yes	No	No
0	The company	ENDURANCE PESCADORES S.A. PANAMA	1	9,475,525	722,918	722,918	437,220	-	7.63 %	56,853,150	Yes	No	No
0	The company	INDIGO PESCADORES S.A. PANAMA	1	9,475,525	369,617	325,615	325,615	-	3.44 %	56,853,150	Yes	No	No
0	The company	AUDREY PESCADORES S.A. PANAMA	1	9,475,525	330,777	286,914	286,914	-	3.03 %	56,853,150	Yes	No	No
0	The company	WONDERFUL PESCADORES S.A. PANAMA	1	9,475,525	481,053	481,053	293,731	-	5.08 %	56,853,150	Yes	No	No
0	The company	Dancewoods Hotel & Resort	1	9,475,525	2,117,075	2,056,569	2,056,569	-	21.70 %	56,853,150	Yes	No	No

Note 1:1. Subsidiaries in which the Company directly or indirectly holds more than 50% of its total outstanding ordinary shares.

2. The parent company which directly or indirectly holds more than 50% of its voting rights

Note 2:Limit on endorsement/guarantee given to a single entity was 100% of the net equity on December 31, 2025.

Note 3:Limit on endorsement/guarantee given to a single entity was 600% of the net equity on December 31, 2025.

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
The company	Convertible bond of Taiwan Kolin Co., Ltd	-	Financial assets at fair value through profit or loss - current	40,000	-	- %	-	- %	
The company	Wisdom Marine International Inc.	-	"	50,000	3,395	- %	3,395	- %	
The company	BIONIME CORPORATION	-	"	131,185	7,806	- %	7,806	- %	
The company	Yulon Motor Co., Ltd.	-	"	800	27	- %	27	- %	
The company	Taiwan Business Bank, Ltd.	-	"	318,000	5,088	- %	5,088	- %	
The company	Worldsteel?Convertible? Bonds	-	"	1,000	97	- %	97	- %	
The company	XS2327851874(F17301) (CHILE 3.504/15/53)	-	"	2,000	4,496	- %	4,496	- %	
The company	Cathay U.S. Treasury 20+ Year Bond ETF	-	"	80,000	2,264	- %	2,264	- %	
The company	Sunny Bank	-	Financial assets at fair value through profit or loss - non-current	9,647,781	89,844	0.24 %	89,844	0.24 %	
The company	Oceanlance Maritime Co. Ltd	-	Financial assets at fair value through other comprehensive income - non current	1,000,000	16,000	0.66 %	16,000	0.66 %	
Dancewoods Hotel & Resort	Rich super green energy Corporation	-	Financial assets at fair value through profit or loss - current	1,140,000	-	19.00 %	-	19.00 %	
Dancewoods Hotel & Resort	Chang Hwa Commercial Bank, Ltd.	-	"	554	11	- %	11	- %	
Dancewoods Hotel & Resort	Energenesis Biomedical Co., Ltd.	-	"	25,137	1,081	0.03 %	1,081	0.03 %	
Dancewoods Hotel & Resort	Intech Biopharm Co., Ltd.	-	"	268,716	4,784	0.16 %	4,784	0.16 %	
Dancewoods Hotel & Resort	Zyxel Group Corporation	-	"	10,000	320	- %	320	- %	
Dancewoods Hotel & Resort	Foci Fiber Optic Communication, Inc.	-	"	2,000	915	- %	915	- %	
Dancewoods Hotel & Resort	Tesla, Inc.	-	"	800	11,308	- %	11,308	- %	
Dancewoods Hotel & Resort	Nebius Group N.V. (NBIS)	-	Financial assets at fair value through profit or loss - current	200	526	- %	526	- %	
Dancewoods Hotel & Resort	Navitas semiconductor	-	"	64,000	14,362	- %	14,362	- %	
Dancewoods Hotel & Resort	IonQ, Inc.	-	"	25	35	- %	35	- %	
Dancewoods Hotel & Resort	ALAB Astera Labs, Inc.	-	"	200	1,046	- %	1,046	- %	
Dancewoods Hotel & Resort	AXTI AXT, Inc.	-	"	5,000	2,569	- %	2,569	- %	
Dancewoods Hotel & Resort	VERI Veritone, Inc.	-	"	15,000	2,192	- %	2,192	- %	
Dancewoods Hotel & Resort	AAOI Applied Optoelectronics, Inc.	-	"	1,226	1,343	- %	1,343	- %	
Dancewoods Hotel & Resort	UPAMC Taiwan Growth Active ETF	-	"	18,516	313	- %	313	- %	
Dancewoods Hotel & Resort	HON HAI PRECISION IND. CO., LTD.	-	"	2,000	461	- %	461	- %	

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Dong Lien Maritime S.A. Panama and subsidiaries	Subsidiary	Sale	(163,285)	(5) %	Net 30-90 days	-		-	-%	
Dong Lien Maritime S.A. Panama and subsidiaries	The Company	Parent Company	Purchase	163,285	5 %	Net 30-90 days	-		-	-%	

Note: The amount of the transaction and the ending balance had been offset in the consolidated financial statements.

- (v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Dong Lien Maritime S.A. Panama	The Company	Ultimate parent company	1,822,940	-	-		-	-
Dong Lien Maritime S.A. Panama	Dancewoods Hotel & Resort	Other related parties of the Company	597,170	-	-		-	-

- (vi) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The company	Dong Lien Maritime S.A. Panama and subsidiaries	1	Operating revenue	163,285	Receive in net 30-90 days	5%
0	The company	Dong Lien Maritime S.A. Panama and subsidiaries	1	Other revenue	9,088	Receive in net 30-90 days	-%
0	The company	Dong Lien Maritime S.A. Panama and subsidiaries	1	Other paid to related parties	774,266	Receive in net 30-90 days	4%
0	The company	Dancewoods Hotel & Resort	2	Operating revenue	60	Receive in net 30-90 days	-%
0	The company	Dancewoods Hotel & Resort	2	Other receivable to related parties	171	Receive in net 30-90 days	-%
0	The company	Dancewoods Hotel & Resort	2	Other revenue	4,153	Receive in net 30-90 days	-%
0	The company	Fortunate Maritime S.A. Panama	2	Operating revenue	7,132	Receive in net 30-90 days	-%
1	Dancewoods Hotel & Resort	The company	2	Operating revenue	181	Receive in net 30-90 days	-%
2	Dong Lien Maritime S.A. Panama and subsidiaries	The company	1	Other receivable to related parties	1,822,940	Receive in accordance with the agreements	10%
2	Dong Lien Maritime S.A. Panama and subsidiaries	Dancewoods Hotel & Resort	3	Interest revenue	11,977	Receive in net 30-90 days	-%
2	Dong Lien Maritime S.A. Panama and subsidiaries	Dancewoods Hotel & Resort	3	Other receivable to related parties	597,170	Receive in accordance with the agreements	3%

Note 1: Company numbering as follows:

1. Parent company-0
2. Subsidiaries starts from 1

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Note 2: The numbering of the relationship between transaction parties as follows:

1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary

Note 3: The calculation of the ratio of the transaction amount to the consolidated total revenue or total assets, if it is an asset and liability item, is calculated based on the ending balance to the consolidated total assets.

Note 4: The company may decide whether the important transactions in this table need to be presented in accordance with the principle of materiality.

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2025 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value				
The company	Dong Lien Maritime S.A. Panama	Panama	Cargo shipping services and shipping agency	5,125,510	4,744,408	163,077,000	100.00 %	13,013,246	100.00 %	(22,059)	(22,059)	Subsidiary (Note 1 and 2)
The company	Fortunate Maritime S.A. Panama	Panama	"	277,370	289,328	88,250	100.00 %	545,160	100.00 %	(13,867)	(13,867)	"
The company	Dancewoods Hotel & Resort	Taiwan	Resort hotels service and recreational grounds and facilities	1,164,157	1,164,157	44,630,104	55.43 %	104,950	55.43 %	(185,371)	(102,751)	"
The company	Thermolysis Co., Ltd	Taiwan	Pollution prevention equipment manufacturing and retail	83,140	83,140	4,769,168	8.96 %	42,722	8.96 %	(89,981)	(7,736)	Related Party
Dong Lien Maritime S.A. Panama	Audrey Pescadores S.A. Panama	Panama	Cargo shipping services and shipping agency	157,150	163,925	50,000	100.00 %	126,038	100.00 %	(27,868)	Exempt from disclosure (Note 3)	Sub-subsidiary (Note 1 and 2)
Dong Lien Maritime S.A. Panama	Brave Pescadores S.A. Panama	Panama	"	361,445	377,028	115,000	100.00 %	427,644	100.00 %	12,302	"	"
Dong Lien Maritime S.A. Panama	Bright Pescadores S.A. Panama	Panama	"	62,860	65,570	20,000	100.00 %	63,055	100.00 %	317	"	"
Dong Lien Maritime S.A. Panama	Brilliant Pescadores S.A. Panama	Panama	"	31,430	32,785	10,000	100.00 %	31,338	100.00 %	24	"	"
Dong Lien Maritime S.A. Panama	Danceflora Pescadores S.A. Panama	Panama	"	345,730	360,635	110,000	100.00 %	362,377	100.00 %	(14,864)	"	"
Dong Lien Maritime S.A. Panama	Dancewood Pescadores S.A. Panama	Panama	"	251,440	262,280	8,000,000	100.00 %	196,670	100.00 %	(32,776)	"	"
Dong Lien Maritime S.A. Panama	Elegant Pescadores S.A. (Panama)	Panama	"	471,450	491,775	150,000	100.00 %	411,470	100.00 %	(13,224)	"	"
Dong Lien Maritime S.A. Panama	Endurance Pescadores S.A. Panama	Panama	"	157,150	163,925	50,000	100.00 %	181,533	100.00 %	836	"	"

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Notes to the Consolidated Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value				
Dong Lien Maritime S.A. Panama	Eternity Pescadores S.A. Panama	Panama	Cargo shipping services and shipping agency	392,875	409,813	125,000	100.00 %	377,577	100.00 %	34,422	Exempt from disclosure (Note 3)	Sub-subsidiary (Note 1 and 2)
Dong Lien Maritime S.A. Panama	Excellent Pescadores S.A. (Panama)	Panama	"	62,860	65,570	20,000	100.00 %	63,781	100.00 %	538	"	"
Dong Lien Maritime S.A. Panama	Fair Pescadores S.A. Panama	Panama	"	859,888	294,888	27,358,825	100.00 %	914,800	100.00 %	39,004	"	"
Dong Lien Maritime S.A. Panama	Federal Pescadores S.A. Panama	Panama	"	440,020	458,990	140,000	100.00 %	459,415	100.00 %	313	"	"
Dong Lien Maritime S.A. Panama	Forever Pescadores S.A. Panama	Panama	"	373,074	389,158	118,700	100.00 %	329,361	100.00 %	(19,620)	"	"
Dong Lien Maritime S.A. Panama	Fourseas Pescadores S.A. Panama	Panama	"	314,300	327,850	100,000	100.00 %	316,554	100.00 %	7,756	"	"
Dong Lien Maritime S.A. Panama	Gallant Pescadores S.A. Panama	Panama	"	260,068	271,279	82,745	100.00 %	155,432	100.00 %	(12,218)	"	"
Dong Lien Maritime S.A. Panama	Genius Pescadores S.A. (Panama)	Panama	"	314	328	10	100.00 %	110,649	100.00 %	8,783	"	"
Dong Lien Maritime S.A. Panama	Glaring Pescadores S.A. Panama	Panama	"	172,865	180,318	55,000	100.00 %	104,097	100.00 %	(6)	"	"
Dong Lien Maritime S.A. Panama	Honor Pescadores S.A. Panama	Panama	"	62,860	65,570	20,000	100.00 %	62,685	100.00 %	(126)	"	"
Dong Lien Maritime S.A. Panama	Huge Pescadores S.A. Panama	Panama	"	94,290	98,355	30,000	100.00 %	97,222	100.00 %	(105)	"	"
Dong Lien Maritime S.A. Panama	Indigo Pescadores S.A. Panama	Panama	"	62,860	65,570	20,000	100.00 %	154,595	100.00 %	14,816	"	"
Dong Lien Maritime S.A. Panama	Leader Pescadores S.A. Panama	Panama	"	94,290	98,355	30,000	100.00 %	94,362	100.00 %	(46)	"	"
Dong Lien Maritime S.A. Panama	Modest Pescadores S.A. Panama	Panama	"	392,875	409,813	125,000	100.00 %	270,764	100.00 %	1,887	"	"
Dong Lien Maritime S.A. Panama	Moon Bright Shipping Corporation	Panama	"	455,735	475,383	145,000	100.00 %	294,291	100.00 %	(16,818)	"	"
Dong Lien Maritime S.A. Panama	Patriot Pescadores S.A. Panama	Panama	"	832,895	868,803	265,000	100.00 %	600,598	100.00 %	1,309	"	"
Dong Lien Maritime S.A. Panama	Penghu Pescadores S.A. Panama	Panama	"	628,600	655,700	200,000	100.00 %	519,598	100.00 %	(48,139)	"	"
Dong Lien Maritime S.A. Panama	Skyhigh Pescadores S.A. Panama	Panama	"	471,450	491,775	150,000	100.00 %	330,040	100.00 %	(12,784)	"	"

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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value				
Dong Lien Maritime S.A. Panama	Spinnaker Pescadores S.A. Panama	Panama	Cargo shipping services and shipping agency	220,010	229,495	70,000	100.00 %	219,889	100.00 %	(2,939)	Exempt from disclosure (Note 3)	Sub-subsidiary (Note 1 and 2)
Dong Lien Maritime S.A. Panama	Stamina Pescadores S.A. Panama	Panama	"	298,585	311,458	95,000	100.00 %	180,249	100.00 %	(4,028)	"	"
Dong Lien Maritime S.A. Panama	Summit Pescadores S.A. Panama	Panama	"	94,290	98,355	30,000	100.00 %	494,342	100.00 %	34,627	"	"
Dong Lien Maritime S.A. Panama	Superior Pescadores S.A. Panama	Panama	"	78,575	81,963	25,000	100.00 %	78,408	100.00 %	(46)	"	"
Dong Lien Maritime S.A. Panama	Trump Pescadores S.A. Panama	Panama	"	188,580	196,710	60,000	100.00 %	198,011	100.00 %	51	"	"
Dong Lien Maritime S.A. Panama	Unicorn Brilliant S.A. Panama	Panama	"	917,184	956,725	291,818	100.00 %	950,705	100.00 %	12,335	"	"
Dong Lien Maritime S.A. Panama	Valor Pescadores S.A. Panama	Panama	"	150,864	157,368	48,000	100.00 %	296,779	100.00 %	(772)	"	"
Dong Lien Maritime S.A. Panama	Vigor Pescadores S.A. Panama	Panama	"	171,294	178,678	54,500	100.00 %	316,454	100.00 %	23	"	"
Dong Lien Maritime S.A. Panama	Wise Pescadores S.A. Panama	Panama	"	408,282	425,884	129,902	100.00 %	245,179	100.00 %	(254)	"	"
Dong Lien Maritime S.A. Panama	Wonderful Pescadores S.A. Panama	Panama	"	157,150	163,925	50,000	100.00 %	153,835	100.00 %	(6,764)	"	"

Note 1: It is calculated based on financial statements audited by an accountant.

Note 2: In preparing the consolidated financial statements, the transactions have been eliminated.

Note 3: The profit or loss of the investee company is already included in its investment company and will not be expressed separately herein for the avoidance of confusion.

(c) Information on investment in mainland China: None

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(14) Segment information:

(a) General information

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

The Group has two reportable segments: The shipping segment and the tourist segment. The shipping segment mainly provides cargo shipping services and shipping agency services. The tourist segment mainly provides resort hotel services.

Each vessel is considered a separate operating segment by the chief operating decision maker. For financial statement presentation purposes, these individual operating segments have been aggregated into a single operating segment taking into account that these operating segments have similar economic characteristics, long-term operating margins, order process and operating procedures.

(b) Information about reportable segments and their measurement and reconciliations

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The internal management report includes profit before taxation, but not including any extraordinary activity and foreign exchange gain or losses because taxation, extraordinary activity, and foreign exchange gain or losses are managed on a group basis, and hence they are not able to be allocated to each reportable segment. In addition, not all reportable segments include depreciation and amortization of significant non-cash items. The reportable amount is similar to that in the report used by the chief operating decision maker.

The operating segment accounting policies are similar to those described in Note 4 “significant accounting policies”.

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

	For the year ended December 31, 2025			
	Shipping segment	Tourism segment	Adjustment and eliminations	Total
Revenue:				
Revenue from external customers	\$ 2,988,530	195,376	-	3,183,906
Intersegment revenues	<u>60</u>	<u>181</u>	<u>(241)</u>	<u>-</u>
Total revenue	<u>\$ 2,988,590</u>	<u>195,557</u>	<u>(241)</u>	<u>3,183,906</u>
Reportable segment profit or loss	<u>\$ 92,740</u>	<u>(201,380)</u>	<u>-</u>	<u>(108,640)</u>
Reportable segment assets	<u>\$ 15,279,131</u>	<u>2,862,028</u>	<u>-</u>	<u>18,141,159</u>
Reportable segment liabilities	<u>\$ (5,837,301)</u>	<u>(2,743,945)</u>	<u>-</u>	<u>(8,581,246)</u>

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
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	For the year ended December 31, 2024			
	Shipping segment	Tourism segment	Adjustment and eliminations	Total
Revenue:				
Revenue from external customers	\$ 3,310,025	182,747	-	3,492,772
Intersegment revenues	<u>60</u>	<u>916</u>	<u>(976)</u>	<u>-</u>
Total revenue	<u>\$ 3,310,085</u>	<u>183,663</u>	<u>(976)</u>	<u>3,492,772</u>
Reportable segment profit or loss	<u>\$ (133,581)</u>	<u>(296,273)</u>	<u>-</u>	<u>(429,854)</u>
Reportable segment assets	<u>\$ 17,750,382</u>	<u>3,112,158</u>	<u>-</u>	<u>20,862,540</u>
Reportable segment liabilities	<u>\$ (7,775,123)</u>	<u>(2,808,705)</u>	<u>-</u>	<u>(10,583,828)</u>

(c) Geographic information

The geographical information of the Group is as follows. Revenue is classified based on the geographical location of customers, as described in Note 6(q), and non-current assets are classified based on the geographical location of assets.

Geographical information	December 31, 2025	December 31, 2024
Americas	\$ 12,496,679	14,660,891
Taiwan	<u>2,759,834</u>	<u>2,724,235</u>
Total	<u>\$ 15,256,513</u>	<u>17,385,126</u>

Non-current assets included property and equipment, payments for equipment, right-of-use assets and other non-current assets.

(d) Major customers

The Group's revenue from a single customer does not reach 10% of the consolidated operating revenue.