

**CSBC CORPORATION, TAIWAN AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2025 AND 2024**

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

CSBC CORPORATION, TAIWAN AND SUBSIDIARIES

Declaration of Consolidated Financial Statements of Affiliated Enterprises

Year ended December 31, 2025, pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the entity that is required to be included in the consolidated financial statements of affiliates, is the same as the entity required to be included in the consolidated financial statements of parent and subsidiary companies under IFRS 10. Also, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

CSBC CORPORATION, TAIWAN

CHENG-HUNG HUANG

March 9, 2026

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR25000609

To the Board of Directors and Shareholders of CSBC CORPORATION, TAIWAN

Opinion

We have audited the accompanying consolidated balance sheets of CSBC CORPORATION, TAIWAN and its subsidiaries (the "Group") as at December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of 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 at 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matters for the Group's 2025 consolidated financial statements are stated as follows:

Accounting estimates and assumptions for total cost of construction contracts

Description

Please refer to Note 4(32) for a description of the accounting policy on construction contracts. Please refer to Note 5 for critical accounting estimates and assumptions for total cost of construction contracts.

The Group is engaged in the business of designing and building of various ships and cruisers. Assumptions for estimated construction cost include cost for equipment, material, labor and etc. Data used for assumptions involves subjective judgement and accounting estimates and are highly uncertain. As a result, assumptions used are material to the total construction cost and further affects the calculation of construction profit.

As the data used for assumptions involves subjective judgement and accounting estimates are highly uncertain, this may affect the completeness and relevant assertions. Considering that the estimated total cost of construction contracts is material to the financial statements, therefore, we assessed that these accounting estimates and assumptions as one of the key audit matters for this year.

How our audit addressed the matter

The scope of our audit responded to the risk as follows:

1. Assessing the effectiveness of CSBC Group's internal control regarding the estimation process of total cost of construction contract. This includes:
 - (1) Whether the data used by management for estimates and assumptions is complete, relevant and accurate.
 - (2) Whether accounting estimates and assumptions have been reviewed and approved by proper management level.
 - (3) Whether the segregation of duties is appropriate.
2. Obtaining the Estimate at Completion Reports, selecting sample reports and verifying the accuracy, completeness and relevance of the data that was used for assumptions and estimations. Checking whether the use of estimates and assumptions in the Estimate at Completion Reports are appropriate.
3. Comparing cost at completion for the same or similar ships and then assessing the reasonableness of the Estimate at Completion Report.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of CSBC CORPORATION TAIWAN, as at and for the years ended December 31, 2025 and 2024.

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

Management of the Group is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of 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, 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and maintain 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 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.

Wang, Chun-Kai

Wu, Chien-Chih

For and on behalf of PricewaterhouseCoopers, Taiwan

March 9, 2025

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

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

CSBC CORPORATION, TAIWAN AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,909,943	4	\$ 3,624,339	11
1136	Current financial assets at amortised cost	6(2) and 8	961	-	309	-
1140	Current contract assets	6(22)(27) and 7	7,913,215	17	3,219,659	9
1170	Accounts receivable, net	6(3)(22)	1,272,358	3	565,795	2
1180	Accounts receivable due from related parties	6(3)(22) and 7	18,522	-	107,737	-
1200	Other receivables		7,076	-	10,527	-
130X	Inventories	6(4)(22) and 8	5,288,463	11	4,851,269	14
1410	Prepayments	6(5) and 7	10,570,276	23	2,397,293	7
1479	Other current assets, others		18,669	-	16,793	-
11XX	Current Assets		26,999,483	58	14,793,721	43
Non-current assets						
1535	Non-current financial assets at amortised cost	6(2) and 8	-	-	957	-
1550	Investments accounted for under equity method	6(7)	2,066,784	5	1,021,939	3
1600	Property, plant and equipment	6(8)	13,378,179	29	13,244,795	39
1755	Right-of-use assets	6(9)	1,671,901	4	2,671,721	8
1760	Investment property - net	6(10)(11)	209,520	-	210,200	1
1780	Intangible assets	6(12)	48,139	-	55,549	-
1840	Deferred income tax assets	6(33)	1,402,340	3	1,442,328	4
1920	Guarantee deposits paid		64,204	-	165,180	1
1975	Net defined benefit asset, non-current	6(13)	576,975	1	410,868	1
15XX	Non-current assets		19,418,042	42	19,223,537	57
1XXX	Total assets		\$ 46,417,525	100	\$ 34,017,258	100

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CSBC CORPORATION, TAIWAN AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(14)	\$ 8,626,555	19	\$ 3,717,791	11
2110	Short-term notes and bills payable	6(15)	3,739,109	8	1,454,434	4
2120	Current financial liabilities at fair value through profit or loss	6(16)	150,392	-	2,496	-
2130	Current contract liabilities	6(22)(27) and 7	4,633,835	10	3,284,491	10
2150	Notes payable	6(22)	9	-	-	-
2170	Accounts payable	6(22)	2,003,649	4	2,318,576	7
2200	Other payables	6(17) and 7	1,085,145	2	959,115	3
2230	Current income tax liabilities		7,215	-	3,328	-
2250	Provisions for liabilities - current	6(18)(22)	2,871,136	6	1,773,767	5
2280	Current lease liabilities	6(9)	199,840	1	313,802	1
2310	Advance receipts		38,516	-	33,612	-
2320	Long-term liabilities, current portion	6(19)(20)	338,586	1	1,769,984	5
21XX	Current Liabilities		23,693,987	51	15,631,396	46
Non-current liabilities						
2500	Non-current financial liabilities at fair value through profit or loss	6(16)	31,441	-	-	-
2527	Non-current contract liabilities	6(22)(27)	4,026,888	9	-	-
2540	Long-term borrowings	6(20)	7,399,184	16	4,317,384	13
2570	Deferred income tax liabilities	6(33)	1,324,738	3	1,325,030	4
2580	Non-current lease liabilities	6(9)	1,566,466	3	2,484,991	7
2610	Long-term notes and accounts payable	6(21)	701,088	2	688,219	2
2630	Long-term deferred revenue	6(21)	68,653	-	105,729	-
2645	Guarantee deposits received		464,069	1	391,275	1
2670	Other non-current liabilities, others		2,561	-	3,735	-
25XX	Non-current liabilities		15,585,088	34	9,316,363	27
2XXX	Total Liabilities		39,279,075	85	24,947,759	73
Equity attributable to owners of parent						
Share capital						
3110	Share capital - common stock	6(19)(23) and 7	12,745,394	27	12,745,394	38
Capital surplus						
3200	Capital surplus	6(19)(23)(24)	-	-	2,757,040	8
Retained earnings						
3320	Special reserve	6(25)	3,166,471	7	3,166,471	9
3350	Accumulated deficit		(8,804,381)	(19)	(9,458,991)	(28)
Other equity interest						
3400	Other equity interest	6(7)(26)	74,119	-	(109,888)	-
31XX	Equity attributable to owners of the parent		7,181,603	15	9,100,026	27
36XX	Non-controlling interests		(43,153)	-	(30,527)	-
3XXX	Total equity		7,138,450	15	9,069,499	27
Significant contingent liabilities and unrecognised contract commitments						
7 and 9						
3X2X	Total liabilities and equity		\$ 46,417,525	100	\$ 34,017,258	100

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

CSBC CORPORATION, TAIWAN AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except for loss per share amount)

			Year ended December 31			
			2025		2024	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(27) and 7	\$	21,780,245	100	\$ 14,494,347	100
5000 Operating costs	6(4)(12)(31)(32)					
	and 7	(	23,991,945)	(110)	(17,551,645)	(121)
5900 Net operating margin		(	2,211,700)	(10)	(3,057,298)	(21)
Operating expenses	6(12)(31)(32)					
6100 Selling expenses		(	68,202)	-	(67,649)	(1)
6200 General and administrative expenses		(	332,041)	(2)	(318,197)	(2)
6300 Research and development expenses		(	317,901)	(2)	(269,287)	(2)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(	30,971)	-	(5,906)	-
6000 Total operating expenses		(	749,115)	(4)	(661,039)	(5)
6900 Operating profit		(	2,960,815)	(14)	(3,718,337)	(26)
Non-operating income and expenses						
7100 Interest income			73,113	-	81,052	1
7010 Other income	6(10)(21)(28)		228,467	1	185,972	1
7020 Other gains and losses	6(29)	(	269,262)	(1)	75,682	1
7050 Finance costs	6(9)(21)(30)	(	188,023)	(1)	(205,531)	(1)
7060 Share of loss of associates and joint ventures accounted for under equity method	6(7)		861,379	4	797,953	5
7000 Total non-operating revenue and expenses			705,674	3	935,128	7
7900 Loss before income tax		(	2,255,141)	(11)	(2,783,209)	(19)
7950 Income tax expense	6(33)	(	17,428)	-	(10,530)	-
8200 Loss for the year		(\$	2,272,569)	(11)	(\$ 2,793,739)	(19)

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CSBC CORPORATION, TAIWAN AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except for loss per share amount)

				Year ended December 31			
				2025		2024	
Items		Notes		AMOUNT	%	AMOUNT	%
Other comprehensive income							
Components of other comprehensive income that will not be reclassified to profit or loss							
8311	Actuarial gain on defined benefit plan	6(13)		\$ 196,890	1	\$ 225,987	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(33)		(39,377)	-	(45,198)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss			157,513	1	180,789	1
Components of other comprehensive income that will be reclassified to profit or loss							
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(7)(26)		184,007	1	12,733	-
8300	Other comprehensive income for the year			<u>\$ 341,520</u>	<u>2</u>	<u>\$ 193,522</u>	<u>1</u>
8500	Total comprehensive loss for the year			<u>(\$ 1,931,049)</u>	<u>(9)</u>	<u>(\$ 2,600,217)</u>	<u>(18)</u>
Loss, attributable to:							
8610	Owners of parent			(\$ 2,259,943)	(11)	(\$ 2,779,850)	(19)
8620	Non-controlling interest			(12,626)	-	(13,889)	-
	Total			<u>(\$ 2,272,569)</u>	<u>(11)</u>	<u>(\$ 2,793,739)</u>	<u>(19)</u>
Comprehensive loss attributable to:							
8710	Owners of the parent			(\$ 1,918,423)	(9)	(\$ 2,586,328)	(18)
8720	Non-controlling interest			(12,626)	-	(13,889)	-
	Total			<u>(\$ 1,931,049)</u>	<u>(9)</u>	<u>(\$ 2,600,217)</u>	<u>(18)</u>
Basic loss per share							
9750	Total basic loss per share	6(34)		(\$ 1.77)	(\$ 2.20)		

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

CSBC CORPORATION, TAIWAN AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent								
		Share capital		Capital surplus, additional paid-in capital	Retained earnings					
Notes		Share capital - common stock	Advance receipts for share capital		Special reserve	Unappropriated retained earnings	Other equity interest	Total	Non-controlling interests	Total equity
<u>Year 2024</u>										
Balance at January 1, 2024		\$ 9,335,146	\$ 892,011	\$ 277,474	\$ 3,166,471	(\$ 6,859,930)	(\$ 122,621)	\$ 6,688,551	(\$ 16,638)	\$ 6,671,913
Loss for the year		-	-	-	-	(2,779,850)	-	(2,779,850)	(13,889)	(2,793,739)
Other comprehensive income	6(7)(26)	-	-	-	-	180,789	12,733	193,522	-	193,522
Total comprehensive (loss) income		-	-	-	-	(2,599,061)	12,733	(2,586,328)	(13,889)	(2,600,217)
Cash capital increase	6(23)(24) and 7	3,410,248	(892,011)	2,479,566	-	-	-	4,997,803	-	4,997,803
Balance at December 31, 2024		\$ 12,745,394	\$ -	\$ 2,757,040	\$ 3,166,471	(\$ 9,458,991)	(\$ 109,888)	\$ 9,100,026	(\$ 30,527)	\$ 9,069,499
<u>Year 2025</u>										
Balance at January 1, 2025		\$ 12,745,394	\$ -	\$ 2,757,040	\$ 3,166,471	(\$ 9,458,991)	(\$ 109,888)	\$ 9,100,026	(\$ 30,527)	\$ 9,069,499
Loss for the year		-	-	-	-	(2,259,943)	-	(2,259,943)	(12,626)	(2,272,569)
Other comprehensive income	6(7)(26)	-	-	-	-	157,513	184,007	341,520	-	341,520
Total comprehensive (loss) income		-	-	-	-	(2,102,430)	184,007	(1,918,423)	(12,626)	(1,931,049)
Capital surplus used to offset accumulated deficits	6(24)(25)	-	-	(2,757,040)	-	2,757,040	-	-	-	-
Balance at December 31, 2025		\$ 12,745,394	\$ -	\$ -	\$ 3,166,471	(\$ 8,804,381)	\$ 74,119	\$ 7,181,603	(\$ 43,153)	\$ 7,138,450

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

CSBC CORPORATION, TAIWAN AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		(\$ 2,255,141)	(\$ 2,783,209)
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit loss (gain)	12(2)	30,971	5,906
Property, plant and equipment transferred and depreciation	6(8)(31)	751,489	709,456
Depreciation expense on right-of-use assets	6(9)(31)	225,848	246,585
Depreciation expense from investment properties	6(11)	680	680
Amortization expense	6(12)(31)	27,385	25,524
Share of loss (profit) of investments accounted for using equity method	6(7)	(861,379)	(797,953)
Interest income		(73,113)	(81,052)
Government grant revenue	6(28)(30)(35)	(12,869)	(12,634)
Loss on financial assets and liabilities at fair value through profit or loss	6(29)	192,564	1,942
Loss on disposal of property, plant and equipment	6(29)	3,770	3,261
Interest expense	6(30)	188,023	205,531
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets		(4,725,714)	(590,416)
Accounts receivable		(705,376)	253,808
Accounts receivable - related parties		89,215	523,633
Other receivable		(741)	92,324
Inventories		(357,194)	977,422
Prepayments		(8,172,983)	777,722
Other current assets - other		(16,070)	(8,557)
Net defined benefit asset		30,783	(15,222)
Changes in operating liabilities			
Financial assets at fair value through profit or loss		(13,227)	-
Contract liabilities		5,376,232	(2,899,630)
Notes payable		9	(15)
Accounts payable		(314,927)	10,683
Other payable		75,222	(148,561)
Provisions for liabilities - current		1,097,369	828,129
Advance receipts		(19,303)	(64,200)
Cash outflow generated from operations		(9,438,477)	(2,738,843)
Interest received		77,305	80,707
Dividends received		541	632
Interest paid		(162,058)	(184,871)
Income tax refunded (paid)		972	(18,512)
Net cash flows used in operating activities		(9,521,717)	(2,860,887)

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CSBC CORPORATION, TAIWAN AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease in financial assets at amortised cost		\$ 305	\$ 11,866
Acquisition of property, plant and equipment	6(35)	(850,728)	(518,445)
Proceeds from disposal of property, plant and equipment		995	115
Acquisition of intangible assets	6(12)	(19,975)	(36,879)
Increase in refundable deposits		(20,249)	(153,547)
Decrease in refundable deposits		41,225	168,953
Net cash flows used in investing activities		(848,427)	(527,937)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(36)	4,908,764	131,521
Increase (decrease) in short-term notes and bills payable	6(36)	2,288,000	(2,685,000)
Repayments of bonds	6(36)	(1,768,300)	-
Proceeds from long-term borrowings	6(36)	5,518,179	79,200
Repayments of long-term borrowings	6(36)	(2,104,000)	(2,701,600)
Payments of lease liabilities	6(36)	(258,515)	(223,784)
Increase in guarantee deposits received	6(36)	249,621	220,945
Decrease in guarantee deposits received	6(36)	(176,827)	(121,553)
Decrease in other non-current liabilities	6(36)	(1,174)	(1,119)
Cash capital increase	6(23)	-	4,997,803
Net cash flows from (used in) financing activities		8,655,748	(303,587)
Net decrease in cash and cash equivalents		(1,714,396)	(3,692,411)
Cash and cash equivalents at beginning of year	6(1)	3,624,339	7,316,750
Cash and cash equivalents at end of year	6(1)	\$ 1,909,943	\$ 3,624,339

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

CSBC CORPORATION, TAIWAN AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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

1. HISTORY AND ORGANIZATION

- (1) On May 1, 1946, Taiwan Machinery and Shipbuilding Company was established by the government, and then was divided into two companies ‘Taiwan Machinery Corporation’ and ‘Taiwan Shipbuilding Corporation (TSBC)’ to split the machinery and shipbuilding business for the purpose of management. In the late 1960s, the government built large shipyards in Xiaogang Kaohsiung which is the current place of business for CSBC CORPORATION, TAIWAN (the “Company”).
- (2) In July 1973, China Shipbuilding Corporation was established by the government. In the early days, most of its labour and techniques were supported by TSBC and they were both reverted to become state - owned companies under the Ministry of Economic Affairs. In January 1978, China Shipbuilding Corporation merged with TSBC and China Shipbuilding Corporation became the surviving company. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the business of building, manufacturing and repairing of various ships and onshore equipment, ship coating, anti-corrosion coating on large steel structure, surface treatment and professional coating.
- (3) On March 1, 2007, China Shipbuilding Corporation changed its name to CSBC Corporation, Taiwan.
- (4) The Company became a listed company since December 22, 2008.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on March 9, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

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

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

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

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

Except for the related impacts of the following standards and interpretations that are yet to be assessed, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment:

Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'

Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

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

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

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

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

Except for the related impacts of the following standards and interpretations that are yet to be assessed, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment:

IFRS 18, 'Presentation and disclosure in financial statements'

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit assets recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, 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. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed 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.
- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	% of shares held as of		Description
			December 31, 2025	December 31, 2024	
CSBC CORPORATION, TAIWAN	CSBC Coating Solutions Co., Ltd.	Marine coating, steel structure painting works, surface treatment, and high-tech anti-corrosion	100.00	100.00	
	CSBC Power Technology Co., Ltd.	Manufacturing of ships and its components etc.	86.67	86.67	
CSBC Coating Solutions Co., Ltd.	BLUE ACE CORPORATION	Marine coating, steel structure painting works, surface treatment, and high-tech anti-corrosion	100.00	100.00	
	CSBC Construction Co., Ltd.	Construction project	100.00	100.00	
	Blue Ocean Wind Power Engineering (Hong Kong) Limited	Marine works services	-	-	Note

Note: In December 2023, the entity discontinued operations and cancelled its registration as approved by the shareholders at their meeting. The entity's cancellation of registration and dissolution registration were completed on March 28, 2025.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollar, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

B. Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

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

D. All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

(5) Classification of current and non-current items

A. The Company is engaged in the business of shipbuilding, vessel building, major machinery building and ship repairing such that the contractual periods of these projects are usually over one year. Therefore, the assets and liabilities of these projects are classified as current assets or liabilities if the period of the project is shorter than the operating cycle; otherwise they are classified as non-current assets or liabilities. The classification criteria of assets and liabilities that are not project related are as follows : Current assets include cash, the assets held for trading or the assets arising from operating activities that are expected to be consumed or to be realized within twelve months from the balance sheet date; fixed assets and other assets that are not classified as current assets are non-current assets. Current liabilities include the liabilities arising mainly from trading activities and are expected to be settled within twelve months from the balance sheet date. The liabilities that are not classified as current liabilities are non-current liabilities.

B. Classification of current and non-current items of the Company's subsidiaries is as follows:

(a) Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- i. Assets that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
- ii. Assets held mainly for trading purposes;
- iii. Assets that are expected to be realised within twelve months after the reporting period;
- iv. Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.

(b) Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- i. Liabilities that are expected to be settled in the normal operating cycle;
- ii. Liabilities arising mainly from trading activities;
- iii. Liabilities that are due to be settled within twelve months after the reporting period;
- iv. It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) Cash equivalents

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

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value; The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

(10) Accounts and notes receivable

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

(11) Impairment of financial assets

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

(12) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(13) Leasing arrangements (lessor)-operating leases

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

(14) Inventories

The perpetual inventory system is adopted for inventory recognition. Inventories are stated at cost. The cost is determined using the weighted-average method. At the end of period, inventories are evaluated at the lower of cost or net realizable value, and the individual item approach is used in the comparison of cost and net realizable value. The calculation of net realizable value is based on the estimated selling price in the normal course of business, net of estimated costs of completion and estimated selling expenses.

(15) Investments accounted for under the equity method - associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

- C. When changes in an associate's equity are not recognised in profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises the Group's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. When the Group loses significant influence over this associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- F. When the Group disposes its investment in an associate, if it loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it still retains significant influence over this associate, then the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(16) Investment accounted for using equity method-joint ventures

Investment of joint arrangements are classified as joint ventures based on its contractual rights and obligations. Unrealised profits and losses arising from the transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. However, when the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, all such losses shall be recognised immediately. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

(17) Property, plant and equipment

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

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

Land improvements	5 ~ 50 years
Buildings and structures	8 ~ 65 years
Machinery and equipment	2 ~ 58 years
Transportation equipment	3 ~ 40 years
Leasehold improvements	3 ~ 14 years
Other equipment	3 ~ 14 years

(18) Leasing arrangements (lessee) — right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:

- (a) Fixed payments, less any lease incentives receivable;
- (b) Variable lease payments that depend on an index or a rate.

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

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liability;
 - (b) Any lease payments made at or before the commencement date;
 - (c) Any initial direct costs incurred by the lessee; and
 - (d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss. For all other lease modifications, the lessee shall remeasure the lease liability and adjust the right-of-use asset, correspondingly.

(19) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 40 ~ 60 years.

(20) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 5 years.

(21) Impairment of non-financial assets

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

(22) Borrowings

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

(23) Accounts and notes payable

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

(24) Convertible bonds

Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

- A. The embedded call options and put options are recognised initially at net fair value as ‘financial assets or financial liabilities at fair value through profit or loss’. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as ‘gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss’.
- B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to ‘finance costs’ over the period of circulation using the effective interest method.
- C. The embedded conversion options which meet the definition of an equity instrument are initially recognised in ‘capital surplus—share options’ at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and ‘financial assets or financial liabilities at fair value through profit or loss’) shall be remeasured on the conversion date. The issuance cost of converted common shares is the total carrying amount of the abovementioned liability component and ‘capital surplus - share options’.

(25) Derecognition of financial liabilities

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

(26) Non-hedging derivatives

Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

(27) Provisions

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

(28) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

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

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

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

Employees' remuneration and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(29) Employee share-based payment

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

(30) Income tax

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

- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures, employees' training costs and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(31) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(32) Revenue recognition

- A. The revenues from construction contracts in relation to shipbuilding, vessel construction and machinery manufacturing are identified to be one performance obligation satisfied over time and are recognised by the percentage-of-completion as of the financial reporting date. The percentage-of-completion is measured based on the percentage of the workload completed to the total expected workload of the contracts. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.
- B. The revenues from service contract in relation to ship/vessel repairs and anti-corrosion coating are identified to be one performance obligation satisfied over time and are recognised by the percentage-of-completion as of the financial reporting date. The percentage-of-completion is measured based on the percentage of the actual cost incurred to the total expected cost of the contracts. At the beginning of the contract period, as the Group may find it difficult to estimate the result of obligation performance, it estimates the actual cost incurred for performing obligations which could be recovered. The contract revenue should be recognised only to the extent of actual costs incurred until the result of obligation performance could be measured reasonably.
- C. The Group's estimate about revenue, costs and percentage-of-completion is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.
- D. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, according to the agreements, the Group does not adjust the transaction price to reflect the time value of money.
- E. The Company classifies its ship leasing business as an operating lease. Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(33) Government grants

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

(34) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

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

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

None.

(2) Critical accounting estimates and assumptions

Construction contracts

The Group recognises construction contract revenue and costs using the percentage-of-completion method, wherein the revenue to be recognised is equal to the percentage of completed work out of the total estimated work.

Assumptions for estimated construction cost include cost for equipment, material, labor and etc. Data used for assumptions involves subjective judgement and accounting estimates and are highly uncertain. As a result, assumptions used are material to the total construction cost and further affects the calculation of construction profit.

If the estimated total contract costs had increased/ decreased by 1% with all other variables held constant, construction profit for the year ended December 31, 2025 would have decreased by \$966,643 or increased by \$931,016 (the construction profit for the year ended December 31, 2024 would have decreased by \$662,783 or increased by \$638,890).

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and revolving funds	\$ 790	\$ 855
Checking accounts and demand deposits	1,685,064	2,372,603
Time deposits	190,618	917,433
Bonds sold under repurchase agreement	33,471	333,448
	<u>\$ 1,909,943</u>	<u>\$ 3,624,339</u>

- A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. On December 31, 2025 and 2024, due to issuance of credit letters and letters of guarantee, pledges and collateral, the Group had restricted cash and cash equivalents, which were classified as financial assets at amortised cost. Refer to Note 6(2) for further information.

(2) Financial assets at amortised cost

Items	December 31, 2025	December 31, 2024
Current items:		
Pledged time deposits	\$ 961	\$ 309
Non-current items:		
Pledged time deposits	-	957
	<u>\$ 961</u>	<u>\$ 1,266</u>

- A. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$961 and \$1,266, respectively.
- B. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.
- C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

The counterparties of the Group's investments in certificates of deposit are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(3) Accounts receivable, net

	December 31, 2025	December 31, 2024
Construction receivables	\$ 1,049,914	\$ 402,871
Repair receivables	206,907	126,765
Lease payments receivable	16,477	45,481
	1,273,298	575,117
Less: Allowance for doubtful accounts	(940)	(9,322)
	1,272,358	565,795
Accounts receivable - related parties	18,522	107,737
Less: Allowance for doubtful accounts	-	-
	18,522	107,737
	<u>\$ 1,290,880</u>	<u>\$ 673,532</u>

Please refer to Note 7 for related party transactions.

- A. As at December 31, 2025 and 2024, receivables (including related parties) were mainly from contracts with customers. And as of January 1, 2024, the balance of receivables from contracts with customers (including related parties) amounted to \$1,459,195.

B. As at December 31, 2025 and 2024, with taking into account collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's receivables (including related parties) were \$1,290,880 and \$673,532, respectively.

C. The Group had no past due accounts receivable.

D. Information relating to credit risk is provided in Note 12(2).

(4) Inventories

December 31, 2025			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 3,925,126	(\$ 39,742)	\$ 3,885,384
Work in process and repair of goods	539,428	-	539,428
Construction in progress	656,121	-	656,121
Prepayment for land purchases (Note)	207,530	-	207,530
	<u>\$ 5,328,205</u>	<u>(\$ 39,742)</u>	<u>\$ 5,288,463</u>
December 31, 2024			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 3,906,515	(\$ 36,532)	\$ 3,869,983
Work in process and repair of goods	749,467	-	749,467
Construction in progress	231,819	-	231,819
	<u>\$ 4,887,801</u>	<u>(\$ 36,532)</u>	<u>\$ 4,851,269</u>

Note: Details of the Group's land pledged to others as collateral are provided in Note 8, Pledged Assets and Note 9(6).

The amount of inventories recognised as expense for the years ended December 31, 2025 and 2024 is as follows:

Years ended December 31,		
	2025	2024
Raw materials costs	\$ 13,613,637	\$ 7,789,711
Loss on (gain from reversal of) obsolete inventories	3,209	(1,026)
	<u>\$ 13,616,846</u>	<u>\$ 7,788,685</u>

The Group wrote down inventories from cost to net realisable value that are accounted for as an increase of expenses in 2025. The Group reversed a previous inventory write down and accounted for this transaction as a reduction of expenses because the related inventory items were scrapped or sold in 2024.

(5) Prepayments

	December 31, 2025	December 31, 2024
Prepayments of suppliers	\$ 10,408,868	\$ 2,223,507
Excess VAT paid	67,784	122,273
Other prepayments	93,624	51,513
	<u>\$ 10,570,276</u>	<u>\$ 2,397,293</u>

(6) Financial asset measured at fair value through other comprehensive income - non-current
Equity instruments-unlisted shares

A. Taiwan Offshore Wind Farm Services Corporation

On March 21, 2014, the Board of Directors has resolved that the Group and Taiwan Generations Corporation would jointly establish Taiwan Offshore Wind Farm Services Corporation. The Group has acquired 40% of share capital in September 2014. The Group has ceased recognising its share of losses in the associate since the fourth quarter of 2018. The accumulated share of losses in associate amounted to \$11,641.

As the Group did not participate in the capital increase of the company, resulting in changes in the shareholding ratio. In addition, the Group did not hold any seats in the Board of Directors. For the year ended December 31, 2023, the Group assessed that it had lost its significant influence over the company. Accordingly, the investment was classified as ‘financial assets at fair value through other comprehensive income’. As of December 31, 2025, the Group’s shareholding ratio in the company was 1.38% and the fair value of the equity investment amounted to \$0.

B. Fuhai Wind Farm Corporation

On August 9, 2016, the Board of Directors resolved to invest in Fuhai Wind Farm Corporation and obtained 37.97% of ownership shares. The Group has ceased recognising its share of losses in the associate since the third quarter of 2017. The accumulated share of losses in associate amounted to \$116,733.

As the Group did not participate in the capital increase of the company, resulting in changes in the shareholding ratio. In addition, the Group did not hold any seats in the Board of Directors. In early 2024, the Group assessed that it had lost its significant influence over the company. Accordingly, the investment was classified as ‘financial assets at fair value through other comprehensive income’. As of December 31, 2025, the Group’s shareholding ratio in the company was 0.93% and the fair value of the equity investment amounted to \$0.

(7) Investments accounted for under equity method

	2025	2024
At January 1	\$ 1,021,939	\$ 211,885
Share of profit of investments accounted for using the equity method	861,379	797,953
Earnings distribution of investments accounted for using equity method	(541)	(632)
Changes in other equity items	184,007	12,733
At December 31	<u>\$ 2,066,784</u>	<u>\$ 1,021,939</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Associates:		
Taiwan International Windpower Training Corporation Ltd. (Note 1)	\$ 13,007	\$ 12,984
Joint Ventures:		
CSBC - DEME Wind Engineering Co., Ltd. (Note 2)	2,053,777	1,008,955
	<u>\$ 2,066,784</u>	<u>\$ 1,021,939</u>

Note 1: On May 11, 2018, with reporting to the Board of Directors for future reference, the Group, Taiwan International Ports Corporation, Ltd. and other companies jointly established Taiwan International Windpower Training Corporation Ltd. for investment. The Group owns 12% of the investee's share capital and one seat in the Board of Directors of the investee.

Note 2: On September 12, 2018, the Company's Board of Directors resolved to jointly invest in CSBC-DEME Wind Engineering Co., Ltd. with DEME Offshore Holding N.V. (formerly named GeoSea N.V.). Although the Company held a 50.0001% equity interest in CSBC-DEME Wind Engineering Co., Ltd., the resolutions presented to the Board of Directors of CSBC-DEME Wind Engineering Co., Ltd. require a unanimous approval by both the Company and DEME Offshore Holding N.V. as required by the Articles of Incorporation of CSBC-DEME Wind Engineering Co., Ltd.

A. Associate

The Group's share of the operating results in all individually immaterial associates are summarized below:

	Years ended December 31,	
	2025	2024
Profit for the period from continuing operations	\$ 573	\$ 783
Other comprehensive loss, net of tax	(10)	-
Total comprehensive income	<u>\$ 563</u>	<u>\$ 783</u>

B. Joint venture

(a) The summarised financial information of the joint ventures that are material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio	Methods of measurement
CSBC-DEME Wind Engineering Co., Ltd.	Taiwan	50.0001%	Equity method

Note: As of December 31, 2025, and 2024, the shareholding ratio did not change.

(b) The summarised financial information of the joint ventures that are material to the Group is as follows:

Balance sheet

	CSBC-DEME Wind Engineering Co., Ltd.	
	December 31, 2025	December 31, 2024
Cash and cash equivalents	\$ 6,018,958	\$ 1,280,309
Other current assets	551,438	2,182,735
Current assets	6,570,396	3,463,044
Non-current assets	9,228,990	9,089,950
Total assets	15,799,386	12,552,994
Current financial liabilities (not including accounts payable, other payables and provision)	644,022	593,986
Other current liabilities	7,678,281	4,848,135
Current liabilities	8,322,303	5,442,121
Non-current financial liabilities (not including accounts payable, other payables and provision)	2,976,345	4,850,749
Other non-current liabilities	154,601	109,564
Non-current liabilities	3,130,946	4,960,313
Total liabilities	11,453,249	10,402,434
Total net assets	\$ 4,346,137	\$ 2,150,560
Share in joint venture's net assets (i.e. carrying amount of the joint venture)	\$ 2,173,073	\$ 1,075,282

Statement of comprehensive income

	CSBC-DEME Wind Engineering Co., Ltd.	
	Year ended December	Year ended December
	31, 2025	31, 2024
Revenue	\$ 14,002,992	\$ 15,916,071
Depreciation and amortisation	\$ 653,114	\$ 629,328
Interest income	\$ 47,098	\$ 25,719
Interest expense	\$ 346,668	\$ 333,652
Profit before income tax	\$ 1,902,485	\$ 1,784,709
Income tax expense	(109,058)	(81,112)
Profit for the period from continuing operations	1,793,427	1,703,597
Profit for the period from discontinued operations	-	-
Profit, net of tax	1,793,427	1,703,597
Other comprehensive income, net of tax	402,149	48,861
Total comprehensive income	\$ 2,195,576	\$ 1,752,458
Dividends received from joint venture	\$ -	\$ -

(8) Property, plant and equipment

	<u>Land</u>	<u>Land improvements</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Leasehold improvements</u>	<u>Other equipment</u>	<u>Construction in progress</u>	<u>Total</u>
<u>At January 1, 2025</u>									
Cost	\$6,093,941	\$ 1,191,355	\$ 8,447,154	\$ 13,074,120	\$ 1,897,806	\$ 1,088,408	\$ 311,059	\$ 446,817	\$32,550,660
Accumulated depreciation and impairment	-	(916,201)	(6,986,281)	(9,322,964)	(940,423)	(969,731)	(170,265)	-	(19,305,865)
	<u>\$6,093,941</u>	<u>\$ 275,154</u>	<u>\$ 1,460,873</u>	<u>\$ 3,751,156</u>	<u>\$ 957,383</u>	<u>\$ 118,677</u>	<u>\$ 140,794</u>	<u>\$ 446,817</u>	<u>\$13,244,795</u>
<u>2025</u>									
Opening net book amount as at January 1	\$6,093,941	\$ 275,154	\$ 1,460,873	\$ 3,751,156	\$ 957,383	\$ 118,677	\$ 140,794	\$ 446,817	\$13,244,795
Additions	-	-	-	-	503	541	323	888,271	889,638
Reclassifications - costs	-	-	11,456	389,682	10,087	-	10,325	(421,550)	-
Depreciation charge	-	(30,269)	(81,946)	(492,316)	(95,348)	(25,866)	(25,744)	-	(751,489)
Disposals - costs	-	-	(138)	(174,703)	(5,377)	(1,096)	(6,961)	-	(188,275)
Disposals - accumulated depreciation	-	-	138	170,725	5,015	751	6,881	-	183,510
Closing net book amount as at December 31	<u>\$6,093,941</u>	<u>\$ 244,885</u>	<u>\$ 1,390,383</u>	<u>\$ 3,644,544</u>	<u>\$ 872,263</u>	<u>\$ 93,007</u>	<u>\$ 125,618</u>	<u>\$ 913,538</u>	<u>\$13,378,179</u>
<u>At December 31, 2025</u>									
Cost	\$6,093,941	\$ 1,191,355	\$ 8,458,472	\$ 13,289,099	\$ 1,903,019	\$ 1,087,853	\$ 314,746	\$ 913,538	\$33,252,023
Accumulated depreciation and impairment	-	(946,470)	(7,068,089)	(9,644,555)	(1,030,756)	(994,846)	(189,128)	-	(19,873,844)
	<u>\$6,093,941</u>	<u>\$ 244,885</u>	<u>\$ 1,390,383</u>	<u>\$ 3,644,544</u>	<u>\$ 872,263</u>	<u>\$ 93,007</u>	<u>\$ 125,618</u>	<u>\$ 913,538</u>	<u>\$13,378,179</u>

	Land	Land improvements	Buildings and structures	Machinery and equipment	Transportation equipment	Leasehold improvements	Other equipment	Construction in progress	Total
<u>At January 1, 2024</u>									
Cost	\$6,093,941	\$ 1,191,535	\$ 8,160,833	\$ 12,683,423	\$ 1,565,167	\$ 1,080,830	\$ 244,752	\$ 1,171,927	\$32,192,408
Accumulated depreciation and impairment	-	(884,922)	(6,909,228)	(8,937,825)	(858,163)	(943,989)	(148,039)	-	(18,682,166)
	<u>\$6,093,941</u>	<u>\$ 306,613</u>	<u>\$ 1,251,605</u>	<u>\$ 3,745,598</u>	<u>\$ 707,004</u>	<u>\$ 136,841</u>	<u>\$ 96,713</u>	<u>\$ 1,171,927</u>	<u>\$13,510,242</u>
<u>2024</u>									
Opening net book amount as at January 1	\$6,093,941	\$ 306,613	\$ 1,251,605	\$ 3,745,598	\$ 707,004	\$ 136,841	\$ 96,713	\$ 1,171,927	\$13,510,242
Additions	-	-	-	-	-	7,607	54,135	385,643	447,385
Reclassifications - costs	-	-	289,297	468,650	339,145	-	13,661	(1,110,753)	-
Depreciation charge	-	(31,368)	(79,261)	(460,715)	(88,632)	(25,771)	(23,709)	-	(709,456)
Disposals - costs	-	(180)	(2,976)	(77,953)	(6,506)	(29)	(1,489)	-	(89,133)
Disposals - accumulated depreciation	-	89	2,208	75,576	6,372	29	1,483	-	85,757
Closing net book amount as at December 31	<u>\$6,093,941</u>	<u>\$ 275,154</u>	<u>\$ 1,460,873</u>	<u>\$ 3,751,156</u>	<u>\$ 957,383</u>	<u>\$ 118,677</u>	<u>\$ 140,794</u>	<u>\$ 446,817</u>	<u>\$13,244,795</u>
<u>At December 31, 2024</u>									
Cost	\$6,093,941	\$ 1,191,355	\$ 8,447,154	\$ 13,074,120	\$ 1,897,806	\$ 1,088,408	\$ 311,059	\$ 446,817	\$32,550,660
Accumulated depreciation and impairment	-	(916,201)	(6,986,281)	(9,322,964)	(940,423)	(969,731)	(170,265)	-	(19,305,865)
	<u>\$6,093,941</u>	<u>\$ 275,154</u>	<u>\$ 1,460,873</u>	<u>\$ 3,751,156</u>	<u>\$ 957,383</u>	<u>\$ 118,677</u>	<u>\$ 140,794</u>	<u>\$ 446,817</u>	<u>\$13,244,795</u>

A. For the year ended December 31, 2025, the Group's amount of borrowing costs capitalised as part of property, plant and equipment was \$453, and the range of the interest rates for such capitalisation is 0.03%~1.86%. There were no such transactions for the year ended December 31, 2024.

B. Significant components and the useful lives of land improvements, buildings, and machinery equipment of the Group are as follows:

- The significant components of land improvements include construction expenses for wharf, which are depreciated over 45 years.
- The significant components of buildings include shipyard, plants and warehouse, and office buildings, which are depreciated over 40, 45 and 60 years, respectively.
- The significant components of machinery equipment include crane, hoisting machine and substation as well as welding machine and working platform, which are depreciated over 18, 25 and 30 years, respectively.

C. The Group's property, plant and equipment were all acquired for self-use and were not pledged to others as collateral.

(9) Lease transactions — lessee

A. The Group leases various assets including land, buildings and terminal equipment. Rental contracts are typically made for periods of 4 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes and may not affect the ownership of the lessor.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2025	December 31, 2024
	Book value	Book value
Land	\$ 1,410,119	\$ 2,516,336
Buildings and structures	94,614	61,254
Transportation equipment (terminal equipment)	167,168	94,131
	<u>\$ 1,671,901</u>	<u>\$ 2,671,721</u>
	Years ended December 31,	
	2025	2024
	Depreciation expense	Depreciation expense
Land	\$ 135,946	\$ 163,670
Buildings and structures	34,221	27,679
Transportation equipment (terminal equipment)	55,681	55,236
	<u>\$ 225,848</u>	<u>\$ 246,585</u>

C. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$193,005 and \$0. In addition, the Group had a net decrease in lease liabilities of \$966,977 and \$27,236 for the years ended December 31, 2025 and 2024, respectively, due to the impact of variable lease payments in lease liabilities, and made a corresponding adjustment to the right-of-use assets.

D. Information on profit or loss in relation to lease contracts is as follows:

	Years ended December 31,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 26,554	\$ 35,108
Expense on short-term lease contracts	38,868	106,358
Expense on leases of low-value assets	2,425	2,454

E. For the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases were \$326,362 and \$367,704, respectively.

(10) Leasing arrangements – lessor

- A. The Group leases various assets including land, buildings and ships. Rental contracts are typically made for periods of 2 and 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To secure the use of the leased assets, the leased assets may not be used to sublease, sublet, lend, donate, sell or grant to others under any method. In addition, the Group leases rooftop of its plants for lessees to install solar photovoltaic power generation equipment. Rental contracts are typically made for periods of 20 years. Lease payments consist of fixed base rent and variable operating rent.
- B. For the years ended December 31, 2025 and 2024, the Group recognised rent income in the amounts of \$348,809 and \$328,390, respectively, based on the operating lease agreement, in which the amounts of variable lease payments were not material.
- C. The maturity analysis of the lease payments under the operating leases is as follows:

	December 31, 2025	December 31, 2024
Less than 1 year	\$ 33,010	\$ 26,549
Later than 1 year but not later than 5 years	121,519	70,635
Later than 5 years	153,233	167,821
	<u>\$ 307,762</u>	<u>\$ 265,005</u>

D. Please refer to Note 7 for related party transactions.

(11) Investment property, net

	Land	Buildings and structures	Total
<u>At January 1, 2025</u>			
Cost	\$ 202,578	\$ 29,745	\$ 232,323
Accumulated depreciation and impairment	-	(22,123)	(22,123)
	<u>\$ 202,578</u>	<u>\$ 7,622</u>	<u>\$ 210,200</u>
<u>2025</u>			
Opening net book amount as at January 1	\$ 202,578	\$ 7,622	\$ 210,200
Depreciation charge	-	(680)	(680)
Closing net book amount as at December 31	<u>\$ 202,578</u>	<u>\$ 6,942</u>	<u>\$ 209,520</u>
<u>At December 31, 2025</u>			
Cost	\$ 202,578	\$ 29,745	\$ 232,323
Accumulated depreciation and impairment	-	(22,803)	(22,803)
	<u>\$ 202,578</u>	<u>\$ 6,942</u>	<u>\$ 209,520</u>

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
<u>At January 1, 2024</u>			
Cost	\$ 202,578	\$ 29,745	\$ 232,323
Accumulated depreciation and impairment	<u>-</u>	<u>(21,443)</u>	<u>(21,443)</u>
	<u>\$ 202,578</u>	<u>\$ 8,302</u>	<u>\$ 210,880</u>
<u>2024</u>			
Opening net book amount as at January 1	\$ 202,578	\$ 8,302	\$ 210,880
Depreciation charge	<u>-</u>	<u>(680)</u>	<u>(680)</u>
Closing net book amount as at December 31	<u>\$ 202,578</u>	<u>\$ 7,622</u>	<u>\$ 210,200</u>
<u>At December 31, 2024</u>			
Cost	\$ 202,578	\$ 29,745	\$ 232,323
Accumulated depreciation and impairment	<u>-</u>	<u>(22,123)</u>	<u>(22,123)</u>
	<u>\$ 202,578</u>	<u>\$ 7,622</u>	<u>\$ 210,200</u>

- A. Rental income from the lease of the investment property and direct operating expenses arising from the investment property are shown below:

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Rental income from the lease of the investment property	<u>\$ 29,976</u>	<u>\$ 27,154</u>
Direct operating expenses arising from the investment property that generate rental income in the period	<u>\$ 1,364</u>	<u>\$ 1,370</u>

- B. The fair value of the investment property held by the Group as at December 31, 2025 and 2024 was \$742,677 and \$729,810, respectively, which was revalued by independent valuers. Valuations were made using the comparison method, cost method for land development analysis and the income approach.

(12) Intangible assets

	2025		
	Software	Other intangible assets	Total
<u>At January 1</u>			
Cost	\$ 85,186	\$ 13,000	\$ 98,186
Accumulated amortisation and impairment	(42,637)	-	(42,637)
	<u>\$ 42,549</u>	<u>\$ 13,000</u>	<u>\$ 55,549</u>
Opening net book amount as at January 1	\$ 42,549	\$ 13,000	\$ 55,549
Additions - acquired separately	19,975	-	19,975
Amortisation charge	(27,385)	-	(27,385)
Disposals - costs	(27,579)	-	(27,579)
Disposals - accumulated amortisation	27,579	-	27,579
Closing net book amount as at December 31	<u>\$ 35,139</u>	<u>\$ 13,000</u>	<u>\$ 48,139</u>
<u>At December 31</u>			
Cost	\$ 77,582	\$ 13,000	\$ 90,582
Accumulated amortisation and impairment	(42,443)	-	(42,443)
	<u>\$ 35,139</u>	<u>\$ 13,000</u>	<u>\$ 48,139</u>
	2024		
	Software	Other intangible assets	Total
<u>At January 1</u>			
Cost	\$ 60,091	\$ 13,000	\$ 73,091
Accumulated amortisation and impairment	(28,897)	-	(28,897)
	<u>\$ 31,194</u>	<u>\$ 13,000</u>	<u>\$ 44,194</u>
Opening net book amount as at January 1	\$ 31,194	\$ 13,000	\$ 44,194
Additions - acquired separately	36,879	-	36,879
Amortisation charge	(25,524)	-	(25,524)
Disposals - costs	(11,784)	-	(11,784)
Disposals - accumulated amortisation	11,784	-	11,784
Closing net book amount as at December 31	<u>\$ 42,549</u>	<u>\$ 13,000</u>	<u>\$ 55,549</u>
<u>At December 31</u>			
Cost	\$ 85,186	\$ 13,000	\$ 98,186
Accumulated amortisation and impairment	(42,637)	-	(42,637)
	<u>\$ 42,549</u>	<u>\$ 13,000</u>	<u>\$ 55,549</u>

Details of amortisation on intangible assets are as follows:

	Years ended December 31,	
	2025	2024
Operating costs	\$ 24,320	\$ 23,157
Administrative expenses	3,065	2,367
	<u>\$ 27,385</u>	<u>\$ 25,524</u>

(13) Pension

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 9% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. The Company has assessed that the balance is sufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year.

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

	December 31, 2025	December 31, 2024
Fair value of plan assets	\$ 2,463,445	\$ 2,333,582
Present value of funded obligations	(1,886,470)	(1,922,714)
Net defined benefit liability	<u>\$ 576,975</u>	<u>\$ 410,868</u>

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

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit asset (liability)
<u>Year ended December 31, 2025</u>			
Balance at January 1	\$ 2,333,582	(\$ 1,922,714)	\$ 410,868
Current service cost	-	(62,396)	(62,396)
Interest (expense) income	35,033	(28,420)	6,613
	<u>2,368,615</u>	<u>(2,013,530)</u>	<u>355,085</u>
Remeasurements:			
Return on plan assets	165,072	-	165,072
Change in financial assumptions	-	-	-
Experience adjustments	-	31,818	31,818
	<u>165,072</u>	<u>31,818</u>	<u>196,890</u>
Pension fund contribution	25,000	-	25,000
Paid pension	(95,242)	95,242	-
Balance at December 31	<u>\$ 2,463,445</u>	<u>(\$ 1,886,470)</u>	<u>\$ 576,975</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit asset (liability)
<u>Year ended December 31, 2024</u>			
Balance at January 1	\$ 2,133,605	(\$ 1,963,946)	\$ 169,659
Current service cost	-	(66,223)	(66,223)
Interest (expense) income	32,565	(29,120)	3,445
	<u>2,166,170</u>	<u>(2,059,289)</u>	<u>106,881</u>
Remeasurements:			
Return on plan assets	182,306	-	182,306
Change in financial assumptions	-	-	-
Experience adjustments	-	43,681	43,681
	<u>182,306</u>	<u>43,681</u>	<u>225,987</u>
Pension fund contribution	78,000	-	78,000
Paid pension	(92,894)	92,894	-
Balance at December 31	<u>\$ 2,333,582</u>	<u>(\$ 1,922,714)</u>	<u>\$ 410,868</u>

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2025 and 2024 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

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

	Years ended December 31,	
	2025	2024
Discount rate	1.50%	1.50%
Future salary increases	3.25%	3.25%

Future mortality rate is estimated with 70% of the 3rd Taiwan Standard Ordinary Experience Mortality Table. The disability rate is set based on 10% of mortality rate.

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

	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
Effect on present value of defined benefit obligation				
December 31, 2025	(\$ 23,809)	\$ 24,364	\$ 19,313	(\$ 18,982)
December 31, 2024	(\$ 27,974)	\$ 28,656	\$ 23,424	(\$ 23,012)

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

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

- (f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2026 amount to \$18,000.
- (g) As of December 31, 2025, the weighted average duration of the defined benefit obligations is 4 years. The distribution of the present value of expected defined benefit obligations (within 10 years) is as follows:

For the year ended December 31, 2026	\$ 1,722,342
For the year ended December 31, 2027	1,646,928
For the year ended December 31, 2028	1,516,799
For the year ended December 31, 2029	1,198,692
For the year ended December 31, 2030	790,383
For the year ended December 31, 2031	526,096
For the year ended December 31, 2032	453,149
For the year ended December 31, 2033	394,607
For the year ended December 31, 2034	349,731
For the year ended December 31, 2035	346,382

Note: The same person who meets the retirement conditions will calculate the present value of expected defined benefit obligations in each subsequent year until he/she meets the mandatory retirement age of 65.

- B. Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2025 and 2024 were \$109,067 and \$112,348, respectively.

(14) Short-term loans

Type of loans	December 31, 2025	Interest rate range	Collateral
Bank loans			
Unsecured loans	\$ 8,573,000	1.85%~3.13%	None
Procurement unsecured loans	53,555	1.60%~5.22%	None
	<u>\$ 8,626,555</u>		
Type of loans	December 31, 2024	Interest rate range	Collateral
Bank loans			
Unsecured loans	\$ 3,689,000	1.87%~3.12%	None
Procurement unsecured loans	28,791	1.01%~5.39%	None
	<u>\$ 3,717,791</u>		

(15) Short-term notes and bills payable

	December 31, 2025	December 31, 2024
Commercial papers payable	\$ 3,743,000	\$ 1,455,000
Less: Unamortized discount	(3,891)	(566)
	<u>\$ 3,739,109</u>	<u>\$ 1,454,434</u>
Annual interest rates	<u>1.48%~2.31%</u>	<u>1.60%~2.43%</u>

The above commercial paper payables are guaranteed and issued by domestic bills financial institutions.

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

Items	December 31, 2025	December 31, 2024
Financial liabilities held for trading		
Valuation adjustment of derivative financial instruments	\$ 150,392	\$ 2,496
Financial liabilities mandatorily measured at fair value through profit or loss		
Call and put options embedded in convertible bonds	-	16,710
Valuation adjustment	-	(16,710)
	<u>\$ 150,392</u>	<u>\$ 2,496</u>

Non-current items:

Financial liabilities held for trading		
Valuation adjustment of derivative financial instruments	<u>\$ 31,441</u>	<u>\$ -</u>

A. Information about the amounts recognised in profit or loss in relation to financial liabilities at fair value through profit or loss is provided in Note 6(29).

B. Explanations of the transactions and contract information in respect of derivative financial liabilities that the Group does not adopt hedge accounting are as follows:

	December 31, 2025	
	Contract amount (Notional principal)	Expiry period
<u>Derivative financial liabilities</u>		
Current items:		
Forward foreign exchange contracts	<u>JPY 6,817,152 thousand</u>	2026.02~2026.12
Non-current items:		
Forward foreign exchange contracts	<u>JPY 5,978,598 thousand</u>	2027.01~2027.12

	December 31, 2024	
	Contract amount (Notional principal)	Expiry period
<u>Derivative financial liabilities</u>		
Current items:		
Forward foreign exchange contracts	<u>JPY 664,200 thousand</u>	2025.02~2025.10

The Group entered into forward foreign exchange contracts to buy JPY to hedge exchange rate risk of import proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

C. The details of terms of the first domestic secured convertible bonds issued by the Company are provided in Note 6(19).

(17) Other payables

	December 31, 2025	December 31, 2024
Accrued expenses	\$ 991,209	\$ 898,360
Payable on machinery and equipment	57,527	18,617
Others	36,409	42,138
	<u>\$ 1,085,145</u>	<u>\$ 959,115</u>

(18) Provisions

	Warranty	Onerous contracts	Total
At January 1, 2025	\$ 517,295	\$ 1,256,472	\$ 1,773,767
Additional provisions	1,448,798	1,208,683	2,657,481
Used during the period	(602,153)	(858,334)	(1,460,487)
Unused amounts reversed	-	(99,625)	(99,625)
At December 31, 2025	<u>\$ 1,363,940</u>	<u>\$ 1,507,196</u>	<u>\$ 2,871,136</u>

The analysis of provisions is as follows:

	December 31, 2025	December 31, 2024	January 1, 2024
Realised in one year	\$ 323,139	\$ 30,977	\$ 73,098
Realised after one year	2,547,997	1,742,790	872,540
	<u>\$ 2,871,136</u>	<u>\$ 1,773,767</u>	<u>\$ 945,638</u>

A. Provision for warranty

The Group gives warranties on contracts revenue in relation to shipbuilding, vessel construction and anti-corrosion coating. Provision for warranty is estimated based on historical warranty data of products.

B. Provision for onerous contract

Under the irrevocable contracts of shipbuilding, vessel construction and anti-corrosion coating, the Group's estimated provision for onerous contract is the difference between the inevitable cost of existing obligations to be performed in the future and the expected economic benefits from the contracts. The estimated provision may change with the actual construction situation.

(19) Bonds payable and long-term liabilities, current portion

	December 31, 2025	December 31, 2024
The first domestic secured convertible bonds	\$ -	\$ 1,768,300
Less: Discount on bonds payable	-	(2,316)
	-	1,765,984
Less: Expiring within one year (shown as 'long-term liabilities , current portion')	-	(1,765,984)
	\$ -	\$ -

A. The issuance of domestic convertible bonds by the Company

(a) The terms of the first domestic secured convertible bonds issued by the Company are as follows:

- i. The Company issued \$2 billion, 0% first domestic secured convertible bonds, as approved by the regulatory authority. The bonds mature 5 years from the issue date (February 24, 2020 ~ February 24, 2025).

The bonds will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on February 24, 2020.

- ii. The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three month of the bonds issue (May 25, 2020) to the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
- iii. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds. The conversion price is \$25.1 (in dollars) per share, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be recalculated based on the pricing model in the terms of the bonds on each effective date regulated by the terms. If the recalculated conversion price is lower than the conversion price before the recalculation, the conversion price will be adjusted; however, it will not be adjusted if it is higher.

Where there is an increase in the number of the Company's issued shares after the issuance of the bonds, the Company shall adjust the conversion price based on the formula stipulated in the terms of the bonds. As of December 31, 2023, the conversion price was NT\$22 (in dollars). The conversion price was adjusted to NT\$21.4 (in dollars) starting from January 9, 2024.

- iv. The Company may notify to repurchase all the bonds outstanding in cash at the bonds' face value within 30 trading days after the closing price of the Company's common shares is above the then conversion price by at least 30% for 30 consecutive trading days during the period from the date after three months of the bonds issue (May 25, 2020) to 40 days before the maturity date (January 15, 2025).

Alternatively, the Company may repurchase the bonds outstanding in cash at the bonds' face value at any time if the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue (May 25, 2020) to 40 days before the maturity date (January 15, 2025).

- v. The bonds set the date after four years from the issue date (February 24, 2024) as the put effective date for the bondholders to early put the bonds back to the Company. The bondholders have the right to require the Company to redeem the bonds in cash at 102.0151% of the bonds' face value (a yield to put of 0.5%).
 - vi. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
- (b) The bonds with an accumulated face value of \$231,700 have been converted into 10,522 thousand common shares.
 - (c) The aforementioned bonds payable matured on February 24, 2025, and the number of unexecuted conversions prior to the maturity date was 17,683 bonds. The Company has redeemed the bonds at the face value (\$100,000 per share(bond)) and paid the full amount in cash to the bondholders.
- B. Regarding the issuance of convertible bonds, the equity conversion options amounting to \$96,153 were separated from the liability component and were recognised in 'capital surplus - share options' in accordance with IAS 32. The call options and put options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 39 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rates of the bonds payable after such separation was 0.8084%.

(20) Long-term borrowings and long-term liabilities current portion

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2025
Long-term bank borrowings				
Unsecured borrowings				
Syndicated loan of several banks consisting of Bank of Taiwan	Refer to Note 1 for details.	2.29%	None	\$ 4,000,000
Bank of Taiwan	Borrowing period is from Dec. 12, 2025 to Dec. 12, 2028. Refer to Note 2 for details.	2.20%	None	1,200,000
Chang Hwa Commercial Bank, Ltd.	Borrowing period is from Oct. 27, 2025 to Nov. 07, 2028; interest is repayable monthly and principal is repayable in a lump sum amount at maturity.	2.00%	None	1,000,000
Taiwan Business Bank Co., Ltd.	Borrowing period is from Dec. 17, 2025 to Dec. 17, 2030. Refer to Note 3 for details.	2.30%	None	700,000
Mega International Commercial Bank Co., Ltd.	Borrowing period is from Dec. 31, 2025 to Dec. 31, 2032. Refer to Note 4 for details.	2.45%		297,984
Bank of Taiwan Co., Ltd.	Borrowing period is from Sep. 23, 2023 to Dec. 19, 2027; interest is repayable monthly and principal is repayable in a lump sum amount at maturity.	2.35%		273,200
Bank of Panshin	Borrowing period is from Nov. 11, 2022 to Nov. 11, 2026. Refer to Note 5 for details.	2.46%~ 3.31%	None	206,586
Secured borrowings				
Bank of Panshin	Borrowing period is from June 13, 2022 to June 13, 2026; interest is repayable monthly and principal is repayable in a lump sum amount at maturity.	3.16%	Note 3	
				60,000
				7,737,770
Less: Current portion				(338,586)
				\$ 7,399,184

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2024
Long-term bank borrowings				
Unsecured borrowings				
Syndicated loan of several banks consisting of Bank of Taiwan	Refer to Note 1 for details.	2.26%	None	\$ 2,000,000
Bank of Taiwan	Borrowing period is from Sep. 23, 2023 to Dec. 19, 2027; interest is repayable monthly and principal is repayable in a lump sum amount at maturity.	2.70%	None	126,200
Bank of Panshin	Borrowing period is from Nov. 11, 2022 to Nov. 11, 2027. Refer to Note 2 for details.	2.46%~ 3.31%	None	37,391
Secured borrowings				
Bank of Panshin	Borrowing period is from June 13, 2022 to June 13, 2026.; interest is repayable monthly and principal is repayable in a lump sum amount at maturity.	3.16%	Note 3	
				60,000
				2,223,591
Commercial papers payable				
Mega Bills Finance Co., Ltd.	Borrowing period is from Sep. 20, 2023 to Dec. 15, 2026.	1.82%	None	700,000
Taishin International Bank	Refer to Note 4 for details. Borrowing period is from Jun. 20, 2023 to Dec. 20, 2026.	1.64%	None	560,000
China Bills Finance Corporation	Refer to Note 4 for details. Borrowing period is from Jun. 20, 2023 to Oct. 24, 2026.	1.68%~ 1.80%	None	490,000
International Bills Finance Corporation	Refer to Note 4 for details. Borrowing period is from Jun. 21, 2023 to Jun. 20, 2026. Refer to Note 4 for details.	1.74%	None	350,000
Subtotal of commercial papers payable				2,100,000
Less: Discount on commercial papers payable				(2,207)
Carrying amount of commercial papers payable				2,097,793
				4,321,384
Less: Current portion				(4,000)
				\$ 4,317,384

Note 1: For the year ended December 31, 2022, the Group and a bank consortium signed a 5-year syndicated credit contract, and the final maturity date is in September 2027 (except for guarantee for bond issuance which matures 5 years and 3 months after proceeds from issuance of bonds are collected). The credit facilities are divided into Tranche A and Tranche B. For Tranche A long-term bank borrowings, the first installment is 30 months from the

date of the first drawdown and every six months after that, for a total of 6 installments. 10% of the principal is repayable from the first to the fifth installments, and the remaining principal is repayable in the sixth installment. Tranche B credit facilities are further divided into Tranche B1 - long-term bank borrowings, Tranche B2 - long-term commercial papers payable and Tranche B3 - guarantee for bond issuance. The Group can withdraw the facility at its discretion. For Tranches B1 and B2, when each drawdown expires, the Group can directly repay the loan principal that is originally expired with the new drawn loan, without actually remitting funds.

The syndicated credit contract stipulates several financial restrictions, and the Group did not violate those restrictions.

- Note 2: Interest is repayable monthly; the grace period for the principal is 1 year, the principal is repayable semi-annually in 5 installments starting from the second year. The principal is repayable semi-annually in the amount of \$72,000 from the second year, the principal is repayable monthly in the amount of \$144,000 from the third year, and the remaining principal is repayable at maturity.
- Note 3: Interest is repayable monthly; the grace period for the principal is 3 years, the principal is repayable semi-annually in 5 installments starting from the fourth year. The principal is repayable semi-annually in the amount of \$140,000, and the remaining principal is repayable at maturity.
- Note 4: Interest is repayable monthly; the grace period for the principal is 3 years, the principal is repayable semi-annually in 9 installments starting from the fourth year. The principal is repayable semi-annually in the amount of \$26,074, and the remaining principal is repayable at maturity.
- Note 5: Interest is repayable monthly; the grace period for the principal is 1 year, the principal is repayable monthly in the amount of \$100 from the second year, \$300 from the third year and \$500 from the fourth year, and the remaining principal is repayable at maturity.
- Note 6: The subsidiary, CSBC Coating Solution Co., Ltd., signed a joint construction and subsale contract with a non-related landowner for financing of lands and buildings. The landowner was the joint guarantor and its lands were established as the first priority mortgage. On December 30, 2025, the subsidiary, CSBC Coating Solution Co., Ltd., signed an agreement for sale and purchase of real estate and had settled all amount. However, the transfer has not yet been completed due to the pledge. Please refer to Note 6(4), Inventories and Note 8, Pledged Assets for details.
- Note7: The Company entered into an agreement for recurring issuance (maturity of 60~180 days) of certificates and dealership of commercial papers with the bill finance companies. During the contract term of 2 ~ 3 years, the Company is only liable for the service fees and interest and thus the commercial papers payable is included in long-term borrowings. Both parties shall renegotiate the agreement when the agreement matures. There were no such transactions as of December 31, 2025.

(21) Deferred revenue

- A. The Republic of China Government started to promote privatization starting from 2008. The Privatization Fund, Executive Yuan, would provide a loan in the amount of \$1,500,000 to cover a portion of the shortfall to settle the pension and severance obligation as a result of the privatization. The Group was required to repay the loan to the Privatization Fund in a period of ten years, under the condition that the Company is profitable. As approved by the Executive Yuan in November 2022, the Company can make a yearly repayment starting from 2027. If the earnings after tax in the prior year is below \$500 million, the repayment amount is 15% of earnings after tax. If the earnings after tax in the prior year is above \$500 million, the repayment amount is the aforementioned ratio plus 20% of earnings after tax exceeding \$500 million until the loan is fully repaid. The Group uses the average long-term loan interest rate on the loan for discounting. The discounted values are recorded under “long-term notes payable and payables”. The difference between the discounted value and the amount received is listed in “deferred revenue”. The amounts that are payable within one year are listed in “other financial liabilities-current”. The unamortised amounts are shown below:

	December 31, 2025	December 31, 2024
Long-term notes and accounts receivable	\$ 701,088	\$ 688,219
Long-term deferred revenue	40,412	53,281
	<u>\$ 741,500</u>	<u>\$ 741,500</u>

Note: The “Privatization Fund” was approved by the Executive Yuan to retire on January 1, 2024. Starting from 2024, the Ministry of Economic Affairs (MOEA) will be responsible for implementing the related compensation matters.

- B. Government grants and interest expenses that should be amortised are recognised under ‘other revenue’ and ‘finance costs’, respectively, for the years ended December 31, 2025 and 2024. For more information, please refer to Notes 6(28) and (30).

(22) Analysis of assets and liabilities

Assets and liabilities of the Group related to the business of shipbuilding, vessel building, major machinery and ship repair, are classified as current or non-current based on the operating cycle. However, such assets and liabilities were analyzed on "one year" basis as follows:

	Less than 12 months	More than 12 months	Total
<u>December 31, 2025</u>			
Assets			
Contract assets (including related parties)	\$ 2,688,080	\$ 4,903,539	\$ 7,591,619
Accounts receivable, net (including related parties)	1,290,815	-	1,290,815
Inventories	4,413,156	-	4,413,156
	<u>\$ 8,392,051</u>	<u>\$ 4,903,539</u>	<u>\$ 13,295,590</u>
Liabilities			
Contract liabilities (including related parties)	\$ 1,264,456	\$ 7,393,351	\$ 8,657,807
Accounts payable (including related parties)	1,743,611	-	1,743,611
Provision for liabilities	319,140	2,535,111	2,854,251
	<u>\$ 3,327,207</u>	<u>\$ 9,928,462</u>	<u>\$ 13,255,669</u>

	Less than 12 months	More than 12 months	Total
<u>December 31, 2024</u>			
Assets			
Contract assets (including related parties)	\$ 2,097,587	\$ 606,827	\$ 2,704,414
Accounts receivable, net (including related parties)	672,209	-	672,209
Inventories	4,616,563	-	4,616,563
	<u>\$ 7,386,359</u>	<u>\$ 606,827</u>	<u>\$ 7,993,186</u>
Liabilities			
Contract liabilities (including related parties)	\$ 183,611	\$ 3,094,195	\$ 3,277,806
Accounts payable (including related parties)	2,004,014	-	2,004,014
Provision for liabilities	26,974	1,729,904	1,756,878
	<u>\$ 2,214,599</u>	<u>\$ 4,824,099</u>	<u>\$ 7,038,698</u>

(23) Common stock

- A. As of December 31, 2025, the Company's authorised capital was \$20,000,000, consisting of 2,000,000 thousand shares of ordinary stock and the paid-in capital was \$12,745,394, consisting of 1,274,539 thousand shares of ordinary stock (including private placement of 176,025 thousand shares), with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	2025	2024
At January 1	1,274,539	933,514
Issuance of shares	-	341,025
At December 31	<u>1,274,539</u>	<u>1,274,539</u>

- B. The Company's special shareholders' meeting has approved the proposal regarding the capital increase through private placement on December 21, 2017. The record date for capital increase resolved by the Board of Directors at their meeting on May 11, 2018 was May 25, 2018. The amount of capital raised through the private placement was \$2,526,000 by issuing common stock amounting to 60 million shares at premium of \$42.10 (in dollars) per share, of which the government related entity, Financing Investment Venture Capital, and the management committee of Yao Hua Glass Corp., Ltd. each subscribed 30 million shares amounting to \$1,263,000. The Company has completed the registration of the capital increase. The investors in this private placement is entitled to the same rights and obligations as those of outstanding shares except that they cannot freely transfer the shares within 3 years of settlement unless under certain circumstances pursuant to Article 43-8 of Securities and Exchange Act. Under the resolution, the Board of Directors are authorised to file for listing the ordinary shares in private placement with the competent authority after 3 years of settlement.

C. In order to fulfil its capital and repay the bank loans, as resolved by the Board of Directors on August 9, 2023, the Company conducted a public offering for cash capital increase by issuing common stock, which was approved by Financial Supervisory Commission pursuant to Jin-Guan-Zheng-Fa-Zi Letter No. 1120359199, dated November 17, 2023. The Company issued 225 million common stocks at an issue price of \$17.5 (in dollars) per share. The rights and obligations of shares issued at this capital increase are the same as the original common stocks.

The total amount raised was \$3.9375 billion, which was completed on January 9, 2024. The effective date of capital increase was set on January 9, 2024 and the registration had been completed.

D. In response to the capital needs of the Company's development, to fulfil its capital and repay the bank loans, to strengthen the overall financial structure, the Company's first special shareholders' meeting had approved the proposal regarding the capital increase by issuing new shares through private placement on October 2, 2023. The total number of shares to be issued through the private placement did not exceed 375 million shares, which would be raised in installments (up to 3 installments) within one year from the date of resolution of the special shareholders' meeting.

On January 5, 2024, the Board of Directors of the Company resolved that the private placement price was \$16.88 (in dollars) with an actual number of shares to be issued through the private placement of 116,025 thousand shares. The paid-in capital amounted to \$1.9585 billion, and the proceeds from shares issued were collected on January 18, 2024. The effective date of the capital increase was set on January 19, 2024 and the registrations had been completed.

The abovementioned private placement was subscribed by the government related parties, Financing Investment Venture Capital and the management committee of Yao Hua Glass Co., Ltd. in the amounts of \$1.3 billion and \$658.5 million, equivalent to 77,014 thousand shares and 39,011 thousand shares, respectively. The investors in this private placement are entitled to the same rights and obligations as those of outstanding shares except that they cannot freely transfer the shares within 3 years of settlement unless under certain circumstances pursuant to Article 43-8 of Securities and Exchange Act. Under the resolution, the Board of Directors is authorised to file for listing the ordinary shares in private placement with the competent authority after 3 years of settlement.

(24) Capital surplus

A. Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2025		
	Share premium	Expired share options	Total
At January 1	\$ 2,672,026	\$ 85,014	\$ 2,757,040
Offset of accumulated deficit	(2,672,026)	(85,014)	(2,757,040)
At December 31	\$ -	\$ -	\$ -

	2024			
	Share premium	Share options	Employee stock options	Total
At January 1	\$ 132,262	\$ 85,014	\$ 60,198	\$ 277,474
Issuance of shares	2,539,764	-	(60,198)	2,479,566
At December 31	<u>\$ 2,672,026</u>	<u>\$ 85,014</u>	<u>\$ -</u>	<u>\$ 2,757,040</u>

Please refer to Note 6(19) for the information of capital surplus — share options.

(25) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the total capital stock balance. Appropriation of the remainder shall be proposed by the Board of Directors and resolved by the stockholders.
- B. The Company's dividend policy is summarized below:
As the Company operates in a volatile business environment and is in the stable growth stage, the residual dividend policy is adopted taking into consideration the Company's financial structure, operating results and future expansion plans. According to the dividend policy adopted by the Board of Directors, at least 10% of the Company's distributable earnings shall be appropriated as dividends, and cash dividends shall account for at least 10% of the total dividends distributed.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
(b) The amounts previously set aside by the Company as special reserve amounting to \$3,201,365 on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.
(c) The Company disposed land in 2013 and 2018. Therefore, the Company reversed special reserve of \$34,894 to undistributed earnings.
- E. The proposal for deficit compensation for the year ended December 31, 2024 was resolved by the stockholders at the regular stockholders' meeting on June 25, 2025. After offsetting the deficit compensation with capital surplus of \$2,757,040, the Company still had accumulated deficits and thus dividends will not be distributed.

The proposal for deficit compensation for the year ended December 31, 2023 was resolved by the stockholders at the regular stockholders' meeting on June 26, 2024. The Company still had accumulated deficits and thus dividends will not be distributed.

On March 9, 2026, the Board of Directors has proposed the deficit compensation for the year ended December 31, 2025.

(26) Other equity items

	2025		
	Hedging reserve	Currency translation	Total
At January 1	(\$ 112,510)	\$ 2,622	(\$ 109,888)
Associates–			
Cash flow hedges	73,238	-	73,238
Currency translation differences	-	110,769	110,769
At December 31	(\$ 39,272)	\$ 113,391	\$ 74,119
	2024		
	Hedging reserve	Currency translation	Total
At January 1	(\$ 122,621)	\$ -	(\$ 122,621)
Associates–			
Cash flow hedges	10,111	-	10,111
Currency translation differences	-	2,622	2,622
At December 31	(\$ 112,510)	\$ 2,622	(\$ 109,888)

(27) Operating revenue

	Years ended December 31,	
	2025	2024
Revenue from contracts with customers	\$ 21,485,618	\$ 14,217,317
Others - ship rental revenue	294,627	277,030
	<u>\$ 21,780,245</u>	<u>\$ 14,494,347</u>

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time in the following major product types:

	Years ended December 31,	
	2025	2024
Construction of ships and vessels		
Vessel construction	\$ 14,491,744	\$ 8,878,572
Shipbuilding	1,992,257	1,024,315
	<u>16,484,001</u>	<u>9,902,887</u>
All other segments		
Machinery building	3,460,885	3,005,435
Ship/vessel repair	1,236,767	1,108,557
Anti-corrosion coating	4,988	66,702
Others	298,977	133,736
	<u>5,001,617</u>	<u>4,314,430</u>
	<u>\$ 21,485,618</u>	<u>\$ 14,217,317</u>

B. Contract assets and liabilities

The Group has recognised the following revenue-related contract assets and liabilities:

	December 31, 2025	December 31, 2024	January 1, 2024
Contract assets	\$ 8,125,344	\$ 3,431,123	\$ 2,835,615
Contract assets - related parties	32,136	643	5,735
	8,157,480	3,431,766	2,841,350
Less: Loss allowance	(244,265)	(212,107)	(206,149)
	\$ 7,913,215	\$ 3,219,659	\$ 2,635,201
Contract liabilities (Note)	\$ 8,655,865	\$ 2,829,126	\$ 4,745,568
Contract liabilities - related parties	4,858	455,365	1,438,553
	\$ 8,660,723	\$ 3,284,491	\$ 6,184,121

Note: Including non-current amount.

Please refer to Note 7 for related party transactions.

Information relating to credit risk of contract assets is provided in Note 12(2).

Revenue recognised that was included in the contract liability balance at the beginning of the period

The Group had a contract liability balance at the beginning of the period, of which \$1,208,436 and \$4,758,916 was recognised as revenue for the years ended December 31, 2025 and 2024, respectively.

- C. As of December 31, 2025, the total transaction price allocated to unfulfilled contract obligations was \$129,895,831 and this amount would be recognised as revenue gradually with the completion process of shipbuilding, vessel construction and anti-corrosion coating. The shipbuilding, vessel construction and anti-corrosion coating are expected to be completed during the period from January 2026 to October 2031.

(28) Other income

	Years ended December 31,	
	2025	2024
Indemnity revenue	\$ 67,340	\$ 10,827
Rental revenue	54,182	51,360
Government grant revenue	81,753	93,391
Others	25,192	30,394
	\$ 228,467	\$ 185,972

(29) Other gains and losses

	Years ended December 31,	
	2025	2024
Foreign exchange (losses) gains	(\$ 48,111)	\$ 117,372
Net gain on financial assets and liabilities at fair value through profit or loss	(192,564)	(1,942)
Losses on disposal of property, plant and equipment	(3,770)	(3,261)
Other losses	(24,817)	(36,487)
	(\$ 269,262)	\$ 75,682

(30) Finance costs

	Years ended December 31,	
	2025	2024
Interest expense:		
Bank loans	\$ 240,867	\$ 192,510
Amortisation on lease liabilities	26,554	35,108
Amortisation on convertible bonds	2,316	14,214
Expenses amortised from government grants payable	12,869	12,634
Less: Capitalisation of qualifying assets	(94,583)	(48,935)
	<u>\$ 188,023</u>	<u>\$ 205,531</u>

(31) Expenses by nature

	Years ended December 31,	
	2025	2024
Direct materials	\$ 13,613,637	\$ 7,789,711
Change in inventory of finished goods and work in process	931,732	1,227,328
Employee benefit expense	3,552,743	3,544,904
Depreciation charges	977,337	956,041
Amortisation charges	27,385	25,524
Outsourcing fees	3,312,518	2,673,366
Professional service fees	636,122	881,446
Other expenses	<u>1,689,586</u>	<u>1,114,364</u>
Operating costs and expenses	<u>\$ 24,741,060</u>	<u>\$ 18,212,684</u>

(32) Employee benefit expense

	Years ended December 31,	
	2025	2024
Wages and salaries	\$ 3,022,591	\$ 3,020,699
Labor and health insurance fees	289,262	285,941
Pension cost	164,850	175,126
Directors' remuneration	3,573	3,615
Other personnel expenses	<u>72,467</u>	<u>59,523</u>
	<u>\$ 3,552,743</u>	<u>\$ 3,544,904</u>

A. According to the Articles of Incorporation of the Company, the Company shall distribute employees' compensation, based on the distributable profit of the current year, in a ratio of profit. Employees' compensation can be distributed in the form of shares or in cash. If a company has accumulated deficit, earnings should first be channeled to cover losses. Employees' compensation shall account for 1% to 5%, directors' remuneration shall account for less than 1%, of the amount of current year's pre-tax profit but excluding the employees' compensation and directors' remuneration.

- B. The Company did not recognise employees' compensation and directors' remuneration as a result of the operating deficit for the years ended December 31, 2025 and 2024.

The Board of Directors resolved not to appropriate employees' compensation and directors' remuneration as a result of the operating accumulated deficit for the years ended December 31, 2025 and 2024.

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

(33) Income tax expense

A. Income tax expense

(a) Components of income tax expense:

		Years ended December 31,	
		2025	2024
Current tax:			
Current tax on profits for the period	\$	16,578	\$ 9,864
Underestimation provision of income tax in prior year		531	1,106
Total current tax		17,109	10,970
Deferred tax:			
Origination and reversal of temporary differences		319	(440)
Income tax expense	\$	17,428	\$ 10,530

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

		Years ended December 31,	
		2025	2024
Remeasurement of defined benefit obligations	\$	39,377	\$ 45,198

B. Reconciliation between income tax expense and accounting profit:

		Years ended December 31,	
		2025	2024
Tax calculated based on loss before tax and statutory tax rate	(\$	454,720)	(\$ 556,642)
Effects from items disallowed by tax regulation	(	145,590)	(132,698)
Taxable loss not recognised as deferred tax assets		617,207	698,764
Prior year income tax (overestimation) underestimation		531	1,106
Income tax expense	\$	17,428	\$ 10,530

C. Amounts of deferred tax assets or liabilities as a result of temporary difference and tax losses are as follows:

	2025			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
Temporary differences:				
Estimation of construction loss	\$ 251,294	\$ 51,089	\$ -	\$ 302,383
Unrealized warranty liability	103,459	168,434	-	271,893
Unused compensated absences payable	52,002	(1,835)	-	50,167
Allowance for doubtful accounts	2,614	(2,125)	-	489
Others	(67,036)	36,062	(39,377)	(70,351)
Tax losses	1,099,995	(252,236)	-	847,759
	<u>1,442,328</u>	<u>(611)</u>	<u>(39,377)</u>	<u>1,402,340</u>
Deferred tax liabilities:				
Unrealised land value incremental reserve	(1,324,697)	-	-	(1,324,697)
Unrealized foreign exchange loss (gain)	(333)	292	-	(41)
	<u>(1,325,030)</u>	<u>292</u>	<u>-</u>	<u>(1,324,738)</u>
Total	<u>\$ 117,298</u>	<u>(\$ 319)</u>	<u>(\$ 39,377)</u>	<u>\$ 77,602</u>
	2024			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
Temporary differences:				
Estimation of construction loss	\$ 69,032	\$ 182,262	\$ -	\$ 251,294
Unrealized warranty liability	114,863	(11,404)	-	103,459
Unused compensated absences payable	56,235	(4,233)	-	52,002
Allowance for doubtful accounts	67,251	(64,637)	-	2,614
Others	(28,809)	6,971	(45,198)	(67,036)
Tax losses	1,208,181	(108,186)	-	1,099,995
	<u>1,486,753</u>	<u>773</u>	<u>(45,198)</u>	<u>1,442,328</u>
Deferred tax liabilities:				
Unrealised land value incremental reserve	(1,324,697)	-	-	(1,324,697)
Unrealized foreign exchange loss (gain)	-	(333)	-	(333)
	<u>(1,324,697)</u>	<u>(333)</u>	<u>-</u>	<u>(1,325,030)</u>
Total	<u>\$ 162,056</u>	<u>\$ 440</u>	<u>(\$ 45,198)</u>	<u>\$ 117,298</u>

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2025				
<u>Year incurred</u>	<u>Amount filed/ assessed</u>	<u>Unused amount</u>	Unrecognised deferred <u>tax assets</u>	<u>Expiry year</u>
2016	Assessed	\$ 1,190,142	\$ 1,190,142	2026
2017	Assessed	6,700,185	6,700,185	2027
2018	Assessed	2,577,518	2,577,518	2028
2019	Assessed	2,657,346	2,657,346	2029
2020	Assessed	2,305,136	2,305,136	2030
2021	Assessed	282,377	282,377	2031
2022	Assessed	3,315,172	3,315,172	2032
2023	Assessed	3,156,646	3,156,646	2033
2024	Amount filed	2,834,816	420,339	2034
2025	Estimated filing amount	1,824,318	-	2035
		<u>\$ 26,843,656</u>	<u>\$ 22,604,861</u>	

December 31, 2024				
<u>Year incurred</u>	<u>Amount filed/ assessed</u>	<u>Unused amount</u>	Unrecognised deferred <u>tax assets</u>	<u>Expiry year</u>
2015	Assessed	\$ 671,021	\$ 671,021	2025
2016	Assessed	1,190,142	1,190,142	2026
2017	Assessed	6,700,185	6,700,185	2027
2018	Assessed	2,577,518	2,577,518	2028
2019	Assessed	2,657,346	2,657,346	2029
2020	Assessed	2,305,136	2,305,136	2030
2021	Assessed	282,377	282,377	2031
2022	Assessed	3,315,172	3,315,172	2032
2023	Amount filed	3,156,646	353,878	2033
2024	Estimated filing amount	2,697,204	-	2034
		<u>\$ 25,552,747</u>	<u>\$ 20,052,775</u>	

The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority. As of March 9, 2026, there were no administrative remedies.

(34) Losses per share

Year ended December 31, 2025			
	Amount after tax	Weighthted average number of ordinary shares outstanding (shares in thousands)	Losses per share (in dollars)
<u>Basic losses per share</u>			
Loss attributable to ordinary shareholders	(\$ 2,259,943)	1,274,539	(\$ 1.77)
Year ended December 31, 2024			
	Amount after tax	Weighthted average number of ordinary shares outstanding (shares in thousands)	Losses per share (in dollars)
<u>Basic losses per share</u>			
Loss attributable to ordinary shareholders	(\$ 2,779,850)	1,263,915	(\$ 2.20)

The Company's convertible corporate bonds had anti-dilution effect for the year ended December 31, 2024; thus, they were not included in the calculation of diluted losses per share. There were no such transactions for the year ended December 31, 2025.

(35) Supplemental cash flow information

A. Investing activities with partial cash payments:

Years ended December 31,		
	2025	2024
Purchase of property, plant and equipment	\$ 889,638	\$ 447,385
Add : Beginning balance of payable on	18,617	89,677
Less : Ending balance of payable on equipment	(57,527)	(18,617)
Cash paid during the period	\$ 850,728	\$ 518,445
Guarantee deposits paid used to offset payment for land purchases	\$ 80,000	\$ -

B. Investment and financing activities with no cash flow effects:

	Years ended December 31,	
	2025	2024
Interest expense amortised from government grants	\$ 12,869	\$ 12,634
Increase in right-of-use assets	\$ 193,005	\$ -
Less: Increase in lease liabilities	(193,005)	-
	\$ -	\$ -
Decrease in lease liabilities due to remeasurement	\$ 966,977	\$ 27,236
Less: Decrease in right-of-use assets	(966,977)	(27,236)
	\$ -	\$ -
The unpaid amount for acquisition of a subsidiary (shown as 'other payables')	\$ 1,650	\$ 2,500
Long-term liabilities, current portion	\$ 338,586	\$ 1,769,984
Advance receipts for ordinary share transferred to capital stocks	\$ -	\$ 892,011
(36) <u>Changes in liabilities from financing activities</u>		

	2025			
	January 1	Changes in cash flow from financing activities	Changes in non-cash items	December 31
Short-term borrowings	\$ 3,717,791	\$ 4,908,764	\$ -	\$ 8,626,555
Short-term notes and bills payable	1,454,434	2,288,000	(3,325)	3,739,109
Corporate bonds payable (Note 1)	1,765,984	(1,768,300)	2,316	-
Long-term borrowings (Note 1)	4,321,384	3,414,179	2,207	7,737,770
Lease liability (Notes 1 and 2)	2,798,793	(258,515)	(773,972)	1,766,306
Long-term notes and accounts payable	688,219	-	12,869	701,088
Long-term deferred revenue	105,729	-	(37,076)	68,653
Guarantee deposits received	391,275	72,794	-	464,069
Other non-current liabilities, others	3,735	(1,174)	-	2,561
Liabilities from financing activities-gross	<u>\$ 15,247,344</u>	<u>\$ 8,655,748</u>	<u>(\$ 796,981)</u>	<u>\$ 23,106,111</u>

	2024			
	January 1	Changes in cash flow from financing activities	Changes in non-cash items	December 31
Short-term borrowings	\$ 3,586,270	\$ 131,521	\$ -	\$ 3,717,791
Short-term notes and bills payable	4,135,129	(2,685,000)	4,305	1,454,434
Corporate bonds payable (Note 1)	1,751,770	-	14,214	1,765,984
Long-term borrowings (Note 1)	6,941,852	(2,622,400)	1,932	4,321,384
Lease liability (Notes 1 and 2)	3,049,813	(223,784)	(27,236)	2,798,793
Long-term notes and accounts payable	675,585	-	12,634	688,219
Long-term deferred revenue	142,568	-	(36,839)	105,729
Guarantee deposits received	291,883	99,392	-	391,275
Other non-current liabilities, others	4,854	(1,119)	-	3,735
Liabilities from financing activities-gross	<u>\$ 20,579,724</u>	<u>(\$ 5,301,390)</u>	<u>(\$ 30,990)</u>	<u>\$ 15,247,344</u>

Note 1: Including current portion.

Note 2: Information on Supplemental cash flow information is provided in Note 6(35).

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
CPC Corporation, Taiwan	The Company's legal entity director , which was dismissed from its position upon the expiration of the term on June 25, 2025.
Taiwan International Windpower Training Corporation Ltd.	Associate
CSBC-DEME Wind Engineering Co., Ltd.	Joint venture
CDWE Green Jude Shipowner Co., Ltd.	Subsidiary of a joint venture
Financing Investment Venture Capital	Government related entity
Yao Hua Glass Co.,Ltd. Management Committee	Government related entity
National Defense Industrial Development Foundation	Government related entity

(2) Significant related party transactions and balances

A. Operating revenue

		Years ended December 31,	
		2025	2024
Key management:			
The Company's legal entity director			
CPC Corporation, Taiwan	\$	1,376,769	\$ 3,545,377
Joint ventures			
CSBC-DEME Wind Engineering Co., Ltd.		107,201	176,336
	\$	1,483,970	\$ 3,721,713

- (a) The price was based on the contract signed by both parties, and the collection terms were approximately the same as those to third parties.
- (b) In July 2022, the Company entered into a contract with CPC Corporation, Taiwan for the construction of a 50,000 DWT oil/chemical tanker new building project, with a total contract price of NT\$1.57 billion. The project was completed and delivered in November 2024. Additionally, in December 2022 and July 2023, the Company entered into contracts with CPC Corporation, Taiwan for contracting EPC turnkey project involving 26 petrochemical storage tanks in the third area of Dalin Petrochemical Oil Storage and Transportation Center and for the EPC turnkey project of the loading and unloading plant for tank trucks at the Dalin Petrochemical Storage and Transportation Centre. The cumulative total contract price for these projects amounted to NT\$11.6 billion, and they are expected to be completed and delivered in 2026. Please refer to item C 'contract assets and contract liabilities' for further information.
- (c) The Group mainly provides CSBC-DEME Wind Engineering Co., Ltd. with bareboat chartering and logistics support services for the underwater foundation transportation and installation project in offshore wind farms. Please refer to item C 'contract assets and contract liabilities' for further information.

B. Purchases of goods

		Years ended December 31,	
		2025	2024
Purchases of goods:			
Key management:			
Legal entity director			
CPC Corporation, Taiwan	\$	35,141	\$ 47,001

The price was based on the contract signed by both parties, and the collection terms were approximately the same as those to third parties.

C. Contract assets and contract liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Contract assets:		
Joint ventures:		
CSBC-DEME Wind Engineering Co., Ltd.	\$ 32,136	\$ 643
Less: Loss allowance	(227)	(5)
	<u>\$ 31,909</u>	<u>\$ 638</u>
Contract liabilities:		
Joint ventures:		
CSBC-DEME Wind Engineering Co., Ltd.	\$ 4,858	\$ -
Key management:		
Legal entity director		
CPC Corporation, Taiwan	-	455,365
	<u>\$ 4,858</u>	<u>\$ 455,365</u>

D. Receivables from related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable :		
Joint ventures:		
CSBC-DEME Wind Engineering Co., Ltd.	\$ 18,522	\$ 67,737
Key management:		
Legal entity director		
CPC Corporation, Taiwan	-	40,000
	18,522	107,737
Less: Loss allowance	-	-
	<u>\$ 18,522</u>	<u>\$ 107,737</u>

E. Prepaid accounts

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Key management:		
Legal entity director		
CPC Corporation, Taiwan	\$ -	\$ 25,337

F. Payables to related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other payables :		
Joint ventures		
CSBC-DEME Wind Engineering Co., Ltd.	\$ 1,785	\$ -

For the year ended December 31, 2024, the Group paid \$248,323 to CSBC-DEME Wind Engineering Co., Ltd. for services fees related to the construction entrusted to suppliers; There were no such transactions as of December 31, 2025.

G. Leasing arrangements – lessor

The Group leased the building to CSBC-DEME Wind Engineering Co., Ltd. for office use. The lease term of the agreement is approximately five years, and the rents are collected at the beginning of each month. For the years ended December 31, 2025 and 2024, the Group's rental income amounted to \$3,779 and \$3,660, respectively.

H. Endorsements and guarantees provided to related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other related parties:		
Joint ventures		
CSBC-DEME Wind Engineering Co., Ltd.		
Endorsement/guarantee amount	\$ 38,703,929	\$ 53,353,438
Actual amount drawn down	\$ 38,663,929	\$ 34,437,432

The abovementioned endorsement/guarantee amount included the amount of endorsement / guarantee provided amounting to EUR 1.046 billion and EUR 1.560 billion, respectively. The actual amount drawn down included EUR 1.046 billion and EUR 1.007 billion, respectively. The exchange rate of translation into New Taiwan dollars at the financial reporting date was 36.90 and 34.14, respectively.

I. Others

(a) Details on capital increase from the related parties are provided in Note 6(23).

(b) The Company's joint venture, CSBC-DEME Wind Engineering Co., Ltd. signed a Zhang Fang and West Island Offshore Wind Farm Fan Transportation and Installation Plan on November 19, 2019. The Company and DEME Offshore are the joint contractors of the plan and issued performance letter of guarantee and advance payment guarantee with a total amount of EUR 11,802 thousand for contracting the construction according to their shareholding ratios. The Company issued bank guarantee amounting to EUR 5,901 thousand (NT\$200 million) based on its shareholding ratio of 50.0001%. The guarantee period is until September 2024.

The Company collected the service charge, which CSBC-DEME Wind Engineering Co., Ltd. assumed due to obtaining the bank guarantee based on the agreement, on behalf of banks (and the Company paid the charges to the bank). For the year ended December 31, 2024, banking charges amounted to \$510. There were no such transactions for the year ended December 31, 2025.

(c) In order to provide performance guarantee and prepayment guarantees for the transportation and installation of the offshore wind turbines and the ocean pile and floating vessel of Zhong Neng Offshore Wind Farm Project, the joint venture, CSBC-DEME Wind Engineering Co., Ltd., entered into a syndicated credit contract with First Commercial Bank, Ltd. as the management bank and other banks, and obtained a total credit line of EUR 29.9 million. The Company and DEME Offshore Holding NV ('the contractor') jointly issued a letter of support for the contract stating the following matters: For the duration of syndicated credit contract, the contractor shall jointly hold directly or indirectly not lower than 51% of the shares at any time, controlling more than 50% of the board seats, and commit to maintaining the normal operating as well as optimal and appropriate financial condition of the joint venture. The aforementioned guarantee period is until August 2029.

(d) Information on Significant Contingent Liabilities and Unrecognised Contract Commitments is provided in Note 9.

(3) Key management compensation

	Years ended December 31,	
	2025	2024
Salaries and other short-term employee benefits	\$ 22,115	\$ 25,762
Post-employment benefits	1,105	1,897
	<u>\$ 23,220</u>	<u>\$ 27,659</u>

8. PLEDGED ASSETS

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

Pledged asset	Book value		Purpose
	December 31, 2025	December 31, 2024	
Pledged time deposits (shown as 'Financial assets at amortised cost - current')	\$ 961	\$ 309	Construction deposits for warranty
Pledged time deposits (shown as "Financial assets at amortised cost - non- current")	-	957	Construction deposits for warranty
Prepayment for land purchases (shown as "inventories")	207,530	-	Guarantee for long-term borrowings
	<u>\$ 208,491</u>	<u>\$ 1,266</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) The balance of the Group's unused letters of credit for import of materials is as follows:

	December 31, 2025	December 31, 2024
Balance of unused letters of credit	<u>\$ 1,820,911</u>	<u>\$ 528,852</u>

(2) The amounts of unfulfilled contract obligations of the Group's contracts are as follows:

	December 31, 2025	December 31, 2024
Unfulfilled customer contract obligations	\$ 129,895,831	\$ 36,584,968

(3) The guaranteed credit by banks for the Group's construction projects is as follows:

	December 31, 2025	December 31, 2024
Guaranteed credit by banks	\$ 15,135,083	\$ 14,718,484

Refer to Note 7(2) I(b),(c) for further information.

(4) The amount of the Group's purchase contracts and outsourcing construction contracts to be paid is as follows:

	December 31, 2025	December 31, 2024
Purchase contracts to be paid	\$ 53,679,591	\$ 8,548,818
Outsourcing construction contracts to be paid	6,636,257	1,180,186
	\$ 60,315,848	\$ 9,729,004

(5) As of December 31, 2025, and 2024, the amounts of guarantee notes issued by the Group for the bank borrowings were \$80.192 billion and \$66.216 billion, respectively.

(6) On March 16, 2022, the Board of Directors of the subsidiary, CSBC Coating Solutions Co., Ltd. ("CSBC Coating Solutions"), approved to sign a joint construction and separate sale contract with a non-related party for the land on Pingsong section, Xiaogang District. The ratios of the joint construction and separate sale for the landowner and CSBC Coating Solutions are 25% and 75%, respectively. CSBC Coating Solutions expected to invest about \$0.55346 billion as construction cost. The contract period starts from the signature date to December 31, 2025.

On December 30, 2025, CSBC Coating Solution Co., Ltd. negotiated with the landowner to settle the abovementioned contract. On the same date, CSBC Coating Solution Co., Ltd., signed an agreement for sale and purchase of real estate and acquired the land under joint construction. Certain consideration was offset by the original deposits of the joint construction and separate sale contract, and the remaining amount had been settled on December 30, 2025. Please refer to Note 6, Inventories for details.

(7) Refer to Note 7 for the endorsements/guarantees provided by the Group to others.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

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

The Group's policy is to maintain a stable gearing ratio. Ratios are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Gearing ratio	85%	73%
(2) <u>Financial instruments</u>		
A. <u>Financial instruments by category</u>		
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ -	\$ -
Financial assets at amortised cost		
Cash and cash equivalents	\$ 1,909,943	\$ 3,624,339
Financial assets at amortised cost	961	1,266
Accounts receivable (including related parties)	1,290,880	673,532
Other receivables	7,076	10,527
Guarantee deposits paid	64,204	165,180
	<u>\$ 3,273,064</u>	<u>\$ 4,474,844</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	\$ 181,833	\$ 2,496
Financial liabilities at amortised cost		
Short-term borrowings	\$ 8,626,555	\$ 3,717,791
Short-term notes and bills payable	3,739,109	1,454,434
Notes payable	9	-
Accounts payable	2,003,649	2,318,576
Other payables	1,085,145	959,115
Corporate bonds payable (Note)	-	1,765,984
Long-term borrowings (Note)	7,737,770	4,321,384
Long-term notes and accounts payable	701,088	688,219
Guarantee deposits received	464,069	391,275
	<u>\$ 24,357,394</u>	<u>\$ 15,616,778</u>
Lease liability	<u>\$ 1,766,306</u>	<u>\$ 2,798,793</u>

Note: Including current portion.

B. Financial risk management policies

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as cross currency swap contracts are used to hedge certain exchange rate risk. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

For supervising management, the Board of Directors has set related rules to authorize the management to perform daily operations within acceptable risk range and requires the internal audit to inspect the management and report on a regular basis. The internal audit must report to the Board of Directors if there is any unusual situation at any time, and respond to the situations adequately.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The foreign exchange risk is mainly arising from USD, EUR, RMB and JPY. Management has set up a policy to require the Company to manage its foreign exchange risk against its non-functional currency. The Group is required to hedge its entire foreign exchange risk exposure with the treasury. Exchange rate risk is measured through a forecast of highly probable foreign currency revenues and expenditures. Forward swap contracts are adopted to minimise the volatility of the exchange rate affecting forecast foreign currency income and cost of inventory purchases.
- ii. The Group's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2025			
	Foreign Currency (in thousands)	Exchange Rate	Book Value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 10,321	31.38	\$ 323,873
RMB:NTD	22,150	4.47	99,033
EUR:NTD	504	36.70	18,497
December 31, 2024			
	Foreign Currency (in thousands)	Exchange Rate	Book Value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 30,223	32.74	\$ 989,501
EUR:NTD	1,717	33.94	58,275
JPY:NTD	93,096	0.21	19,550
<u>Financial liabilities</u>			
<u>Monetary items</u>			
EUR:NTD	737	34.34	25,309

- iii. If NTD had appreciated/ depreciated by 1% against USD with all other variables held constant, effect to post-tax profit (loss) is as follows:

If NTD had appreciated/ depreciated by 1% against tax	Years ended December 31,	
	2025	2024
Increase (decrease) in net profit (loss) after tax	\$ 3,531	\$ 8,336

- iv. The net exchange gain (loss) arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2025 and 2024, amounted to (\$48,111) and \$117,372, respectively.

Price risk

The Group is not exposed to significant commodity price risk.

Interest rate risk

- The convertible bonds issued by the Company are zero-interest bonds with conversion options, and its fair value is affected by the stock price volatility. Based on the assessment, there is no material change in interest rate that would expose the Group to cash flow risk.
- The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. If the interest rate had increased by 0.25% with all other variables held constant, cash flows for the years ended December 31, 2025 and 2024 would have increased/decreased by \$19,344 and \$10,809, respectively.

(b) Credit risk

Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable and other receivables based on the agreed terms. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.

Cash and cash equivalents and financial assets at amortised cost

The Group only trades with counterparties with good credit, in accordance with the Group's transaction policies. There is no recent violation of significant cash and cash equivalents and financial assets at amortised cost.

Contract assets, accounts receivable and other receivables

- The Group appointed external agency to perform proper credit investigations for customers before signing the contracts of shipbuilding, vessel construction and machinery manufacturing. The results of the credit investigations were low risk, therefore, the credit risks of relevant receivables (primarily under accounts receivable or contract assets) were low risk.
- The Group's contract assets and accounts receivable were due from government (including state-owned enterprises) and general business. To maintain the quality of the accounts receivable and contract assets, the Group has established credit risk management procedures for operating. The Group considered customers' financial status, historical trading record and future economic condition in accordance with types of customer, and took into account factors that may influence customers' ability to pay to assess the credit quality of customers. The Group estimated expected credit loss by individual assessment.

- iii. In line with credit risk management procedure, when the counterparty failed to fulfil the mutual agreements nor to conduct negotiation, the default has occurred.
- iv. As of December 31, 2025, and 2024, the expected loss rates of not past due accounts receivable and contract assets were both 1% and 0.705%, respectively.
- v. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable and contract assets are as follows:

	2025		
	Accounts receivable	Contract assets	Total
At January 1	\$ 9,322	\$ 212,107	\$ 221,429
(Reversal of) Provision for impairment loss	(1,187)	32,158	30,971
Write-offs	(7,195)	-	(7,195)
At December 31	<u>\$ 940</u>	<u>\$ 244,265</u>	<u>\$ 245,205</u>
	2024		
	Accounts receivable	Contract assets	Total
At January 1	\$ 9,374	\$ 206,149	\$ 215,523
(Reversal of) Provision for impairment loss	(52)	5,958	5,906
At December 31	<u>\$ 9,322</u>	<u>\$ 212,107</u>	<u>\$ 221,429</u>

For the years ended December 31, 2025 and 2024, the expected credit losses arising from accounts receivable and contract assets generated from customers' contracts amounted to \$30,971 and \$5,906 respectively.

- vi. As of December 31, 2025, and 2024, the balances of receivables and contract assets from the top three counterparties amounted to \$7,887,902 and \$3,100,992, respectively. The credit risk concentration occurs when the ability of counterparties to meet its contractual obligations is affected by changes in economic or other conditions.

(c) Liquidity risk

The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2025:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Short-term borrowings	\$ 8,636,611	\$ -	\$ -	\$ -
Short-term notes payable	3,743,000	-	-	-
Payables	3,453,935	1,351,645	557,796	247,028
Lease liability	199,840	199,840	359,950	1,193,161
Long-term borrowings (Note)	510,935	4,631,841	2,830,938	173,918
	<u>\$ 16,544,321</u>	<u>\$ 6,183,326</u>	<u>\$ 3,748,684</u>	<u>\$ 1,614,107</u>
Derivative financial liabilities:				
Forward foreign exchange contracts				
-Inflow	\$ 1,677,602	\$ 1,272,989	\$ -	\$ -
-Outflow	(1,527,210)	(1,241,548)	-	-
	<u>\$ 150,392</u>	<u>\$ 31,441</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2024:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Short-term borrowings	\$ 3,720,391	\$ -	\$ -	\$ -
Short-term notes payable	1,455,000	-	-	-
Payables	3,592,811	529,239	508,542	245,023
Lease liability	313,802	221,698	488,763	2,100,215
Corporate bonds payable (Note)	1,768,300	-	-	-
Long-term borrowings (Note)	49,500	2,219,830	2,177,557	-
	<u>\$ 10,899,804</u>	<u>\$ 2,970,767</u>	<u>\$ 3,174,862</u>	<u>\$ 2,345,238</u>
Derivative financial liabilities:				
Forward foreign exchange contracts				
-Inflow	\$ 144,636	\$ -	\$ -	\$ -
-Outflow	(142,140)	-	-	-
	<u>\$ 2,496</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Including current portion.

The Group and many public and private financial institutions entered into comprehensive credit facility contracts whereby the undrawn borrowings facilities are sufficient for its future operating activities and to fulfill its capital commitments.

(3) Fair value estimation

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in derivative instruments is included in Level 2.
- Level 3: Unobservable inputs for the asset or liability. The fair value of the investment property, equity investment without active market and the call and put options embedded in convertible bonds held by the Group is included in Level 3.
- B. Fair value information of investment property at cost is provided in Note 6(11).
- C. Financial instruments not measured at fair value
- The carrying amounts of cash and cash equivalents, financial assets at amortised cost, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable, other payables, bonds payable, long-term borrowings (including current portion), long-term notes and accounts payable, guarantee deposits received and lease liabilities are approximate to their fair values.
- D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2025 and 2024 is as follows:
- (a) The related information of natures of the assets and liabilities is as follows:

December 31, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ -	\$ -	\$ -	\$ -
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	\$ -	\$ 181,833	\$ -	\$ 181,833

December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ -	\$ -	\$ -	\$ -
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	\$ -	\$ 2,496	\$ -	\$ 2,496

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. When the Group assessing non-standardised financial instruments with lower complexity, such as forward foreign exchange contracts, the Group uses valuation techniques which are extensively used by the market to estimate their fair value. The parameters used in the valuation model for these kinds of financial instruments usually use the observable information as the input.
- ii. Certain inputs used in the valuation model for measuring the fair value of the Group's debt instruments with embedded derivatives in are not observable at market, and the Group must make reasonable estimates based on its assumptions. The options embedded in convertible bonds held by the Group adopted binomial tree model and the significant unobservable inputs were stock price, volatility and risk discount rate. As of December 31, 2024, the fair values of the options held by the Group were \$0. Based on the Group's assessment on the changes in valuation parameter, there was no significant impact to the profit or loss for the period. There were no such transactions as of December 31, 2025.

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

F. The following chart is the movement of Level 3 for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
	<u>Derivative instrument</u>	<u>Derivative instrument</u>
At January 1	\$ 2,496	\$ 884
Gains recognised in profit or loss		
Recorded as non-operating income and expenses	179,337	1,612
At December 31	\$ 181,833	\$ 2,496
Movement of unrealised gain in profit or loss of assets and liabilities held as at December 31 2025 and 2024 (Note)	\$ 181,833	\$ 2,496

Note: Recorded as non-operating income and expense.

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

H. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments using the actuarial reports issued by external experts. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price. In addition, the investments in equity investments without active market were evaluated using the net asset value.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: Please refer to table 1.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.
- D. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 2.
- E. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
- F. Significant inter-company transactions during the reporting period: Please refer to table 3.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 4.

(3) Information on investments in Mainland China

- A. Basic information: None.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

14. SEGMENT INFORMATION

(1) General information

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision-Maker that are used to make strategic decisions. The Chief Operating Decision-Maker considers the business from a product perspective. The reportable operating segments derive their revenue primarily from the construction and repairing of ships and vessels and machinery buildings. As other businesses, mainly including machinery engineering, leases and coating, do not meet the quantitative thresholds required by IFRS 8, the results of these operations are included in the 'all other segments' column.

(2) Measurement of segment information

The Chief Operating Decision-Maker assesses the performance of the operating segments based on the gross profit of each business category. This measurement basis excludes the effects of operating expenses, non-operating revenue and non-operating expenses from the operating segment

(3) Measurement of segment information

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

For the years ended December 31, 2025 and 2024

	Year ended December 31, 2025					
	Construction of ships and vessels	Machinery building	Ship / vessel repairs	All other segments	Adjustments and eliminations(Note 1)	Total
Revenue from external customers	\$ 16,484,001	\$ 3,460,885	\$ 1,236,767	\$ 598,592	\$ -	\$ 21,780,245
Inter-segment revenue	-	-	-	1,145,658	(1,145,658)	-
Total segment revenue	<u>\$ 16,484,001</u>	<u>\$ 3,460,885</u>	<u>\$ 1,236,767</u>	<u>\$ 1,744,250</u>	<u>(\$ 1,145,658)</u>	<u>\$ 21,780,245</u>
Segment (loss) profit	<u>(\$ 3,665,250)</u>	<u>\$ 155,513</u>	<u>\$ 1,045,957</u>	<u>\$ 241,333</u>	<u>\$ 10,747</u>	<u>(\$ 2,211,700)</u>
Undistributed amount:						
Operating expenses						(\$ 709,706)
Depreciation and amortization						(39,409)
Interest income						73,113
Interest expense						(188,023)
Income tax expense						(17,428)
Loss on investments accounted for using equity method						861,379
Total undistributed amount						<u>(\$ 20,074)</u>
Segment assets (Note 2)						<u>\$ 46,417,525</u>
Investments accounted for under equity method						<u>\$ 2,066,784</u>
Increase in non-current assets						<u>\$ -</u>
Segment liabilities (Note 2)						<u>\$ 39,279,075</u>

	Year ended December 31, 2024					
	Construction of ships and vessels	Machinery building	Ship / vessel repairs	All other segments	Adjustments and eliminations(Note 1)	Total
Revenue from external customers	\$ 9,902,887	\$ 3,005,435	\$ 1,108,557	\$ 477,468	\$ -	\$ 14,494,347
Inter-segment revenue	-	-	-	1,235,928	(1,235,928)	-
Total segment revenue	<u>\$ 9,902,887</u>	<u>\$ 3,005,435</u>	<u>\$ 1,108,557</u>	<u>\$ 1,713,396</u>	<u>(\$ 1,235,928)</u>	<u>\$ 14,494,347</u>
Segment (loss) profit	<u>(\$ 3,921,926)</u>	<u>\$ 379,937</u>	<u>\$ 340,736</u>	<u>\$ 156,954</u>	<u>(\$ 12,999)</u>	<u>(\$ 3,057,298)</u>
Undistributed amount:						
Operating expenses						(\$ 627,581)
Depreciation and amortization						(33,458)
Interest income						81,052
Interest expense						(205,531)
Income tax expense						(10,530)
Loss on investments accounted for using equity method						797,953
Total undistributed amount						<u>\$ 1,905</u>
Segment assets (Note 2)						<u>\$ 34,017,258</u>
Investments accounted for under equity method						<u>\$ 1,021,939</u>
Increase in non-current assets						<u>\$ -</u>
Segment liabilities (Note 2)						<u>\$ 24,947,759</u>

Note 1: Refers to the elimination of inter-segment revenue.

Note 2: Segment assets and liabilities are regularly provided to the Chief Operating Decision-Maker, but not distributed to each reportable segment.

(4) Information about segment profit or loss, assets and liabilities

The revenue from external parties reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income. A reconciliation of segment profit to profit (loss) before tax and discontinued operations is provided as follows:

	Years ended December 31,	
	2025	2024
Segment loss	(\$ 2,463,780)	(\$ 3,201,253)
Other segment profit	252,080	143,955
Total segments	(2,211,700)	(3,057,298)
Operating expenses	(749,115)	(661,039)
Non-operating income and expenses	705,674	935,128
Loss before tax and discontinued operations	(\$ 2,255,141)	(\$ 2,783,209)

(5) Information on products and services

Revenues from external customers are mainly derived from the construction of ships and vessels. Breakdown of the revenue from all sources is as follows:

	Years ended December 31,	
	2025	2024
Revenue from construction of ships and vessels	\$ 16,484,001	\$ 9,902,887
Revenue from machinery manufacturing	3,460,885	3,005,435
Revenue from ship / vessel repair	1,236,767	1,108,557
Revenue from anti-corrosion coating	4,988	66,702
Other revenue	593,604	410,766
Total	<u>\$ 21,780,245</u>	<u>\$ 14,494,347</u>

(6) Geographical information

Revenue information by geographic area:

	Year ended and as of December 31, 2025		Year ended and as of December 31, 2024	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 19,495,396	\$ 15,307,739	\$ 14,468,511	\$ 16,182,265
Singapore	2,057,389	-	16,075	-
Others	227,460	-	9,761	-
Total	<u>\$ 21,780,245</u>	<u>\$ 15,307,739</u>	<u>\$ 14,494,347</u>	<u>\$ 16,182,265</u>

(7) Major customer information

The customers accounting for more than 10% of the Group's operating revenues are as follows:

Year ended December 31, 2025		
Clients	Sales amount	Department
Client 5	\$ 11,928,237	Construction of ships and vessels
Client K	3,338,012	Construction of ships and vessels
Client D	2,301,359	Construction of ships and vessels
	<u>\$ 17,567,608</u>	
Year ended December 31, 2024		
Clients	Sales amount	Department
Client 5	\$ 6,362,473	Construction of ships and vessels
Client K	3,545,377	Construction of ships and vessels
Client D	2,558,954	Construction of ships and vessels
	<u>\$ 12,466,804</u>	

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CSBC CORPORATION TAIWAN
Provision of endorsements and guarantees to others
Year ended December 31, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Endorser/ guarantor	Company name	Party being	Limit on	Maximum	Outstanding	Amount of	Ratio of accumulated	Provision of	Provision of				
			endorsed/guaranteed		outstanding						endorsement/guarantee	endorsement/guarantee amount to net asset	endorsements/	endorsements/
			Relationship with		endorsements/ guarantees provided						endorsement/ guarantee amount	endorsement/ guarantee amount at	guarantees	guarantees by
			the endorser/ guarantor	for a single party	as of December 31, 2025	December 31, 2025	secured with	value of asset value of	total amount	endorsements/ guarantees by parent	guarantees by	guarantees to		
							collateral	the endorser/guarantor	of endorsements/ guarantees provided	company to subsidiary	subsidiary to	the party in	Footnote	
0	CSBC Corporation, Taiwan	CSBC Power Technology Co., Ltd.	2	\$ 71,816,030	\$ 980,000	\$ 980,000	\$ 950,000	\$ -	13%	\$ 71,816,030	Y	N	N	Note 3
0	CSBC Corporation, Taiwan	CSBC-DEME Wind Engineering Co., Ltd.	6	71,816,030	64,080,712	38,703,929	38,663,929	-	538%	71,816,030	N	N	N	Note 3, 4

Note 1: The explanation for column "Number" is as follow:

(1) Fill "0" for the Issuer.

(2)The investee company is numbered sequentially starting with Arabic numeral 1 for each entity.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following categories:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.

(4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

(5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.

(6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) The performance guarantees for the sale of pre-sales contracts under the Consumer Protection Law are jointly guaranteed.

Note 3: The regulations on the endorsement/guarantees provided by the Company to others are as follows:

(1) Ceiling on total amount of endorsements/guarantees provided by the Company: No higher than 1000% of the Company's net assets.

(2) Limit on endorsements/guarantees provided by the Company for a single party: No higher than 1000% of the Company's net assets.

For companies having business relationship with the Company, limit on the amount of endorsements/guarantees is the amount of business transactions occurred between the creditor and borrower.

The amount of the transactions is the higher value of purchasing and selling during current year on the year of financing.

Note 4: The guarantee which was denominated in foreign currency was EUR 1.0459 billion and TWD 110 million. The actual amount of endorsement drawn down is EUR 1.0459 billion and TWD 70 million.

The exchange rate of foreign currencies translated into New Taiwan dollars at the financial reporting date was 36.9.

CSBC CORPORATION TAIWAN

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

Year ended December 31, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Total notes/accounts receivable	
CSBC Corporation, Taiwan	CPC Corporation, Taiwan	legal entity director	(Sale)	(\$ 1,376,769)	(6%)	Note 1	Note 1	Note 1	\$ -	-	Note 2
CSBC Corporation, Taiwan	CSBC-DEME Wind Engineering Co., Ltd.	Other related parties	(Sale)	(107,201)	-	Note 1	Note 1	Note 1	18,522	-	

Note 1: Based on the contract, the payment terms is the same as in general transactions.

Note 2: CPC Corporation, Taiwan was dismissed from holding director's position upon the expiration of the term on June 25, 2025. Please refer to Note 7, "RELATED PARTY TRANSACTIONS" for details.

CSBC CORPORATION TAIWAN

Significant inter-company transactions during the reporting periods

Year ended December 31, 2025

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	CSBC Corporation, Taiwan	CSBC Coating Solutions Co., Ltd	Parent company to subsidiary	Outsourcing expenses (including reimbursable procurement costs)	\$ 553,325	Note 4	3%
0	CSBC Corporation, Taiwan	CSBC Coating Solutions Co., Ltd	Parent company to subsidiary	Accounts payable	18,115	Note 4	-
0	CSBC Corporation, Taiwan	CSBC Power Technology Co., Ltd.	Parent company to subsidiary	Other payable	31,619	Note 4	-
0	CSBC Corporation, Taiwan	CSBC Power Technology Co., Ltd.	Parent company to subsidiary	Outsourcing expenses	50,992	Note 4	-
0	CSBC Corporation, Taiwan	BLUE ACE CORPORATION	Parent company to subsidiary	Outsourcing expenses	146,364	Note 4	1%
0	CSBC Corporation, Taiwan	BLUE ACE CORPORATION	Parent company to subsidiary	Accounts payable	12,435	Note 4	-
0	CSBC Corporation, Taiwan	CSBC Construction Co., Ltd	Parent company to subsidiary	Outsourcing expenses	183,682	Note 4	1%
1	CSBC Coating Solutions Co., Ltd	CSBC Construction Co., Ltd	Parent company to subsidiary	Outsourcing expenses	434,680	Note 4	2%
1	CSBC Coating Solutions Co., Ltd	CSBC Construction Co., Ltd	Parent company to subsidiary	Accounts payable	176,134	Note 4	-
1	CSBC Coating Solutions Co., Ltd	CSBC Construction Co., Ltd	Parent company to subsidiary	Deposits received	32,681	Note 4	-
1	CSBC Coating Solutions Co., Ltd	BLUE ACE CORPORATION	Parent company to subsidiary	Accounts receivable	23,539	Note 4	-
1	CSBC Coating Solutions Co., Ltd	BLUE ACE CORPORATION	Parent company to subsidiary	Deposits received	17,177	Note 4	-

Note 1 : The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1)Parent company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice.

For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts, based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Based on the contract, the payment terms is the same as in general transactions.

CSBC CORPORATION TAIWAN

Information on investees

Year ended December 31, 2025

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income(loss) recognised by the Company for the year ended December 31, 2025	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
CSBC Corporation, Taiwan	CSBC-DEME Wind Engineering Co., Ltd.	Taiwan	Installation of cable, lease of ships, and contracting of ships	\$ 1,549,500	\$ 1,549,500	15,651,515	50.00	\$ 2,053,777	\$ 1,793,427	\$ 860,806	Note 1
CSBC Corporation, Taiwan	CSBC Coating Solutions Co., Ltd.	Taiwan	Marine coating, steel structure painting works, surface treatment, and high-tech anti-corrosion etc.	125,000	125,000	25,950,370	100.00	299,056	49,108	49,099	Note 2
CSBC Corporation, Taiwan	CSBC Power Technology Co., Ltd.	Taiwan	Manufacturing of ships and its components etc.	62,550	62,550	6,500,000	86.67	(280,492) (	147,823) (	82,063)	Note 2
CSBC Corporation, Taiwan	Taiwan International Windpower Training Corporation Ltd.	Taiwan	Research and development, energy technology service	12,000	12,000	1,200,000	12.00	13,007	5,130	573	Note 1
CSBC Coating Solutions Co., Ltd	BLUE ACE CORPORATION	Taiwan	Marine coating, steel structure painting works, surface treatment, and high-tech anti-corrosion etc.	25,000	25,000	-	100.00	42,963	6,268	-	Note 3
CSBC Coating Solutions Co., Ltd	CSBC Construction Co., Ltd.	Taiwan	Building construction	40,149	40,149	-	100.00	56,037	33,527	-	Note 3
CSBC Coating Solutions Co., Ltd	Blue Ocean Wind Power Engineering (Hong Kong) Limited	Hong Kong	Marine works services	-	-	-	-	-	-	-	Note 3 、 4

Note 1 : Please refer to Note 6(7) for details about investments accounted for under equity method.

Note 2 : The difference between the income (loss) of the investee and the investment income (loss) recognised by the Company was the investment income (loss) recognised by the Company in proportion to the share ownership and unrealised gain (loss) from inter-company transactions.

Note 3 : The amount has been included in the profit (loss) of the Company's investee accounted for using equity method and has been recognised as gain (loss) on investment.

Note 4 : In December 2023, Blue Ocean Wind Power Engineering (Hong Kong) Limited discontinued operations and cancelled its registration as approved by the shareholders at their meeting. The entity's cancellation of registration and dissolution registration were completed on March 28, 2025.