

**Shih Wei Navigation Co., Ltd. and  
Subsidiaries**

**Consolidated Financial Statements for the  
Years Ended December 31, 2021 and 2020 and  
Independent Auditors' Report**

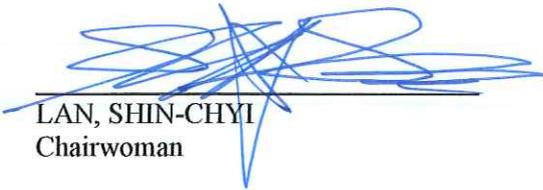
## **DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES**

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2021 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10 “Consolidated Financial Statements”. 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. Hence, we have not prepared a separate set of consolidated financial statements of affiliates for the year ended December 31, 2021.

Very truly yours,

SHIH WEI NAVIGATION CO., LTD.

By



LAN, SHIN-CHYI  
Chairwoman

February 24, 2022

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders  
Shih Wei Navigation Co., Ltd.

### Opinion

We have audited the accompanying consolidated financial statements of Shih Wei Navigation Co., Ltd. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, 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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2021 is as follows:

#### Cut-off of Revenue Recognition

As the cut-off of revenue recognition of the Group involves manual operations and is subject to judgment, and the amount of revenue is material, we considered the cut-off of revenue recognition as the key audit matter for the year ended December 31, 2021. For the critical accounting judgments and key sources of estimation and assumption uncertainty related to the cut-off of revenue recognition, refer to Note 5.

Our audit procedures for the abovementioned key audit matter included the following:

1. We understood the internal controls related to the cut-off of revenue recognition as well as evaluated the operating effectiveness of these internal controls.
2. We reviewed the relevant supporting documents for revenue recognized within a certain period before and after the balance sheet date.
3. We obtained the actual shipping information and vessel sailing schedules after the balance sheet date to evaluate the reasonableness of revenue recognition by management.

#### **Other Matter**

We have also audited the parent company only financial statements of Shih Wei Navigation Co., Ltd. as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, 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 auditing standards generally accepted in 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment 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 and appropriate audit evidence regarding the financial information of 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 for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shu-Wan Lin and Shioh-Ming Shue.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 24, 2022

Notice to Readers

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

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

# SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 5,082,169	21	\$ 373,778	2
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	9,649	-	1,004	-
Trade receivables (Notes 4 and 24)	48,336	-	46,543	-
Inventories (Note 4)	163,387	1	149,137	1
Non-current assets held for sale (Notes 4, 9 and 25)	-	-	195,584	1
Other financial assets - current (Notes 8 and 25)	119,892	-	324,432	1
Other current assets (Notes 18 and 24)	142,000	1	140,520	1
Total current assets	5,565,433	23	1,230,998	6
<b>NON-CURRENT ASSETS</b>				
Property and equipment (Notes 4, 11, 24 and 25)	18,376,839	75	19,978,932	93
Right-of-use assets (Notes 4 and 12)	300	-	330	-
Deferred tax assets (Notes 4 and 18)	40,927	-	1,035	-
Prepayments for equipment	4,344	-	56,936	-
Other financial assets - non-current (Notes 8 and 25)	179,439	1	66,774	-
Other non-current assets (Notes 24 and 25)	155,015	1	292,841	1
Total non-current assets	18,756,864	77	20,396,848	94
<b>TOTAL</b>	<b>\$ 24,322,297</b>	<b>100</b>	<b>\$ 21,627,846</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 13 and 25)	\$ 914,232	4	\$ 1,555,215	7
Notes and trade payables (Note 24)	155,094	1	143,075	1
Other payables (Note 21)	240,766	1	148,179	1
Other payables to related parties (Note 24)	308,748	1	787,866	4
Provisions - current (Notes 14 and 26)	44,288	-	45,568	-
Lease liabilities - current (Notes 4 and 12)	89	-	298	-
Current portion of long-term borrowings (Notes 13, 21 and 25)	3,304,866	13	699,171	3
Other current liabilities (Note 4)	149,601	1	93,824	-
Total current liabilities	5,117,684	21	3,473,196	16
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Notes 13, 21 and 25)	11,561,659	48	14,327,551	66
Deferred tax liabilities (Notes 4 and 18)	526,775	2	88,468	1
Lease liabilities - non-current (Notes 4 and 12)	168	-	-	-
Other long-term payables to related parties (Note 24)	94,389	-	244,274	1
Net defined benefit liabilities (Notes 4 and 15)	1,767	-	2,972	-
Deposit received	-	-	13	-
Total non-current liabilities	12,184,758	50	14,663,278	68
Total liabilities	17,302,442	71	18,136,474	84
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 4 and 16)</b>				
Ordinary shares	3,292,671	14	2,792,671	13
Capital surplus	2,642,041	11	1,489,164	7
Retained earnings				
Legal reserve	56,909	-	1,479,818	7
Unappropriated earnings (accumulated deficits)	2,002,718	8	(1,422,909)	(7)
Total retained earnings	2,059,627	8	56,909	-
Exchange differences on translating foreign operations	(1,143,073)	(5)	(958,659)	(4)
Total equity attributable to owners of the Corporation	6,851,266	28	3,380,085	16
<b>NON-CONTROLLING INTERESTS (Note 16)</b>	168,589	1	111,287	-
Total equity	7,019,855	29	3,491,372	16
<b>TOTAL</b>	<b>\$ 24,322,297</b>	<b>100</b>	<b>\$ 21,627,846</b>	<b>100</b>

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

# SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 5 and 24)				
Rental revenue	\$ 5,370,865	97	\$ 2,455,221	92
Service revenue	-	-	10,546	-
Cargo revenue	-	-	51,802	2
Other operating revenue	<u>161,854</u>	<u>3</u>	<u>153,254</u>	<u>6</u>
Total operating revenue	5,532,719	100	2,670,823	100
OPERATING COSTS (Notes 17 and 24)	<u>(2,949,779)</u>	<u>(53)</u>	<u>(3,136,862)</u>	<u>(118)</u>
GROSS PROFIT (LOSS)	2,582,940	47	(466,039)	(18)
OPERATING EXPENSES (Notes 12, 15, 17 and 24)	<u>(311,796)</u>	<u>(6)</u>	<u>(221,859)</u>	<u>(8)</u>
PROFIT (LOSS) FROM OPERATIONS	<u>2,271,144</u>	<u>41</u>	<u>(687,898)</u>	<u>(26)</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	1,060	-	1,970	-
Other income (Note 24)	100,616	2	157,895	6
Net gain on sale of investments (Note 4)	246	-	36	-
Net foreign exchange gains (Notes 4 and 28)	42,575	1	66,898	3
Net gain (loss) on financial assets and liabilities at fair value through profit or loss (Note 4)	465	-	(52)	-
Interest expense (Notes 4 and 24)	(267,941)	(5)	(399,432)	(15)
Other losses	(16,014)	(1)	(72,876)	(3)
Net gain (loss) on disposal of property and equipment (Note 4)	179,523	3	(15,730)	(1)
Impairment loss recognized on non-current assets held for sale (Notes 4 and 9)	-	-	(33,483)	(1)
Impairment loss recognized on property and equipment (Notes 4 and 11)	<u>-</u>	<u>-</u>	<u>(19,893)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>40,530</u>	<u>-</u>	<u>(314,667)</u>	<u>(12)</u>
PROFIT (LOSS) BEFORE INCOME TAX	2,311,674	41	(1,002,565)	(38)
INCOME TAX EXPENSE (Notes 4 and 18)	<u>(398,363)</u>	<u>(7)</u>	<u>(4,603)</u>	<u>-</u>
NET PROFIT (LOSS) FOR THE YEAR	<u>1,913,311</u>	<u>34</u>	<u>(1,007,168)</u>	<u>(38)</u>

(Continued)

# SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2021		2020	
	Amount	%	Amount	%
<b>OTHER COMPREHENSIVE LOSS</b>				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 15)	\$ 261	-	\$ (583)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 18)	(52)	-	117	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 4)	<u>(184,414)</u>	<u>(3)</u>	<u>(300,578)</u>	<u>(11)</u>
Other comprehensive loss for the year, net of income tax	<u>(184,205)</u>	<u>(3)</u>	<u>(301,044)</u>	<u>(11)</u>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>	<u>\$ 1,729,106</u>	<u>31</u>	<u>\$ (1,308,212)</u>	<u>(49)</u>
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO:</b>				
Owners of the Corporation	\$ 2,002,509	36	\$ (912,015)	(34)
Non-controlling interests	<u>(89,198)</u>	<u>(1)</u>	<u>(95,153)</u>	<u>(4)</u>
	<u>\$ 1,913,311</u>	<u>35</u>	<u>\$ (1,007,168)</u>	<u>(38)</u>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:</b>				
Owners of the Corporation	\$ 1,818,304	33	\$ (1,213,059)	(45)
Non-controlling interests	<u>(89,198)</u>	<u>(2)</u>	<u>(95,153)</u>	<u>(4)</u>
	<u>\$ 1,729,106</u>	<u>31</u>	<u>\$ (1,308,212)</u>	<u>(49)</u>
<b>EARNINGS (LOSS) PER SHARE (Note 19)</b>				
Basic	<u>\$ 7.16</u>		<u>\$ (3.27)</u>	
Diluted	<u>\$ 7.14</u>			

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

(Concluded)

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

### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation						Total Equity
	Ordinary Shares	Capital Surplus	Legal Reserve	Retained Earnings Unappropriated Earnings (Accumulated Deficits)	Exchange Differences on Translating Foreign Operations	Non-controlling Interests	
BALANCE AT JANUARY 1, 2020	\$ 2,792,671	\$ 1,489,164	\$ 1,479,818	\$ (510,428)	\$ (658,081)	\$ 206,440	\$ 4,799,584
Net loss for the year ended December 31, 2020	-	-	-	(912,015)	-	(95,153)	(1,007,168)
Other comprehensive loss for the year ended December 31, 2020, net of income tax	-	-	-	(466)	(300,578)	-	(301,044)
Total comprehensive loss for the year ended December 31, 2020	-	-	-	(912,481)	(300,578)	(95,153)	(1,308,212)
BALANCE AT DECEMBER 31, 2020	2,792,671	1,489,164	1,479,818	(1,422,909)	(958,659)	111,287	3,491,372
Legal reserve offset deficits	-	-	(1,422,909)	1,422,909	-	-	-
Net profit (loss) for the year ended December 31, 2021	-	-	-	2,002,509	-	(89,198)	1,913,311
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	209	(184,414)	-	(184,205)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	2,002,718	(184,414)	(89,198)	1,729,106
Issuance of ordinary shares for cash	500,000	1,140,000	-	-	-	-	1,640,000
Share-based payment transactions	-	9,377	-	-	-	-	9,377
Changes in ownership interests in subsidiaries (Note 20)	-	3,500	-	-	-	(3,500)	-
Changes in non-controlling interests	-	-	-	-	-	150,000	150,000
BALANCE AT DECEMBER 31, 2021	<u>\$ 3,292,671</u>	<u>\$ 2,642,041</u>	<u>\$ 56,909</u>	<u>\$ 2,002,718</u>	<u>\$ (1,143,073)</u>	<u>\$ 168,589</u>	<u>\$ 7,019,855</u>

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

# SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit (loss) before income tax	\$ 2,311,674	\$ (1,002,565)
Adjustments for:		
Depreciation expenses	1,299,283	1,441,874
Amortization expenses	806	700
Net (gain) loss on financial assets and liabilities at fair value through profit or loss	(465)	52
Interest expense	267,941	399,432
Interest income	(1,060)	(1,970)
Dividend income	(17)	(2)
Compensation costs of share-based payments	9,377	-
Net (gain) loss on disposal of property and equipment	(179,523)	15,730
Net gain on disposal of investments	(246)	(36)
Impairment loss recognized on non-financial assets	-	53,376
Changes in operating assets and liabilities		
(Increase) decrease in financial assets mandatorily classified as at fair value through profit or loss	(7,934)	2,036
Increase in trade receivables	(3,045)	(11,256)
(Increase) decrease in inventories	(18,606)	24,780
Increase in other current assets	(3,792)	(13,734)
Increase (decrease) in notes and trade payables	15,966	(118,448)
Increase (decrease) in other payables	103,837	(56,743)
Decrease in provisions	-	(11,820)
Increase in other current liabilities	57,682	21,156
Decrease in net defined benefit liabilities	(944)	(941)
Cash generated from operations	3,850,934	741,621
Interest received	666	2,055
Interest paid	(271,103)	(430,840)
Income tax paid	(230)	(385)
Net cash generated from operating activities	<u>3,580,267</u>	<u>312,451</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of non-current assets held for sale	192,349	246,557
Payments for property and equipment	(194,652)	(167,354)
Proceeds from disposal of property and equipment	280,090	47,797
Decrease in refundable deposits	132,978	108,042
Payments for intangible assets	(762)	-
Decrease in other financial assets	91,316	103
Increase in prepayments for equipment	(12,761)	(47,184)
Dividends received	17	2
Net cash generated from investing activities	<u>488,575</u>	<u>187,963</u>

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# SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	\$ (635,710)	\$ (83,821)
Proceeds from long-term borrowings	680,000	22,936
Repayments of long-term borrowings	(487,846)	(471,722)
(Decrease) increase in guarantee deposits received	(13)	5
Decrease in other payables to related parties	(513,892)	(915)
Repayment of the principal portion of lease liabilities	(384)	(790)
Issuance of ordinary shares for cash	<u>1,640,000</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>682,155</u>	<u>(534,307)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(42,606)</u>	<u>(6,034)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,708,391	(39,927)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>373,778</u>	<u>413,705</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 5,082,169</u>	<u>\$ 373,778</u>

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

(Concluded)

# SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

Shih Wei Navigation Co., Ltd. (the “Corporation”) was incorporated in the Republic of China (ROC) in March 1985. The Corporation mainly provides cargo services and shipping agency, and sells and leases ships.

The Corporation’s shares began to be traded on the Taipei Exchange in July 2001 and have been listed on the Taiwan Stock Exchange since August 2003.

The consolidated financial statements are presented in the Corporation’s functional currency, the New Taiwan dollar.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors on February 24, 2022.

### 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Initial application of the amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 “Interest Rate Benchmark Reform - Phase 2” and amendment to IFRS 16 “Covid-19 - Related Rent Concessions beyond June 30, 2021” endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 1)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 2)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 3)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

<u>New IFRSs</u>	<u>Effective Date Announced by IASB (Note 1)</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 IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

##### b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

##### c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- 2) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

##### d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e., its subsidiaries).

Income and expenses of subsidiaries disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Corporation.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

See Note 10 and Table 5 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of the Group's foreign operations (including subsidiaries in other countries) that are prepared using functional currencies which are different from the currency of the Corporation are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

f. Inventories

Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item. The net realizable value is the estimated selling price of inventories less costs necessary to make the sale.

g. Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Properties in the course of construction are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are depreciated and classified to the appropriate categories of property and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

i. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

When a non-current asset (and disposal group) held for sale is reclassified as a non-current asset (and disposal group) held for distribution, the asset is measured at the lower of its carrying amount or fair value less costs to distribute, and the accounting treatment under the previous classification is not reversed.

j. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement categories

Financial assets are classified as financial assets at FVTPL and financial assets at amortized cost.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified as at FVTPL, including investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 23.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost and other financial assets, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

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

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

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

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2) Equity instruments

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

Equity instruments issued by an entity in the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Corporation's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

## k. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

For contracts where the period between the date on which the Group transfers a promised good or service to a customer and the date on which the customer pays for that good or service is one year or less, the Group does not adjust the promised amount of consideration for the effects of a significant financing component.

### 1) Revenue from vessel operations, lease and cargo services

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

### 2) Revenue from guest room, food and ticketing services

As the Group provides guest room, food and ticketing services, customers simultaneously receive and consume the benefits provided by the Group's satisfaction of performance obligations, hence, the related revenue is recognized when services are provided.

## l. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

### 1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

### 2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases on the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

m. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other than that stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

n. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost), and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

o. Share-based payment arrangements

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees is the date on which the number of shares that the employees purchase is confirmed.

At the end of each reporting period, the Group revises its estimate of the number of employee share options that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

p. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law, an additional tax on unappropriated earnings is provided for as income tax in the year the stockholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. If a temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, the resulting deferred tax asset or liability is not recognized.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the period

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income.

q. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the possible impact of the recent development of the COVID-19 in Taiwan and its economic environment implications when making its critical accounting estimates on cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

### Cut-off of Revenue Recognition

Cut-off of revenue recognition of the Group involves manual operations and is subject to judgment. If the actual situations differ from judgment, the amount of revenue recognized might be affected.

## 6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Cash on hand	\$ 46,419	\$ 43,129
Checking accounts and demand deposits	3,278,070	244,653
Cash equivalents		
Time deposits with original maturities of less than 3 months	<u>1,757,680</u>	<u>85,996</u>
	<u>\$ 5,082,169</u>	<u>\$ 373,778</u>

The interest rate intervals of cash in bank at the end of the reporting period were as follows:

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Demand deposits	0.01%-0.05%	0.01%-0.05%
Time deposits with original maturities of less than 3 months	0.10%-0.28%	0.15%-0.21%

In accordance with internal credit management policy, the Group transacts only with creditworthy financial institutions. The Group estimates the loss provision for cash and cash equivalents and other financial assets based on the expected credit loss model. Since cash and cash equivalents and other financial assets have low credit risk, there was no impairment loss recognized based on the 12-month expected credit loss model.

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatory classified as at FVTPL		
Domestic listed shares	\$ 3,258	\$ 94
Mutual funds	891	910
Convertible bonds	<u>5,500</u>	<u>-</u>
	<u>\$ 9,649</u>	<u>\$ 1,004</u>

## 8. OTHER FINANCIAL ASSETS

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
<u>Current</u>		
Demand deposits	\$ 119,892	\$ 317,432
Time deposits	<u>-</u>	<u>7,000</u>
	<u>\$ 119,892</u>	<u>\$ 324,432</u>
<u>Non-current</u>		
Demand deposits	\$ 145,191	\$ 31,587
Time deposits	<u>34,248</u>	<u>35,187</u>
	<u>\$ 179,439</u>	<u>\$ 66,774</u>

- a. Refer to Note 25 for information relating to other financial assets pledged as security.
- b. The interest rate intervals of other financial assets were 0.01%-0.12% and 0.02%-0.2% per annum as of December 31, 2021 and 2020, respectively.
- c. Refer to Note 23 for information relating to credit management and expected credit loss of other financial assets.

## 9. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Vessel equipment and leased assets	<u>\$ -</u>	<u>\$ 195,584</u>

- a. In June 2020, the Group decided to dispose of two vessels, which were operated by Superior Pescadores S.A. Panama and Jackson Steamship S.A. In June 2020, the Group entered into agreements to sell the vessels at \$139,485 thousand (US\$4,980 thousand) and completed the transactions and received the sale proceeds in July 2020. The Group recognized an impairment loss of \$11,518 thousand (US\$390 thousand) on the two vessels due to the expected proceeds on disposals were lower than their carrying amounts.
- b. In December 2020, the Group decided to dispose of two vessels, which were operated by Leader Pescadores S.A. Panama and Excellent S.A. Panama. In December 2020, the Group entered into agreements to sell the vessels at \$85,915 thousand (US\$3,067 thousand) and \$106,434 thousand (US\$3,800 thousand) and completed the transactions and received the sale proceeds in February 2021. The Group recognized an impairment loss of \$7,328 thousand (US\$248 thousand) and \$14,637 thousand (US\$495 thousand) on the two vessels due to the expected proceeds on disposals were lower than their carrying amounts.
- c. Refer to Note 25 for information relating to non-current assets held for sale pledged to secure borrowings.

## 10. SUBSIDIARIES

- a. Subsidiaries included in the consolidated financial statements:

Investor	Investee	Main Business	% of Ownership		Note
			2021	2020	
The Corporation	Dong Lien Maritime S.A. Panama	Cargo shipping services and shipping agency	100.00	100.00	-
	Fortunate Maritime S.A. Panama	"	100.00	100.00	-
	Dancewoods Hotel & Resort (Dancewoods)	Resort hotel service and recreational grounds and facilities	51.52	52.27	*
Dong Lien Maritime S.A. Panama	Audrey Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00	100.00	-
	Beacon Pescadores S.A. Panama	"	100.00	100.00	-
	Blossom Pescadores S.A. (Panama)	"	100.00	100.00	-
	Brave Pescadores S.A.	"	100.00	100.00	-
	Bright Pescadores S.A. Panama	"	100.00	100.00	-
	Brilliant Pescadores S.A.	"	100.00	100.00	-
	Danceflora Pescadores S.A. Panama	"	100.00	100.00	-
	Dancewood Pescadores S.A. Panama	"	100.00	100.00	-
	Elegant Pescadores S.A. (Panama)	"	100.00	100.00	-
	Endurance Pescadores S.A. Panama	"	100.00	100.00	-
	Eternity Pescadores S.A. Panama	"	100.00	100.00	-
	Excellent Pescadores S.A. (Panama)	"	100.00	100.00	-
	Fair Pescadores S.A. Panama	"	100.00	100.00	-
	Federal Pescadores S.A. Panama	"	100.00	100.00	-
	Forever Pescadores S.A. Panama	"	100.00	100.00	-
	Fourseas Pescadores S.A. Panama	"	100.00	100.00	-
	Gallant Pescadores S.A.	"	100.00	100.00	-
	Genius Pescadores S.A. (Panama)	"	100.00	100.00	-
	Glaring Pescadores S.A. Panama	"	100.00	100.00	-
	Grand Ocean Navigation (Panama) S.A.	"	100.00	100.00	-
Grand Overseas S.A. Panama	"	100.00	100.00	-	
Grand Pescadores S.A. (Panama)	"	100.00	100.00	-	
Honor Pescadores S.A. Panama	"	100.00	100.00	-	
Huge Pescadores S.A. Panama	"	100.00	100.00	-	
Indigo Pescadores S.A. Panama	"	100.00	100.00	-	
Jackson Steamship S.A.	"	100.00	100.00	-	

(Continued)

Investor	Investee	Main Business	% of Ownership		Note
			December 31		
			2021	2020	
	Justicia Pescadores S.A. Panama	"	100.00	100.00	-
	Leader Pescadores S.A. Panama	"	100.00	100.00	-
	Modest Pescadores S.A. Panama	"	100.00	100.00	-
	Moon Bright Shipping Corporation	"	100.00	100.00	-
	Patriot Pescadores S.A. Panama	"	100.00	100.00	-
	Penghu Pescadores S.A. Panama	"	100.00	100.00	-
	Pharos Pescadores S.A. Panama	"	100.00	100.00	-
	Poseidon Pescadores S.A. Panama	"	100.00	100.00	-
	Royal Pescadores S.A. (Panama)	"	100.00	100.00	-
	Shining Pescadores S.A. (Panama)	"	100.00	100.00	-
	Skyhigh Pescadores S.A. Panama	"	100.00	100.00	-
	Spinnaker Pescadores S.A. Panama	"	100.00	100.00	-
	Stamina Pescadores S.A. Panama	"	100.00	100.00	-
	Summit Pescadores S.A. Panama	"	100.00	100.00	-
	Sunny Pescadores S.A. (Panama)	"	100.00	100.00	-
	Superior Pescadores S.A. Panama	"	100.00	100.00	-
	Trump Pescadores S.A. Panama	"	100.00	100.00	-
	Unicorn Brilliant S.A. Panama	"	100.00	100.00	-
	Valor Pescadores S.A. Panama	"	100.00	100.00	-
	Vigor Pescadores S.A. Panama	"	100.00	100.00	-
	Well Pescadores S.A. Panama	"	100.00	100.00	-
	Wise Pescadores S.A. Panama	"	100.00	100.00	-
	Wonderful Pescadores S.A. Panama	"	100.00	100.00	-

(Concluded)

\* In June 2021, Dancewoods issued ordinary shares for cash and the Corporation did not subscribe the newly issued shares in proportion to its existing ownership percentage; therefore, its ownership percentage in Dancewoods decreased from 52.27% to 51.52%. Refer to Note 20 for more details.

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests			
	December 31		December 31	
	2021	2020	2021	2020
Dancewoods	48.48%	47.73%		

Name of Subsidiary	Loss Allocated to Non-controlling Interests For the Year Ended December 31		Accumulated Non-controlling Interests December 31	
	2021	2020	2021	2020
	Dancewoods	\$ (89,198)	\$ (95,153)	\$ 168,589

Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

Dancewoods and Dancewoods' subsidiary:

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Current assets	\$ 117,198	\$ 84,070
Non-current assets	3,192,171	3,321,894
Current liabilities	(2,831,092)	(1,165,563)
Non-current liabilities	<u>(130,527)</u>	<u>(2,007,242)</u>
Equity	<u>\$ 347,750</u>	<u>\$ 233,159</u>
Equity attributable to:		
Owners of Dancewoods	\$ 179,161	\$ 121,872
Non-controlling interests of Dancewoods	<u>168,589</u>	<u>111,287</u>
	<u>\$ 347,750</u>	<u>\$ 233,159</u>
	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Revenue	<u>\$ 162,920</u>	<u>\$ 153,998</u>
Loss for the year	<u>\$ (185,410)</u>	<u>\$ (199,357)</u>
Total comprehensive loss for the year	<u>\$ (185,410)</u>	<u>\$ (199,357)</u>
Loss attributable to:		
Owners of Dancewoods	\$ (96,212)	\$ (104,204)
Non-controlling interests of Dancewoods	<u>(89,198)</u>	<u>(95,153)</u>
	<u>\$ (185,410)</u>	<u>\$ (199,357)</u>
Total comprehensive loss attributable to:		
Owners of Dancewoods	\$ (96,212)	\$ (104,204)
Non-controlling interests of Dancewoods	<u>(89,198)</u>	<u>(95,153)</u>
	<u>\$ (185,410)</u>	<u>\$ (199,357)</u>
Net cash generated from (used in):		
Operating activities	\$ (37,874)	\$ (39,978)
Investing activities	(50,063)	(31,285)
Financing activities	<u>108,032</u>	<u>59,945</u>
Net cash generated (used)	<u>\$ 20,095</u>	<u>\$ (11,318)</u>

## 11. PROPERTY AND EQUIPMENT

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Assets used by the Group	\$ 3,243,720	\$ 3,363,807
Assets leased under operating leases	<u>15,133,119</u>	<u>16,615,125</u>
	<u>\$ 18,376,839</u>	<u>\$ 19,978,932</u>

a. Assets used by the Group

	Freehold Land	Buildings	Other Equipment	Construction in Progress	Total
<u>Cost</u>					
Balance at January 1, 2021	\$ 684,976	\$ 2,496,467	\$ 662,353	\$ -	\$ 3,843,796
Additions	-	10,468	4,219	-	14,687
Reclassification	-	-	1,892	-	1,892
Retirements	-	(5,243)	(308)	-	(5,551)
Balance at December 31, 2021	<u>\$ 684,976</u>	<u>\$ 2,501,692</u>	<u>\$ 668,156</u>	<u>\$ -</u>	<u>\$ 3,854,824</u>
<u>Accumulated depreciation and impairment</u>					
Balance at January 1, 2021	\$ -	\$ 197,842	\$ 282,147	\$ -	\$ 479,989
Depreciation expense	-	54,687	76,954	-	131,641
Retirements	-	(359)	(167)	-	(526)
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 252,170</u>	<u>\$ 358,934</u>	<u>\$ -</u>	<u>\$ 611,104</u>
Carrying amounts at December 31, 2021	<u>\$ 684,976</u>	<u>\$ 2,249,522</u>	<u>\$ 309,222</u>	<u>\$ -</u>	<u>\$ 3,243,720</u>
<u>Cost</u>					
Balance at January 1, 2020	\$ 684,976	\$ 2,485,710	\$ 633,574	\$ 7,769	\$ 3,812,029
Additions	-	1,767	31,714	-	33,481
Reclassification	-	9,061	(1,292)	(7,769)	-
Retirements	-	(71)	(639)	-	(710)
Disposals	-	-	(1,004)	-	(1,004)
Balance at December 31, 2020	<u>\$ 684,976</u>	<u>\$ 2,496,467</u>	<u>\$ 662,353</u>	<u>\$ -</u>	<u>\$ 3,843,796</u>
<u>Accumulated depreciation and impairment</u>					
Balance at January 1, 2020	\$ -	\$ 143,238	\$ 206,802	\$ -	\$ 350,040
Depreciation expense	-	54,511	76,408	-	130,919
Retirements	-	(15)	(595)	-	(610)
Reclassification	-	108	(108)	-	-
Disposals	-	-	(586)	-	(586)
Impairment	-	-	226	-	226
Balance at December 31, 2020	<u>\$ -</u>	<u>\$ 197,842</u>	<u>\$ 282,147</u>	<u>\$ -</u>	<u>\$ 479,989</u>
Carrying amounts at December 31, 2020	<u>\$ 684,976</u>	<u>\$ 2,298,625</u>	<u>\$ 380,206</u>	<u>\$ -</u>	<u>\$ 3,363,807</u>

b. Assets leased under operating leases

	Vessel Equipment	Equipment under Finance Leases	Total
<u>Cost</u>			
Balance at January 1, 2021	\$ 27,337,963	\$ 395,621	\$ 27,733,584
Additions	171,324	8,641	179,965
Disposals	(668,911)	-	(668,911)
Retirements	(99,647)	-	(99,647)
			(Continued)

	<b>Vessel Equipment</b>	<b>Equipment under Finance Leases</b>	<b>Total</b>
Reclassification	\$ 55,490	\$ -	\$ 55,490
Effects of foreign currency exchange differences	<u>(760,657)</u>	<u>(11,215)</u>	<u>(771,872)</u>
Balance at December 31, 2021	<u>\$ 26,035,562</u>	<u>\$ 393,047</u>	<u>\$ 25,428,609</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2021	\$ 10,875,217	\$ 243,242	\$ 11,118,459
Depreciation expenses	1,145,513	21,756	1,167,269
Disposals	(573,369)	-	(573,369)
Retirements	(99,647)	-	(99,647)
Effects of foreign currency exchange differences	<u>(310,134)</u>	<u>(7,088)</u>	<u>(317,222)</u>
Balance at December 31, 2021	<u>\$ 11,037,580</u>	<u>\$ 257,910</u>	<u>\$ 11,295,490</u>
Carrying amount at December 31, 2021	<u>\$ 14,997,982</u>	<u>\$ 135,137</u>	<u>\$ 15,133,119</u>
<u>Cost</u>			
Balance at January 1, 2020	\$ 29,838,289	\$ 1,137,160	\$ 30,975,449
Additions	125,345	8,178	133,523
Disposals	(387,693)	-	(387,693)
Retirements	(91,012)	(15,002)	(106,014)
Reclassification	(693,531)	(703,518)	(1,397,049)
Effects of foreign currency exchange differences	<u>(1,453,435)</u>	<u>(31,197)</u>	<u>(1,484,632)</u>
Balance at December 31, 2020	<u>\$ 27,337,963</u>	<u>\$ 395,621</u>	<u>\$ 27,733,584</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2020	\$ 11,067,479	\$ 762,369	\$ 11,829,848
Depreciation expenses	1,248,800	61,390	1,310,190
Disposals	(324,684)	-	(324,684)
Retirements	(91,012)	(15,002)	(106,014)
Reclassifications	(479,071)	(545,425)	(1,024,496)
Effects of foreign currency exchange differences	(565,962)	(20,090)	(586,052)
Impairment	<u>19,667</u>	<u>-</u>	<u>19,667</u>
Balance at December 31, 2020	<u>\$ 10,875,217</u>	<u>\$ 243,242</u>	<u>\$ 11,118,459</u>
Carrying amount at December 31, 2020	<u>\$ 16,462,746</u>	<u>\$ 152,379</u>	<u>\$ 16,615,125</u> (Concluded)

Due to the decline in business activities, and adjustment of operating strategy, the Group carried out a review of the recoverable amount of the vessel equipment and assessed that the recoverable amount was less than the carrying amount, and recognized an impairment loss of \$19,893 thousand in 2020.

Operating leases relate to leases of vessel equipment and equipment under finance leases with lease terms up to 25 months and an option to extend for another 4-15 months. All operating lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

- c. The above items of property and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Freehold	50-55 years
Leasehold improvements	Based on lease periods
Vessel equipment	
Vessels	15-25 years
Equipment	3-10 years
Vessel overhaul	2 years
Leased assets	2-25 years
Other equipment	3-20 years

- d. Refer to Note 25 for information relating to property and equipment pledged to secure borrowings.

## 12. LEASE ARRANGEMENT

- a. Right-of-use assets

	<u>December 31</u>	
	2021	2020
<u>Carrying amounts</u>		
Land	\$ 300	\$ 39
Buildings	<u>-</u>	<u>291</u>
	<u>\$ 300</u>	<u>\$ 330</u>
	<b><u>For the Year Ended December 31</u></b>	
	<b>2021</b>	<b>2020</b>
Depreciation charge for right-of-use assets		
Land	\$ 82	\$ 67
Buildings	<u>291</u>	<u>698</u>
	<u>\$ 373</u>	<u>\$ 765</u>

- b. Lease liabilities

	<u>December 31</u>	
	2021	2020
<u>Carrying amounts</u>		
Current	<u>\$ 89</u>	<u>\$ 298</u>
Non-current	<u>\$ 168</u>	<u>\$ -</u>

Discount rate for lease liabilities was as follows:

	<u>December 31</u>	
	2021	2020
Land	1.86%	2.44%
Buildings	-	2.44%

c. Material lease-in activities and terms

The Group leases certain land and buildings for the use of resort and office space with lease terms of 4 years and 3 years, respectively.

d. Other lease information

	<u>For the Year Ended December 31</u>	
	2021	2020
Expenses relating to short-term leases	<u>\$ 609</u>	<u>\$ 69</u>
Expenses relating to low-value asset leases	<u>\$ 180</u>	<u>\$ 163</u>
Total cash outflow for leases	<u>\$ 1,176</u>	<u>\$ 1,040</u>

The Group's leases of certain office equipment qualify as short-term leases and other equipment qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

### 13. BORROWINGS

a. Short-term borrowings

	<u>December 31</u>	
	2021	2020
Secured bank loans (Note 25)	<u>\$ 914,232</u>	<u>\$ 1,555,215</u>
Interest rate interval - secured bank loans	1.33%-1.86%	1.34%-2.28%

b. Long-term borrowings

	<u>December 31</u>	
	2021	2020
Secured bank loans* (Note 25)	\$ 14,866,525	\$ 15,026,722
Less: Current portion	<u>(3,304,866)</u>	<u>(699,171)</u>
	<u>\$ 11,561,659</u>	<u>\$ 14,327,551</u>
Interest rate interval - secured bank loans	1.17%-3.20%	1.26%-2.19%

\* Secured bank loans (in U.S. dollars and New Taiwan dollars) are repayable monthly, quarterly or in one lump sum upon maturity between January 2021 and November 2030. Refer to Note 25 for the information relating to collateral pledged by the Group's vessel equipment, U.S. certificates of deposit, New Taiwan dollar demand deposits, freehold land and buildings.

In October 2019, the Group negotiated with certain banks to modify certain conditions of loan agreements to reduce the principal repayment amounts due within one year from the most recent repayment date. In addition, in June and July 2020, the Group negotiated with certain banks to modify certain conditions of loan agreements to reduce the principal repayment amounts due within one or two years from the most recent repayment date.

In the six months ended June 30, 2017, Dancewoods entered into a syndicated loan agreement with a syndicate of banks with a credit line of \$2.3 billion and a 7-year credit period starting from the first drawdown, and repayments can be made either in one lump sum upon maturity or in installments. As of December 31, 2021, \$2,181,776 thousand was drawn down and shall be repaid in installments between January 2022 and May 2024. According to the loan agreement, Dancewoods is obligated to maintain the following financial ratios within the contract period.

- 1) The current ratio should not be lower than 100%.
- 2) The debt ratio (total liabilities/tangible assets) should not exceed 300%.
- 3) The principal and interest coverage ratio (Net income + Interest expense + Depreciation + Amortization)/(Long-term bank loan repayments + Interest expense) should be above 100%.
- 4) The net value should not be lower than \$900,000 thousand.

The above financial ratios are based on Dancewoods' annual financial statements, and, except for the principal and interest coverage ratios which would be reviewed starting from 2019, other financial ratios will be reviewed starting from 2017. If the above criteria for financial ratios are not met, the interest rate will be raised 0.05% until Dancewoods meets all of the criteria in the following year. If Dancewoods does not meet the financial ratio requirements for two consecutive years, it will be considered as a breach of contract. The managing bank can, based on the decision by the majority of the banks in the syndicate, immediately terminate the credit line, declare the outstanding utilized principal and interest as due, and request immediate settlement.

As of December 31, 2021, Dancewoods has submitted to the managing bank an application for exemption from the above criteria for financial ratios. Since the application was still in progress, the Group reclassified long-term borrowings of \$1,905,776 thousand to current liabilities (classified as current portion of long-term borrowings).

#### 14. PROVISIONS

	<u>December 31</u>	
	2021	2020
<u>Current</u>		
Litigation provision	<u>\$ 44,288</u>	<u>\$ 45,568</u>

Litigation provision was estimated by the management based on a lawsuit filed by the International Transport Workers' Federation (ITF) in 2020. Refer to Note 26 for more details.

## 15. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

The Corporation and Dancewoods adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

### b. Defined benefit plans

The defined benefit plan adopted by the Corporation in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Corporation contributes amounts equal to 5.2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Corporation assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Corporation is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Corporation has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Corporation's defined benefit plans were as follows:

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Present value of defined benefit obligation	\$ 20,588	\$ 20,527
Fair value of plan assets	<u>(18,821)</u>	<u>(17,555)</u>
Net defined benefit liabilities	<u>\$ 1,767</u>	<u>\$ 2,972</u>

Movements in net defined benefit liabilities were as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liabilities</b>
Balance at December 31, 2020	<u>\$ 19,121</u>	<u>\$ (15,791)</u>	<u>\$ 3,330</u>
Net interest expense (income)	<u>154</u>	<u>(126)</u>	<u>28</u>
Recognized in profit or loss	<u>154</u>	<u>(126)</u>	<u>28</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(669)	(669)
Actuarial loss - changes in financial assumptions	1,022	-	1,022
Actuarial loss - experience adjustments	<u>230</u>	<u>-</u>	<u>230</u>
Recognized in other comprehensive income	<u>1,252</u>	<u>(669)</u>	<u>583</u>
Contributions from the employer	<u>-</u>	<u>(969)</u>	<u>(969)</u>
Balance at December 31, 2020	<u>20,527</u>	<u>(17,555)</u>	<u>2,972</u>
Net interest expense (income)	<u>82</u>	<u>(70)</u>	<u>12</u>
Recognized in profit or loss	<u>82</u>	<u>(70)</u>	<u>12</u>

(Continued)

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liabilities</b>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	\$ -	\$ (240)	\$ (240)
Actuarial loss - changes in demographic assumptions	23	-	23
Actuarial gain - changes in financial assumptions	(767)	-	(767)
Actuarial loss - experience adjustments	<u>723</u>	<u>-</u>	<u>723</u>
Recognized in other comprehensive income	<u>(21)</u>	<u>(240)</u>	<u>(261)</u>
Contributions from the employer	<u>-</u>	<u>(956)</u>	<u>(956)</u>
Balance at December 31, 2021	<u>\$ 20,588</u>	<u>\$ (18,821)</u>	<u>\$ 1,767</u> (Concluded)

Through the defined benefit plans under the Labor Standards Law, the Corporation is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Discount rate	0.70%	0.40%
Expected rate of salary increase	2.00%	2.00%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Discount rate		
0.25% increase	<u>\$ (595)</u>	<u>\$ (647)</u>
0.25% decrease	<u>\$ 618</u>	<u>\$ 673</u>
Expected rate of salary increase		
0.25% increase	<u>\$ 556</u>	<u>\$ 609</u>
0.25% decrease	<u>\$ (540)</u>	<u>\$ (589)</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
The expected contributions to the plan for the next year	<u>\$ 939</u>	<u>\$ 969</u>
The average duration of the defined benefit obligation	12 years	13 years

## 16. EQUITY

### a. Share capital

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Number of shares authorized (in thousands)	<u>500,000</u>	<u>500,000</u>
Shares authorized	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>329,267</u>	<u>279,267</u>
Shares issued	<u>\$ 3,292,671</u>	<u>\$ 2,792,671</u>

Ordinary shares issued have a par value of NT\$10 per share. Each share is entitled to the right to vote and to receive dividends.

On August 6, 2021, the Corporation's board of directors resolved to issue no more than 50,000 thousand ordinary shares with a par value of \$10. On September 13, 2021, the above transaction was approved by the Securities and Futures Bureau, and the application for three months extension of offer to public had been approved on November 22, 2021. A total of 50,000 thousand shares were issued at the price of \$32.8 per share. The subscription base date was December 30, 2021, and the shares were fully paid on the same day. Moreover, the amendment of the registration of the issuance of new ordinary shares had been approved on January 22, 2022 by the Ministry of Economic Affairs; as a result, the fully paid share capital increased to \$3,292,671 thousand.

b. Capital surplus

Reconciliation of capital surplus for the years ended December 31, 2021 and 2020:

	Issuance of Ordinary Shares (1)	Conversion of Bonds (1)	Treasury Share Transactions (1)	The Difference Between Consideration Received or Paid and the Carrying Amount of Subsidiaries' Net Assets During Actual Disposal or Acquisition (1)	Employee Share Option (2)	Expired Employee Share Options (3)	Changes in Percentage of Ownership Interests in Subsidiaries (3) and (4)	Total
Balance at January 1 and December 31, 2020	<u>\$ 1,042,374</u>	<u>\$ 372,267</u>	<u>\$ 701</u>	<u>\$ 3,603</u>	<u>\$ -</u>	<u>\$ 69,358</u>	<u>\$ 861</u>	<u>\$ 1,489,164</u>
Balance at January 1, 2021	\$ 1,042,374	\$ 372,267	\$ 701	\$ 3,603	\$ -	\$ 69,358	\$ 861	\$ 1,489,164
Issuance of ordinary shares for cash	1,140,000	-	-	-	-	-	-	1,140,000
Share-based payment transactions	-	-	-	-	9,377	-	-	9,377
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	3,500	3,500
Balance at January 1 and December 31, 2020	<u>\$ 2,182,374</u>	<u>\$ 372,267</u>	<u>\$ 701</u>	<u>\$ 3,603</u>	<u>\$ 9,377</u>	<u>\$ 69,358</u>	<u>\$ 4,361</u>	<u>\$ 2,642,041</u>

- 1) The capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and once a year).
- 2) The capital surplus may not be used for any purpose. The Corporation's board of directors resolved a capital increase in cash on August 6, 2021, and reserved 10% of the shares for employee stock subscription in accordance with the laws and regulations. The Corporation has recognized \$9,377 thousand of salary expenses and capital surplus for share-based payment in December 2021, based on the fair value of the options on the grant-date.
- 3) The capital surplus may only be used to offset a deficit.
- 4) Such capital surplus arises from the effects of changes in ownership interests of subsidiaries resulting from equity transactions other than actual disposals or acquisitions.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Corporation's Articles of Incorporation (the "Articles"), where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the stockholders' meeting for distribution of dividends and bonuses to stockholders.

In response to competition in maritime market, the Corporation's dividend policy is based on the principle of prudence, under which the Corporation considers its long-term financing structure and operations. Thus, when earnings and funds become sufficient for operations and expansion, cash dividends or stock dividends will be distributed. The distribution of cash dividends should be at least 10% of earnings. For the policies on distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 17(c).

Appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Corporation's paid-in capital. The legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Corporation.

The stockholders resolved in their meetings on August 26, 2021 and June 24, 2020 that no retained earnings would be appropriated for 2020 and 2019 due to accumulated deficits.

On August 26, 2021, the stockholders' meeting resolved to offset accumulated deficits against the legal reserve of \$1,422,909 thousand.

d. Non-controlling interests

	<b><u>For the Year Ended December 31</u></b>	
	<b>2021</b>	<b>2020</b>
Balance at January 1	\$ 111,287	\$ 206,440
Effect of retrospective restatement		
Attributable to non-controlling interests:		
Share of loss for the year	(89,198)	(95,153)
Changes in ownership interests in subsidiaries	(3,500)	-
Changes in non-controlling interests	<u>150,000</u>	<u>-</u>
Balance at December 31	<u>\$ 168,859</u>	<u>\$ 111,287</u>

**17. NET PROFIT (LOSS)**

a. Depreciation and amortization

	<b><u>For the Year Ended December 31</u></b>	
	<b>2021</b>	<b>2020</b>
Property and equipment	\$ 1,298,910	\$ 1,441,109
Right-of-use assets	<u>373</u>	<u>765</u>
	<u>\$ 1,299,283</u>	<u>\$ 1,441,874</u>
An analysis of depreciation by function		
Operating costs	\$ 1,295,403	\$ 1,435,507
Operating expenses	<u>3,880</u>	<u>6,367</u>
	<u>\$ 1,299,283</u>	<u>\$ 1,441,874</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 806</u>	<u>\$ 700</u>

b. Employee benefits expense

	<b><u>For the Year Ended December 31</u></b>	
	<b>2021</b>	<b>2020</b>
Short-term benefits		
Payroll	\$ 991,177	\$ 803,956
Labor and health insurance	<u>13,371</u>	<u>11,857</u>
	<u>1,004,548</u>	<u>815,813</u>
Post-employment benefits		
Defined contribution plans	6,620	6,281
Defined benefit plans (Note 15)	<u>12</u>	<u>28</u>
	<u>6,632</u>	<u>6,309</u>
Other employee benefits	<u>106,578</u>	<u>140,963</u>
Total employee benefits expense	<u>\$ 1,117,758</u>	<u>\$ 963,085</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 918,511	\$ 860,605
Operating expenses	<u>199,247</u>	<u>102,480</u>
	<u>\$ 1,117,758</u>	<u>\$ 963,085</u>

c. Compensation of employees and remuneration of directors

According to the Articles of Incorporation of the Corporation, the Corporation accrues compensation of employees and remuneration of directors at the rates of no less than 2% and no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The Corporation accrued \$49,500 thousand and \$10,000 thousand for compensation of employees and remuneration of directors, respectively, for the year ended December 31, 2021. No compensation of employees and remuneration of directors were accrued for the year ended December 31, 2020 because of net loss before tax.

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate.

Information on the compensation of employees and remuneration of directors resolved by the Corporation's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 18. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	<b><u>For the Year Ended December 31</u></b>	
	<b>2021</b>	<b>2020</b>
Current tax		
In respect of the current year	\$ 420,327	\$ 4,603
Adjustments for prior years	<u>(21,964)</u>	<u>-</u>
Income tax expense recognized in profit or loss	<u>\$ 398,363</u>	<u>\$ 4,603</u>

A reconciliation of accounting profit and income tax expense is as follows:

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Profit (loss) before tax	\$ <u>2,311,674</u>	\$ <u>(1,002,565)</u>
Income tax expense calculated at the statutory rate (20%)	\$ (24,218)	\$ (27,998)
Deferred tax effect of earnings of subsidiaries	436,000	-
Tax-exempt income	1,686	1,422
Unrecognized loss carryforwards	35,254	27,200
Unrecognized deductible temporary differences	-	3,979
Adjustments for prior years' tax	(21,964)	-
Capital reduction to offset company losses of subsidiaries	<u>(28,395)</u>	<u>-</u>
Income tax expense recognized in profit or loss	\$ <u>398,363</u>	\$ <u>4,603</u>

Incomes of other subsidiaries incorporated in Panama are tax-exempt.

b. Income tax recognized in other comprehensive income

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
<u>Deferred tax</u>		
In respect of the current year		
Remeasurement of defined benefit plan	\$ <u>(52)</u>	\$ <u>117</u>

c. Current tax assets and liabilities

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Current tax assets (classified as other current assets)		
Tax refund receivable	\$ <u>230</u>	\$ <u>385</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2021

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>				
Temporary differences				
Tax losses	\$ -	\$ 36,155	\$ -	\$ 36,155
Impairment loss of properties and equipment	-	3,978	-	3,978
Defined benefit obligation	659	(189)	(52)	418
Payables for annual leave	<u>376</u>	<u>-</u>	<u>-</u>	<u>376</u>
	<u>\$ 1,035</u>	<u>\$ 39,944</u>	<u>\$ (52)</u>	<u>\$ 40,927</u>

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax liabilities</u>				
Temporary differences				
Unappropriated earnings of subsidiaries	\$ 67,018	\$ 436,000	\$ -	\$ 503,018
Unrealized exchange gains	<u>21,450</u>	<u>2,307</u>	<u>-</u>	<u>23,757</u>
	<u>\$ 88,648</u>	<u>\$ 438,307</u>	<u>\$ -</u>	<u>\$ 526,775</u> (Concluded)

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Defined benefit obligation	\$ 730	\$ (188)	\$ 117	\$ 659
Payables for annual leave	<u>376</u>	<u>-</u>	<u>-</u>	<u>376</u>
	<u>\$ 1,106</u>	<u>\$ (188)</u>	<u>\$ 117</u>	<u>\$ 1,035</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Unappropriated earnings of subsidiaries	\$ 67,018	\$ -	\$ -	\$ 67,018
Unrealized exchange gains	<u>17,035</u>	<u>4,415</u>	<u>-</u>	<u>21,450</u>
	<u>\$ 84,053</u>	<u>\$ 4,415</u>	<u>\$ -</u>	<u>\$ 88,468</u>

- e. Deductible unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	<u>December 31</u>	
	2021	2020
Loss carryforwards		
Expiry in 2022	\$ 12,679	\$ 12,679
Expiry in 2023	3,027	3,027
Expiry in 2024	6,556	6,556
Expiry in 2025	21,124	21,124
Expiry in 2026	73,633	73,633
Expiry in 2027	256,262	256,262
Expiry in 2028	258,475	258,475
Expiry in 2029	252,739	342,661
Expiry in 2030	192,288	192,288
Expiry in 2031	<u>176,281</u>	<u>-</u>
	<u>\$ 1,253,064</u>	<u>\$ 1,166,705</u>
Deductible temporary differences	<u>\$ -</u>	<u>\$ 19,892</u>

- f. The aggregate amount of temporary differences associated with investments for which deferred tax liabilities have not been recognized

As of December 31, 2021 and 2020, the taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized were \$4,045,808 thousand and \$3,941,757 thousand, respectively.

- g. Income tax assessments

Income tax returns through 2019 and undistributed earnings through 2018 of both the Corporation and Dancewoods have been assessed and cleared by the tax authorities.

## 19. EARNINGS (LOSS) PER SHARE

Unit: NT\$ Per Share

	<u>For the Year Ended December 31</u>	
	2021	2020
Basic earnings (loss) per share	\$ 7.16	\$ (3.27)
Diluted earnings per share	<u>\$ 7.14</u>	

The earnings (loss) and weighted average number of ordinary shares outstanding used in the computation of earnings (loss) per share were as follows:

### Net Profit (Loss) for the Year

	<u>For the Year Ended December 31</u>	
	2021	2020
Profit (loss) for the year attributable to owners of the Corporation	<u>\$2,002,509</u>	<u>\$ (912,015)</u>

### Weighted Average Number of Ordinary Shares Outstanding (In Thousand Shares)

	<u>For the Year Ended December 31</u>	
	2021	2020
Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share	279,541	<u>279,267</u>
Effect of potentially dilutive ordinary shares		
Compensation of employees	<u>1,095</u>	
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>280,636</u>	

The Group incurred net loss in 2020, so no dilutive effect was considered.

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

## 20. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In June 2021, the Group did not subscribe for additional new shares of Dancewoods in proportion to its existing ownership percentage; as a result, the percentage of ownership was reduced from 52.27% to 51.52%.

The above transaction was accounted for as equity transaction, since the Group did not cease to have control over the subsidiary.

	<b>Dancewoods</b>
Cash consideration received	\$ 150,000
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	<u>(146,500)</u>
Difference recognized from equity transaction	<u>\$ 3,500</u>
<u>Line items adjusted for equity transaction</u>	
Capital surplus - change in percentage of ownership interests in subsidiary	<u>\$ 3,500</u>

## 21. CASH FLOWS INFORMATION

### a. Non-cash transactions

For the years ended December 31, 2021 and 2020, the Group entered into the following non-cash investing and financing activities, which were not reflected in the consolidated statements of cash flows:

- 1) As of December 31, 2021 and 2020, the Group reclassified long-term borrowings of \$3,304,866 thousand and \$699,171 thousand, respectively, to current portion of long-term borrowings.
- 2) Payments for property and equipment of \$0 thousand and \$32,700 thousand, were not settled and recorded as other payables as of December 31, 2021 and 2020, respectively.

### b. Changes in liabilities arising from financing activities

For the year ended December 31, 2021

	<b>Opening Balance</b>	<b>Cash Flows</b>	<b>Non-cash Changes Changes in Foreign Exchange Rates</b>	<b>Others</b>	<b>Closing Balance</b>
Short-term borrowings	\$ 1,555,215	\$ (635,710)	\$ (5,273)	\$ -	\$ 914,232
Long-term borrowings	15,026,722	192,154	(352,351)	-	14,866,525
Other payables to related parties	1,032,140	(513,892)	36,692	(151,803)	403,137
Lease liabilities	<u>298</u>	<u>(384)</u>	<u>-</u>	<u>343</u>	<u>257</u>
	<u>\$ 17,614,375</u>	<u>\$ (957,832)</u>	<u>\$ (320,932)</u>	<u>\$ (151,460)</u>	<u>\$ 16,184,151</u>

For the year ended December 31, 2020

	<b>Opening Balance</b>	<b>Cash Flows</b>	<b>Non-cash Changes Changes in Foreign Exchange Rates</b>	<b>Others</b>	<b>Closing Balance</b>
Short-term borrowings	\$ 1,649,459	\$ (83,821)	\$ (10,423)	\$ -	\$ 1,555,215
Long-term borrowings	16,143,022	(448,786)	(667,514)	-	15,026,722
Other payables to related parties	1,033,481	(915)	-	(426)	1,032,140
Lease liabilities	<u>1,088</u>	<u>(790)</u>	<u>-</u>	<u>-</u>	<u>298</u>
	<u>\$ 18,827,050</u>	<u>\$ (534,312)</u>	<u>\$ (677,937)</u>	<u>\$ (426)</u>	<u>\$ 17,614,375</u>

## 22. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while providing sufficient return to stockholders through the optimization of the debt and equity balance.

The Group's capital structure consists of its net debt (borrowings offset by cash) and equity (comprising share capital, capital surplus, retained earnings and other equity).

For the overall planning of the Group's long-term development and the assets needed for this development, the Group determines the vessels needed and the corresponding capital expenditures to achieve the target shipping capacity and future growth. In addition, in light of the nature of the industry, future development of the Group and factors such as changes in the external environment, the Group considers the future capital needs and dividend requirements to ensure the Group will be able to continue as going concerns and return the earnings to stockholders while taking account of the interest of other stockholders, as well as to maintain the optimal capital structure to enhance stockholders' value in the long term. The Group's management regularly reviews its capital structure and evaluates the risks that might accompany the different capital structure requirements. Generally, the Group adopts prudent risk management strategies.

## 23. FINANCIAL INSTRUMENTS

- a. Fair value of financial instruments that are not measured at fair value

Management believes that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values, including cash and cash equivalents, trade receivables, other financial assets, short-term borrowings, notes and trade payables, other payables, other payables to related parties, long-term borrowings and other long-term payables to related parties.

- b. Fair value of financial instruments measured at fair value on a recurring basis

### Fair value hierarchy

December 31, 2021

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Mandatorily classified at FVTPL	<u>\$ 9,649</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,649</u>

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mandatorily classified at FVTPL	\$ 1,004	\$ -	\$ -	\$ 1,004

There were no transfers between Levels 1 and 2 for the years ended December 31, 2021 and 2020.

c. Categories of financial instruments

	December 31	
	2021	2020
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily classified at FVTPL	\$ 9,649	\$ 1,004
Financial assets measured at amortized cost		
Cash and cash equivalents	5,082,169	373,778
Trade receivables	48,336	46,543
Other financial assets (including current and non-current)	299,331	391,206
<u>Financial liabilities</u>		
Financial liabilities measured at amortized cost		
Short-term borrowings	914,232	1,555,215
Notes and trade payables	155,094	143,075
Other payables	240,766	148,179
Other payables to related parties	308,748	787,866
Other long-term payables to related parties	94,389	244,274
Long-term borrowings (including current portion)	14,866,525	15,026,722

d. Financial risk management objectives and policies

The objective of the Group's financial risk management is the management of market risk related to operating activities (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk. To reduce the potentially detrimental influence of the fluctuations in the market on the Group's financial performance, the Group applies measures to identify, estimate and hedge the uncertainties of the market.

The Group's significant financial activities are reviewed and approved by the board of directors in compliance with relevant regulations and internal control policy. The Group complies with operating procedures related to financial risk management and proper delegation of authority and responsibility.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and other price risk.

a) Foreign currency risk

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

The carrying amounts of the Group's foreign currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) are set out in Note 28.

Sensitivity analysis

The Group was mainly exposed to the U.S. dollar and Japanese yen.

The following table shows the Group's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjust their translation at the end of the period for a 5% change in foreign currency rates. A positive number below indicates a decrease in pretax profit or loss associated with the U.S. dollar and Japanese yen strengthening by 5% against the New Taiwan dollar. For a 5% weakening of the relevant foreign currencies against the New Taiwan dollar, there would be an equal and opposite impact on pretax profit or loss.

	<b>USD Impact</b>		<b>JPY Impact</b>	
	<b>For the Year Ended</b>		<b>For the Year Ended</b>	
	<b>December 31</b>		<b>December 31</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Profit or loss	\$ <u>32,584</u> (i)	\$ <u>26,079</u> (i)	\$ <u>420</u> (ii)	\$ <u>356</u> (ii)

i. This was mainly attributable to the exposure to cash, other financial assets and receivables and payables in USD.

ii. The result was mainly attributable to the exposure to cash and payables in JPY.

b) Interest rate risk

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

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	<u>December 31</u>	
	2021	2020
Fair value interest rate risk		
Financial assets	\$ 1,791,928	\$ 128,183
Financial liabilities	431,252	753,372
Cash flow interest rate risk		
Financial assets	3,543,153	593,672
Financial liabilities	15,752,284	16,982,974

Sensitivity analysis

The sensitivity analysis below was made on the basis of the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of the assets and liabilities outstanding at the end of the reporting period had been outstanding for the whole year.

Had interest rates been 5 basis points higher/lower and all other variables been held constant, the Group's pretax loss for the years ended December 31, 2021 and 2020 would have increased/decreased by \$6,104 thousand and \$8,194 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk on its investments classified as financial assets at FVTPL.

Sensitivity analysis

The sensitivity analysis below was based on the exposure to mutual funds and equity price risks at the end of the reporting period. Had mutual funds and equity prices been 5% higher/lower, pretax loss for 2021 and 2020 would have increased/decreased by \$483 thousand and \$50 thousand, respectively.

2) Credit risk

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

To maintain the quality of trade receivables, the Group applies credit risk management procedures to reduce the credit risk from specific customers. The credit evaluation of an individual customer includes the consideration of factors that will affect payment ability such as present financial condition, past transaction records and current economic conditions. In addition, the credit risk of bank deposits, fixed-income investments and other financial instrument transactions with banks is monitored and evaluated by the Group's financial department. Since the counterparties are creditworthy banks and other financial institutions and enterprises with credit ratings higher than investment grades, the default risks were considered immaterial, and the credit risks were not significant.

As of December 31, 2021 and 2020, the carrying amounts of trade receivables were \$48,336 thousand and \$46,543 thousand and accounted for 0.20% and 0.22% of total assets, respectively. The credit risk was evaluated to be limited because the counterparties are creditworthy.

### 3) Liquidity risk

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

The following table shows the remaining contractual maturities of the Group's non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause were included in the less than 1 year column below regardless of the probability of the banks choosing to exercise their rights.

#### December 31, 2021

	<b>Less than 1 Year</b>	<b>1 Year - 2 Years</b>	<b>2 Years - 3 Years</b>	<b>3 Years - 4 Years</b>	<b>Over 4 Years</b>
Short-term borrowings	\$ 914,232	\$ -	\$ -	\$ -	\$ -
Long-term borrowings	3,304,866	4,940,388	4,217,777	1,032,210	1,371,284
Notes and trade payables	155,094	-	-	-	-
Other payables	240,766	-	-	-	-
Other payables to related parties	308,748	-	-	-	-
Other long-term payables to related parties	-	94,389	-	-	-
Lease liabilities	89	85	83	-	-
	<u>\$ 4,923,795</u>	<u>\$ 5,034,862</u>	<u>\$ 4,217,860</u>	<u>\$ 1,032,210</u>	<u>\$ 1,371,284</u>

#### December 31, 2020

	<b>Less than 1 Year</b>	<b>1 Year - 2 Years</b>	<b>2 Years - 3 Years</b>	<b>3 Years - 4 Years</b>	<b>Over 4 Years</b>
Short-term borrowings	\$ 1,555,215	\$ -	\$ -	\$ -	\$ -
Long-term borrowings	699,171	1,392,973	4,653,610	5,805,752	2,475,216
Notes and trade payables	143,075	-	-	-	-
Other payables	148,179	-	-	-	-
Other payables to related parties	787,866	-	-	-	-
Other long-term payables to related parties	-	119,702	124,572	-	-
Lease liabilities	298	-	-	-	-
	<u>\$ 3,333,804</u>	<u>\$ 1,512,675</u>	<u>\$ 4,778,182</u>	<u>\$ 5,805,752</u>	<u>\$ 2,475,216</u>

The Group meets its needs for operating funds mainly through financing, including acquiring credit lines and entering into new loan agreements with financial institutions or other related parties. As of December 31, 2021, there were no unused financing facilities.

## 24. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries, which were related parties of the Corporation, had been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties were disclosed below.

### a. Related parties and their relationships with the Group

<u>Related Party Name</u>	<u>Relationship with the Group</u>
Huo Da Investment Corp.	Entities controlled by the Corporation's chairman or his/her family
Pei Lin Investment Corp.	Entities controlled by the Corporation's chairman or his/her family
Luo Pan Investment Corp.	Entities controlled by the Corporation's chairman or his/her family
Fei Yuan Investment Corp.	Entities controlled by the Corporation's chairman or his/her family
Corebest Maritime S.A. Panama	Entities controlled by the Corporation's chairman or his/her family
Corebright Maritime S.A. Panama	Entities controlled by the Corporation's chairman or his/her family
Corediamond Maritime S.A. Panama	Entities controlled by the Corporation's chairman or his/her family
Corefortune Maritime S.A. Panama	Entities controlled by the Corporation's chairman or his/her family
Corehonor Maritime S.A. Panama	Entities controlled by the Corporation's chairman or his/her family
Coreocean Maritime S.A. Panama	Entities controlled by the Corporation's chairman or his/her family
Coretalent Maritime S.A. Panama	Entities controlled by the Corporation's chairman or his/her family
Efficiency Ship Management Corporation	Entities controlled by the Corporation's chairman or his/her family
Benefit Transport S.A.	Entities controlled by the Corporation's chairman or his/her family
Oceanlance Maritime S.A. Panama	Entities controlled by the Corporation's chairman or his/her family
Coreleader Maritime S.A. Panama	Entities controlled by the Corporation's chairman or his/her family
Corepilot Maritime S.A. Panama	Entities controlled by the Corporation's chairman or his/her family
Coreshining Maritime S.A. Panama	Entities controlled by the Corporation's chairman or his/her family
Coreship Maritime S.A. Panama	Entities controlled by the Corporation's chairman or his/her family
Corewise Maritime S.A. Panama	Entities controlled by the Corporation's chairman or his/her family
Transformer Maritime S.A. Panama	Entities controlled by the Corporation's chairman or his/her family
Genius Star Management Consulting Co., Ltd.	Related party in substance of the Corporation

(Continued)

<u>Related Party Name</u>	<u>Relationship with the Group</u>
Liang Yu Investment Corp.	Entities controlled by the Corporation's chairman or his/her family
Wisdom Shipping Agency Co., Ltd.	Entities controlled by the Corporation's chairman or his/her family
Chong Ai Investment Corp.	The Group's director (before June 24, 2020)

(Concluded)

b. Operating transactions

1) Operating revenue

<b>Line Item</b>	<b>Related Party Category</b>	<b>For the Year Ended December 31</b>	
		<b>2021</b>	<b>2020</b>
Service revenue	Entities controlled by the Corporation's chairman or his/her family	\$ <u>          -</u>	\$ <u>10,546</u>
Other operating revenue	Entities controlled by the Corporation's chairman or his/her family	\$ 181	\$ 497
	The Group's director	<u>          -</u>	<u>          6</u>
		<u>\$ 181</u>	<u>\$ 503</u>

Service revenue included management income and commission revenue, which were obtained from providing related parties with shipping agency services based on agreed terms. Other operating revenue was obtained from providing related parties with food services.

2) Operating costs

	<b>Operating Costs</b>	
	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Entities controlled by the Corporation's chairman or his/her family	\$ <u>5,024</u>	\$ <u>9,276</u>

3) Receivables from related parties

<b>Line Item</b>	<b>Related Party Category</b>	<b>For the Year Ended December 31</b>	
		<b>2021</b>	<b>2020</b>
Trade receivables (classified as trade receivables)	Entities controlled by the Corporation's chairman or his/her family	\$ <u>14</u>	\$ <u>9</u>

4) Payables to related parties

<b>Line Item</b>	<b>Related Party Category</b>	<b>December 31</b>	
		<b>2021</b>	<b>2020</b>
Trade payables (classified as notes payable and trade payables)	Entities controlled by the Corporation's chairman or his/her family	\$ 208	\$ -
Other payables (classified as other payables to related parties)	Entities controlled by the Corporation's chairman or his/her family	<u>-</u>	<u>11,392</u>
		<u>\$ 208</u>	<u>\$ 11,392</u>

c. Acquisitions of property and equipment

<b>Related Party Category</b>	<b>Purchase Price</b>	
	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Entities controlled by the Corporation's chairman or his/her family	<u>\$ 25,960</u>	<u>\$ 18,227</u>

d. Lease arrangements - the Group is lessee

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>December 31</b>	
		<b>2021</b>	<b>2020</b>
Lease liabilities	Liang Yu Investment Corp.	<u>\$ -</u>	<u>\$ 298</u>
		<b>For the Year Ended December 31</b>	
		<b>2021</b>	<b>2020</b>

Interest expense

Entities controlled by the Corporation's chairman or his/her family	<u>\$ 2</u>	<u>\$ 17</u>
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e. Loans from related parties

<b>Related Party Category/Name</b>	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
<u>Other payables to related parties</u>		
Pei Lin Investment Corp.	\$ 180,133	\$ 180,133
Hua Da Investment Corp.	128,000	174,800
Benefit Transport S.A.	<u>-</u>	<u>170,880</u>
	<u>\$ 308,133</u>	<u>\$ 525,813</u>
<u>Other long-term payables to related parties</u>		
Oceanlance Maritime Co., Ltd.	<u>\$ -</u>	<u>\$ 103,298</u>

The interest payables for loans from related parties (classified as other payables to related parties) were \$615 thousand and \$2,143 thousand as of December 31, 2021 and 2020, respectively, and the related interest expenses were \$8,620 thousand and \$10,730 thousand for the years ended December 31, 2021 and 2020, respectively. The loans from Benefit Transport S.A. were fully repaid in July 2021, were secured by the Group's vessels with carrying amounts of \$307,094 thousand, December 31, 2020. Refer to Note 25 for more details.

- f. Finance lease payables (classified as other payables to related parties and other long-term payables to related parties)

Related Party Name	December 31	
	2021	2020
<u>Benefit Transport S.A.</u>		
Minimum lease payments		
Not later than one year	\$ -	\$ 248,243
Later than one year and not later than five years	<u>94,389</u>	<u>140,976</u>
	<u>\$ 94,389</u>	<u>\$ 389,219</u>

In September and November 2016, the Group entered into sale and purchase agreements with related parties to dispose of vessels with proceeds of \$1,307,738 thousand. At the same time, the Group entered into lease agreements with lease terms from October 2016 to September 2021 and December 2016 to November 2021. Furthermore, the Group committed to repurchase these vessels at the end of the lease terms. The Group deposited US\$18,550 thousand as collateral in accordance with the agreements (classified as other non-current assets). Refer to Note 25 for more details.

In October 2017, the Group entered into sale and purchase agreements with related parties to dispose of vessels with proceeds of \$181,536 thousand. At the same time, the Group entered into lease agreements with lease terms from October 2017 to November 2022. Furthermore, the Group committed to repurchase these vessels at the end of the lease terms. The Group deposited US\$1,000 thousand as collateral in accordance with the agreements. Refer to Note 25 for more details.

In March 2020, the Group entered into sale and purchase agreements with related parties to dispose of the vessels with proceeds of \$178,630 thousand. At the same time, the Group entered into lease agreements with lease terms from April 2020 to May 2023. Furthermore, the Group committed to repurchase these vessels at the end of the lease terms. The Group deposited US\$3,410 thousand as collateral in accordance with the agreement. Refer to Note 25 for more details.

In order to dispose of the above six vessels, the Group entered into agreements with Benefit Transport S.A. and requested Benefit Transport S.A. to sell the vessels to designated third parties on behalf of the Group in February 2021, July and February 2020, March 2018, and October 2017. At the same time, the lease agreements and repurchase commitments were cancelled and the Group settled the remaining lease payables of \$232,327 thousand, \$171,808 thousand, \$94,484 thousand, \$452,885 thousand and 135,030 thousand, respectively, and deposited \$120,724 thousand, \$123,900 thousand, \$29,995 thousand, \$256,476 thousand and \$39,725 thousand with Benefit Transport S.A. according to the sale and repurchase agreements.

For the abovementioned lease transactions, interest payables (classified as other payables to related parties) was \$275 thousand as of December 31, 2020. For the years ended December 31, 2021 and 2020, interest expenses were \$3,084 thousand and \$13,790 thousand, respectively, and charge fees were \$0 thousand and \$234 thousand, respectively.

The abovementioned sales and lease-back transactions were classified as finance leases and related vessels were classified as leased assets. Refer to Note 11 for more details.

g. Other transactions with related parties

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

<b>Related Party Category</b>	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Entities controlled by the Corporation's chairman or his family	<u>\$ 69</u>	<u>\$ 63</u>

The rental conditions for the Group to lease part of the office to related parties are comparable to market conditions.

h. Compensation of key management personnel

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Short-term employee benefits	\$ 4,987	\$ 5,230
Post-employment benefits	<u>178</u>	<u>178</u>
	<u>\$ 5,165</u>	<u>\$ 5,408</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

## 25. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank loans, borrowings and deposits from related parties, and deposits from Taiwan Taipei District Court (refer to Note 26):

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Demand deposits (classified as other financial assets)	\$ 265,083	\$ 349,019
Pledged deposits (classified as other financial assets)	34,248	42,187
Refundable deposits (classified as non-current assets)	113,339	246,037
Non-current assets classified as held for sale	-	195,584
Land	669,731	669,731
Buildings	2,249,079	2,298,118
Leased assets	135,137	152,379
Vessel equipment	14,667,083	16,210,397
Other equipment	<u>85,926</u>	<u>162,727</u>
	<u>\$ 18,219,626</u>	<u>\$ 20,326,179</u>

## 26. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

- a. The Group's subsidiary, Forever Pescadores S.A. Panama, was investigated by International Transport Workers' Federation (ITF) in March 2019. ITF believed that some of the crew members' salaries were lower than the standard salary. In October 2020, the Group's subsidiary had reached a settlement with ITF and signed a non-disclosure agreement. Furthermore, the Group was also randomly investigated by ITF, and is still in negotiation. As of December 31, 2021, because there is a possible obligation that may require an outflow of resources of economic benefits, the Group recognized the related provisions. Refer to Note 14 for more details.
- b. Dancewoods was in dispute with contractor FU-TAI Construction Co., Ltd. and Taiwan Shinryo Co., Ltd. (Shinryo) due to the additional hotel construction activities. In November 2019, Chinese Arbitration Association, Taipei (CAA) had made an arbitral award, which requested Dancewoods to pay \$23,920 thousand to Shinryo, and Dancewoods filed a lawsuit to revoke the arbitral award in December 31, 2019. On December 28, 2020, Dancewoods commissioned a lawyer to propose a settlement, and on June 25, 2021, both parties reached a settlement agreement in which Dancewoods have to pay \$20,322 thousand; the payments were made on June 25, September 24 and December 24, 2021 for the full settlement. As of December 31, 2021, the security deposit provided by Dancewoods in the amount of \$6,450 thousand will be refunded when the settlement process is completed.

## 27. OTHER EVENTS

The impact of the COVID-19 pandemic affected the tourism industry. With the gradual recovery of the economy and the slowing down of the domestic epidemic situation, the tourism industry has recovered. The Group assessed that the epidemic should only have a temporary impact on the decline in its hotel revenue.

In response to the impact of the epidemic, the Group applied for subsidies to salaries, operating capital, etc. For the years ended December 31, 2021 and 2020, the Group acquired government grants of \$5,501 thousand and \$7,094 thousand, respectively.

## 28. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the group entities and the exchange rates between foreign currencies and the respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2021

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 11,758	27.680 (USD:NTD)	\$ 325,464
JPY	5,659	0.0087 (JPY:USD)	1,361
<u>Financial liabilities</u>			
Monetary items			
USD	35,496	27.680 (USD:NTD)	982,535
JPY	40,623	0.0087 (JPY:USD)	9,770

December 31, 2020

	<b>Foreign Currencies</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 17	28.480 (USD:NTD)	\$ 485
JPY	15,445	0.0097 (JPY:USD)	4,268
<u>Financial liabilities</u>			
Monetary items			
USD	18,331	28.480 (USD:NTD)	522,056
JPY	41,198	0.0097 (JPY:USD)	11,383

The significant unrealized foreign exchange gains were as follows:

<b>For the Year Ended December 31</b>				
<b>2021</b>			<b>2020</b>	
<b>Foreign Currencies</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gain</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gain</b>
USD	28.009 (USD:NTD)	<u>\$ 118,851</u>	28.480 (USD:NTD)	<u>\$ 107,494</u>

## 29. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (Table 3)
- 4) Marketable securities acquired and disposed at costs or prices at least NT\$300 million or 20% of the paid-in capital (None)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (None)

- 9) Trading in derivative instruments (None)
- 10) Intercompany relationships and significant intercompany transactions (Table 5)
- b. Information of investees (Table 6)
- c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 7)

### 30. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group has two reportable segments: The shipping segment and the tourist segment. The shipping segment mainly provides cargo shipping services and shipping agency services. The tourist segment mainly provides resort hotel services.

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

#### a. Segment revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segment.

	<u>Segment Revenue</u>		<u>Segment Income (Loss)</u>	
	<u>For the Year Ended</u>		<u>For the Year Ended</u>	
	<u>December 31</u>		<u>December 31</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Shipping	\$ 5,370,191	\$ 2,516,935	\$ 2,696,923	\$ (477,915)
Tourist	<u>162,528</u>	<u>153,888</u>	<u>(117,308)</u>	<u>(125,218)</u>
	<u>\$ 5,532,719</u>	<u>\$ 2,670,823</u>	2,579,615	(603,133)
Interest expense			<u>(267,941)</u>	<u>(399,432)</u>
Profit (loss) before tax			<u>\$ 2,311,674</u>	<u>\$ (1,002,565)</u>

Segment revenue reported above represented revenue generated from external customers. There were no inter-segment sales for the years ended December 31, 2021 and 2020.

b. Segment total assets and liabilities

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
<u>Segment assets</u>		
Shipping	\$ 21,012,928	\$ 18,221,882
Tourist	<u>3,309,369</u>	<u>3,405,964</u>
Consolidated total assets	<u>\$ 24,322,297</u>	<u>\$ 21,627,846</u>
<u>Segment liabilities</u>		
Shipping	\$ 14,532,434	\$ 15,114,891
Tourist	<u>2,770,008</u>	<u>3,021,583</u>
Consolidated total liabilities	<u>\$ 17,302,442</u>	<u>\$ 18,136,474</u>

c. Geographical information

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets is detailed below.

	<u>Revenue from External Customers For the Year Ended December 31</u>		<u>Non-current Assets December 31</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Asia	\$ 4,445,484	\$ 2,227,526	\$ -	\$ -
Europe	828,450	149,884	-	-
America	-	10,546	15,230,498	16,887,171
Taiwan	203,648	185,424	3,306,000	3,441,868
Oceania	<u>55,137</u>	<u>97,443</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,532,719</u>	<u>\$ 2,670,823</u>	<u>\$ 18,536,498</u>	<u>\$ 20,329,039</u>

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

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

FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 2)
													Item	Value		
0	Shih Wei Navigation Co., Ltd.	Dancewoods Hotel & Resort	Other receivables from related parties	Yes	\$ 150,000	\$ -	\$ -	-	Short-term financing	\$ -	Repayments of borrowing and operating capita	\$ -	-	-	\$ 2,055,380	\$ 2,740,506
						Total -	Total -									
1	Dong Lien Maritime S.A. Panama	Shih Wei Navigation Co., Ltd.	"	"	996,480	996,480	982,535	-	"	-	Repayments of borrowing and operating capital	-	-	-	7,569,422	7,569,422
		Audrey Pescadores S.A. Panama	"	"	13,840	13,840	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Brave Pescadores S.A.	"	"	13,840	13,840	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Danceflora Pescadores S.A. Panama	"	"	27,680	27,680	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Dancewood Pescadores S.A. Panama	"	"	13,840	13,840	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Elegant Pescadores S.A. (Panama)	"	"	13,840	13,840	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Endurance Pescadores S.A. Panama	"	"	13,840	13,840	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Eternity Pescadores S.A. Panama	"	"	13,840	13,840	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Excellent Pescadores S.A. (Panama)	"	"	27,680	-	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Fair Pescadores S.A. Panama	"	"	13,840	13,840	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Federal Pescadores S.A. Panama	"	"	13,840	13,840	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Forever Pescadores S.A. Panama	"	"	13,840	13,840	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Fortunate Maritime S.A. Panama	"	"	27,680	27,680	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Fourseas Pescadores S.A. Panama	"	"	27,680	27,680	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Gallant Pescadores S.A.	"	"	13,840	13,840	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Genius Pescadores S.A. (Panama)	"	"	13,840	13,840	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Huge Pescadores S.A. Panama	"	"	13,840	13,840	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Indigo Pescadores S.A. Panama	"	"	13,840	13,840	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Jackson Steamship S.A.	"	"	27,680	-	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Leader Pescadores S.A. Panama	"	"	27,680	-	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Modest Pescadores S.A. Panama	"	"	13,840	13,840	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Moon Bright Shipping Corporation	"	"	13,840	13,840	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Patriot Pescadores S.A. Panama	"	"	13,840	13,840	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Penghu Pescadores S.A. Panama	"	"	13,840	13,840	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Skyhigh Pescadores S.A. Panama	"	"	13,840	13,840	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Spinnaker Pescadores S.A. Panama	"	"	13,840	13,840	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Stamina Pescadores S.A. Panama	"	"	27,680	27,680	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Summit Pescadores S.A. Panama	"	"	27,680	27,680	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Superior Pescadores S.A. Panama	"	"	27,680	-	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Trump Pescadores S.A. Panama	"	"	27,680	27,680	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Unicorn Brilliant S.A. Panama	"	"	13,840	13,840	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Valor Pescadores S.A. Panama	"	"	13,840	13,840	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Vigor Pescadores S.A. Panama	"	"	13,840	13,840	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Wise Pescadores S.A. Panama	"	"	13,840	13,840	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Wonderful Pescadores S.A. Panama	"	"	13,840	13,840	-	-	"	-	"	-	-	-	7,569,422	7,569,422
		Dancewoods Hotel & Resort	"	"	280,952	221,440	191,047	2.5%	"	-	"	-	-	-	2,270,827	3,027,769
						Total 1,716,160	Total 1,173,582									

Note 1: Limitation of financing is based on 30% of the lending company's net equity on December 31, 2021, if loan to the overseas company whose voting shares are 100% owned directly or indirectly or lending to parent, limitation of financing is based on 100% of the lending company's net equity on December 31, 2021.

Note 2: Limitation of financing is based on 40% of the lending company's net equity on December 31, 2021, if loan to the overseas company whose voting shares are 100% owned directly or indirectly or lending to parent, limitation of financing is based on 100% of the lending company's net equity on December 31, 2021.

Note 3: Actual borrowing amount at period end has been eliminated during preparation of the consolidated financial statements.

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

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 1)										
0	Shih Wei Navigation Co., Ltd.	Dancewoods Hotel & Resort	a	\$ 6,851,266	\$ 2,437,080	\$ 2,415,778	\$ 2,415,778	\$ -	35.26	\$ 41,107,596	Yes	No	No
		Dong Lien Maritime S.A. Panama	a	6,851,266	1,194,413	1,148,741	1,148,741	-	16.77	41,107,596	Yes	No	No
		Fortunate Maritime S.A. Panama	a	6,851,266	657,443	598,872	598,872	-	8.74	41,107,596	Yes	No	No
		Audrey Pescadores S.A. Panama	a	6,851,266	389,506	389,506	389,506	2,701	5.69	41,107,596	Yes	No	No
		Brave Pescadores S.A.	a	6,851,266	442,299	442,299	442,299	3,643	6.46	41,107,596	Yes	No	No
		Danceflora Pescadores S.A. Panama	a	6,851,266	228,697	214,857	214,857	-	3.14	41,107,596	Yes	No	No
		Dancewood Pescadores S.A. Panama	a	6,851,266	417,639	417,639	417,639	6,217	6.10	41,107,596	Yes	No	No
		Elegant Pescadores S.A. (Panama)	a	6,851,266	550,741	550,741	550,741	-	8.04	41,107,596	Yes	No	No
		Endurance Pescadores S.A. Panama	a	6,851,266	573,543	573,543	573,543	7,280	8.37	41,107,596	Yes	No	No
		Eternity Pescadores S.A. Panama	a	6,851,266	437,710	437,710	437,710	-	6.39	41,107,596	Yes	No	No
		Excellent Pescadores S.A. (Panama)	a	6,851,266	124,527	-	-	-	-	41,107,596	Yes	No	No
		Fair Pescadores S.A. Panama	a	6,851,266	139,475	139,475	139,475	-	2.04	41,107,596	Yes	No	No
		Federal Pescadores S.A. Panama	a	6,851,266	588,437	588,437	588,437	-	8.59	41,107,596	Yes	No	No
		Forever Pescadores S.A. Panama	a	6,851,266	384,523	384,523	384,523	-	5.61	41,107,596	Yes	No	No
		Fourseas Pescadores S.A. Panama	a	6,851,266	23,726	-	-	-	-	41,107,596	Yes	No	No
		Gallant Pescadores S.A.	a	6,851,266	229,698	229,698	229,698	-	3.35	41,107,596	Yes	No	No
		Genius Pescadores S.A. (Panama)	a	6,851,266	620,982	620,982	620,982	4,021	9.06	41,107,596	Yes	No	No
		Huge Pescadores S.A. Panama	a	6,851,266	153,770	153,770	153,770	-	2.24	41,107,596	Yes	No	No
		Indigo Pescadores S.A. Panama	a	6,851,266	434,714	434,714	434,714	-	6.35	41,107,596	Yes	No	No
		Leader Pescadores S.A. Panama	a	6,851,266	100,799	-	-	-	-	41,107,596	Yes	No	No
		Modest Pescadores S.A. Panama	a	6,851,266	748,542	748,542	748,542	-	10.93	41,107,596	Yes	No	No
		Moon Bright Shipping Corporation	a	6,851,266	552,460	552,460	552,460	-	8.06	41,107,596	Yes	No	No
		Patriot Pescadores S.A. Panama	a	6,851,266	224,494	224,494	224,494	-	3.28	41,107,596	Yes	No	No
		Penghu Pescadores S.A. Panama	a	6,851,266	784,904	784,904	784,904	-	11.46	41,107,596	Yes	No	No
		Skyhigh Pescadores S.A. Panama	a	6,851,266	327,938	327,938	327,938	-	4.79	41,107,596	Yes	No	No
		Spinnaker Pescadores S.A. Panama	a	6,851,266	331,258	331,258	331,258	-	4.83	41,107,596	Yes	No	No
		Stamina Pescadores S.A. Panama	a	6,851,266	301,055	275,250	275,250	-	4.02	41,107,596	Yes	No	No
		Summit Pescadores S.A. Panama	a	6,851,266	334,017	307,444	307,444	-	4.49	41,107,596	Yes	No	No
		Unicorn Brilliant S.A. Panama	a	6,851,266	506,709	506,709	506,709	4,989	7.40	41,107,596	Yes	No	No
		Valor Pescadores S.A. Panama	a	6,851,266	90,965	90,965	90,965	-	1.33	41,107,596	Yes	No	No
		Vigor Pescadores S.A. Panama	a	6,851,266	275,874	275,874	275,874	-	4.03	41,107,596	Yes	No	No
		Wise Pescadores S.A. Panama	a	6,851,266	238,585	238,585	238,585	-	3.48	41,107,596	Yes	No	No
Wonderful Pescadores S.A. Panama	a	6,851,266	398,434	398,434	398,434	5,397	5.82	41,107,596	Yes	No	No		
Trump Pescadores S.A. Panama	a	6,851,266	166,080	-	-	-	-	41,107,596	Yes	No	No		
									Total	216.12			
1	Bright Pescadores S.A. Panama	Shih Wei Navigation Co., Ltd.	b	213,821	37,250	-	-	-	-	1,282,926	No	Yes	No
2	Honor Pescadores S.A. Panama	Shih Wei Navigation Co., Ltd.	b	261,087	37,250	-	-	-	-	1,566,522	No	Yes	No

Note 1: a. Subsidiaries in which the Corporation directly or indirectly holds more than 50% of its total outstanding ordinary shares.  
b. The parent company which directly or indirectly holds more than 50% of its voting rights

Note 2: Limit on endorsement/guarantee given on behalf of Bright Pescadores S.A. Panama to a single entity is one time of the net equity on December 31, 2021.

Note 3: Limit on endorsement/guarantee given on behalf of Honor Pescadores S.A. Panama to a single entity is six times of the net equity on December 31, 2021.

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

## MARKETABLE SECURITIES HELD

DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021			
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value (Note 1)
Shih Wei Navigation Co., Ltd.	<u>Ordinary shares</u>						
	K/S Danred I	-	Financial assets at fair value through profit or loss - current	13	\$ -	13.00	\$ -
	Tai Twue Enterprise Co., Ltd.	-	"	7,000	107	0.01	107
	Wisdom Marine International Inc.	-	"	18,000	1,469	-	1,469
	China Steel Co.	-	"	11,000	389	-	389
	Evergreen Marine Co.	-	"	3,000	428	-	428
	Sincere Navigation C.	-	"	2,000	58	-	58
	I-Chiun Precision Industry Co., Ltd.	-	"	109	5	-	5
	<u>Beneficiary certificates</u>						
	Fubon 3-Y Maturity Asia USD Bd Fd A USD	-	"	100,000	891	-	891
Dancewoods Hotel & Resort	<u>Bonds</u>						
	Convertible bond of Taiwan Kolin Co., Ltd	-	"	40	-	-	-
	Convertible bond of Merry Electronics Co., Ltd.	-	"	50	5,500	-	5,500
Dancewoods Hotel & Resort	<u>Beneficiary certificates</u>						
	Dancewoods Suao Co., Ltd	-	"	1,140,000	-	19.00	-
	Nankang Rubber Tire Corp., Ltd.	-	"	20,000	802	-	802

Note 1: The securities mentioned in the table above are those classified as financial instruments under IFRS 9, including shares, bonds, beneficiary certificates, and all other securities derived from those items.

Note 2: Refer to Table 6 for information on investments in subsidiaries and associates.

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

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(In Thousands of New Taiwan Dollars)**

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Unrealized Gain (Loss)	Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total		
Shih Wei Navigation Co., Ltd.	Dong Lien Maritime S.A. Panama and its subsidiaries	Subsidiaries	Sale	\$ (198,734)	94	Net 30 to 90 days	\$ -	-	\$ 47,688	-	\$ -	Note
Dong Lien Maritime S.A. Panama and its subsidiaries	Shih Wei Navigation Co., Ltd.	Parent company	Purchase	198,734	7	Net 30 to 90 days	-	-	(47,688)	-	-	

Note: In preparing the consolidated financial statements, the transaction has been eliminated.

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

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Investee company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 4)	Payment Terms	% of Total Sales or Assets (Note 3)
0	Shih Wei Navigation Co., Ltd.	Dong Lien Maritime S.A. Panama and subsidiaries	a	Operating revenue	\$ 198,734	Receive in net 30-90 days	4
				Other revenue	24,178	Receive in net 30-90 days	-
				Other receivable to related parties	47,688	Receive in net 30-90 days	-
				Other payable to related parties	808,050	Pay in net 30-90 days	3
		Fortunate Maritime S.A. Panama	b	Operating revenue	11,776	Receive in net 30-90 days	-
				Other revenue	1,303	Receive in net 30-90 days	-
				Dancewoods Hotel & Resort	b	Operating revenue	60
		Other income	4,706	Receive in net 30-90 days		-	
		Interest revenue	1,582	Receive in net 30-90 days		-	
		1	Dong Lien Maritime S.A. Panama and subsidiaries	Fortunate Maritime S.A. Panama	c	Other receivable to related parties	157,443

Note 1: The number column is illustrated as follows:

- a. The Corporation is numbered 0.
- b. The subsidiaries of the Corporation are sequentially numbered from 1 based on their investment structure.

Note 2: There are three types of intercompany transactions:

- a. Parent company to sub-subsidiaries
- b. Parent company to subsidiaries
- c. Subsidiaries to subsidiaries

Note 3: If the transaction account is balance sheet account, the disclosed amount is calculated by balance at period end of total assets.  
 If the transaction account is income statement of income account, the disclosed amount is calculated by accumulated amount in period of total revenue.

Note 4: The significant transaction disclosed according to the Corporation's materiality.

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

INFORMATION ON INVESTEEES  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss) (Note 1)	Note (Note 2)
				December 31, 2021	December 31, 2020	Number of Shares	%	Carrying Amount			
Shih Wei Navigation Co., Ltd.	Dong Lien Maritime S.A. Panama	Panama	Cargo shipping services and shipping agency	\$ 1,187,826	\$ 1,222,516	42,912,775	100.00	\$ 7,569,422	\$ 2,328,560	\$ 2,328,560	Subsidiary
	Fortunate Maritime S.A. Panama	"	"	47,471	48,843	17,150	100.00	226,768	104,203	104,203	"
	Dancewoods Hotel & Resort	Taiwan	Resort hotels service and recreational grounds and facilities	772,257	622,257	46,636,927	51.52	179,160	(185,410)	(96,212)	"
Dong Lien Maritime S.A. Panama	Audrey Pescadores S.A. Panama	Panama	Cargo shipping services and shipping agency	138,400	142,400	50,000	100.00	269,618	111,559		Sub-subsidiary
	Beacon Pescadores S.A. Panama	"	"	110,720	113,920	40,000	100.00	115,017	(48)		"
	Blossom Pescadores S.A. (Panama)	"	"	277	285	100	100.00	64,537	219		"
	Brave Pescadores S.A.	"	"	96,880	99,680	35,000	100.00	231,232	88,406		"
	Bright Pescadores S.A. Panama	"	"	55,360	56,960	20,000	100.00	213,821	90,175		"
	Brilliant Pescadores S.A.	"	"	27,680	28,480	10,000	100.00	85,717	205		"
	Danceflora Pescadores S.A. Panama	"	"	304,480	313,280	110,000	100.00	247,390	59,851		"
	Dancewood Pescadores S.A. Panama	"	"	221,440	227,840	8,000,000	100.00	259,660	90,449		"
	Elegant Pescadores S.A. (Panama)	"	"	304,480	313,280	110,000	100.00	188,744	104,401		"
	Endurance Pescadores S.A. Panama	"	"	138,400	142,400	50,000	100.00	196,561	(327)		"
	Eternity Pescadores S.A. Panama	"	"	207,600	213,600	75,000	100.00	235,493	(26,949)		"
	Excellent Pescadores S.A. (Panama)	"	"	55,360	56,960	20,000	100.00	125,380	(2,348)		"
	Fair Pescadores S.A. Panama	"	"	110,720	113,920	40,000	100.00	101,050	29,158		"
	Federal Pescadores S.A. Panama	"	"	221,440	227,840	80,000	100.00	297,337	70,495		"
	Forever Pescadores S.A. Panama	"	"	276,800	284,800	100,000	100.00	288,692	74,598		"
	Fourseas Pescadores S.A. Panama	"	"	276,800	284,800	100,000	100.00	304,447	71,783		"
	Gallant Pescadores S.A.	"	"	277	285	100	100.00	90,482	42,545		"
	Genius Pescadores S.A. (Panama)	"	"	277	285	10	100.00	416,233	141,745		"
	Glaring Pescadores S.A. Panama	"	"	152,240	156,640	55,000	100.00	93,051	68		"
	Grand Ocean Navigation (Panama) S.A.	"	"	55,360	56,960	20,000	100.00	91,736	(180)		"
	Grand Overseas S.A. Panama	"	"	277	285	100	100.00	14,754	(48)		"
	Grand Pescadores S.A. (Panama)	"	"	277	285	100	100.00	57,078	(16)		"
	Honor Pescadores S.A. Panama	"	"	55,360	56,960	20,000	100.00	261,087	133,394		"
	Huge Pescadores S.A. Panama	"	"	83,040	85,440	30,000	100.00	77,168	(7,309)		"
	Indigo Pescadores S.A. Panama	"	"	55,360	56,960	20,000	100.00	188,680	38,873		"
	Jackson Steamship S.A.	"	"	277	285	100	100.00	38,914	(63)		"
	Justicia Pescadores S.A. Panama	"	"	152,240	156,640	55,000	100.00	125,525	(48)		"
	Leader Pescadores S.A. Panama	"	"	83,040	85,440	30,000	100.00	121,213	(4,491)		"
	Modest Pescadores S.A. Panama	"	"	235,280	242,080	85,000	100.00	199,925	69,004		"
	Moon Bright Shipping Corporation	"	"	235,280	242,080	85,000	100.00	99,457	35,441		"
	Patriot Pescadores S.A. Panama	"	"	193,760	199,360	70,000	100.00	27,567	27,170		"
Penghu Pescadores S.A. Panama	"	"	304,480	313,280	110,000	100.00	179,435	40,431		"	
Pharos Pescadores S.A. Panama	"	"	110,720	113,920	40,000	100.00	112,548	788		"	
Poseidon Pescadores S.A. Panama	"	"	110,720	113,920	40,000	100.00	175,265	85		"	
Royal Pescadores S.A. (Panama)	"	"	69,200	71,200	25,000	100.00	23,978	(19)		"	
Shining Pescadores S.A. (Panama)	"	"	277	285	100	100.00	121,265	(13)		"	
Skyhigh Pescadores S.A. Panama	"	"	166,080	170,880	60,000	100.00	47,979	18,516		"	
Spinnaker Pescadores S.A. Panama	"	"	193,760	199,360	70,000	100.00	267,157	101,609		"	
Stamina Pescadores S.A. Panama	"	"	262,960	270,560	95,000	100.00	94,965	69,498		"	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss) (Note 1)	Note (Note 2)
				December 31, 2021	December 31, 2020	Number of Shares	%	Carrying Amount			
	Summit Pescadores S.A. Panama	Panama	Cargo shipping services and shipping agency	\$ 83,040	\$ 85,440	30,000	100.00	\$ 253,510	\$ 121,932		Sub-subsiary
	Sunny Pescadores S.A. (Panama)	"	"	55,360	56,960	20,000	100.00	159,579	0		"
	Superior Pescadores S.A. Panama	"	"	69,200	71,200	25,000	100.00	139,134	1		"
	Trump Pescadores S.A. Panama	"	"	166,080	170,880	60,000	100.00	193,227	38,186		"
	Unicorn Brilliant S.A. Panama	"	"	304,480	313,280	110,000	100.00	214,319	118,963		"
	Valor Pescadores S.A. Panama	"	"	83,040	85,440	30,000	100.00	332,622	93,276		"
	Vigor Pescadores S.A. Panama	"	"	55,360	56,960	20,000	100.00	356,489	66,684		"
	Well Pescadores S.A. Panama	"	"	83,040	85,440	30,000	100.00	110,733	(16)		"
	Wise Pescadores S.A. Panama	"	"	193,760	199,360	70,000	100.00	48,749	32,565		"
	Wonderful Pescadores S.A. Panama	"	"	138,400	142,400	50,000	100.00	233,859	136,236		"

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

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

(Concluded)

**TABLE 6****SHIH WEI NAVIGATION CO., LTD.****INFORMATION OF MAJOR SHAREHOLDERS  
DECEMBER 31, 2021**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Luo Pan Investment Corp.	30,441,267	9.25

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration by the Corporation as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.