

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

**Consolidated Financial Statements for the
Three Months Ended March 31, 2022 and 2021 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Shih Wei Navigation Co., Ltd. and its subsidiaries (collectively, the "Group") as of March 31, 2022 and 2021, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as 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 Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Qualified Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Emphasis of Matter

As mentioned in Note 1 to the consolidated financial statements, the total current liabilities as of March 31, 2022 exceeded the total current assets by NT\$1,604,430 thousand. The Group's lack of working capital depends on the application to adjust the repayment terms of bank loans and the plan of issuing ordinary shares for cash. Our review result is not modified in respect of this matter.

The engagement partners on the reviews resulting in this independent auditors' review report are Shu-Wan Lin and Shu-Chuan Yeh.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 5, 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 review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review 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' review report and consolidated financial statements shall prevail.

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2022 (Reviewed)		December 31, 2021 (Audited)		March 31, 2021 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 4 and 6)	\$ 4,419,950	18	\$ 5,082,169	21	\$ 629,144	3
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	9,546	-	9,649	-	1,000	-
Trade receivables (Notes 4 and 24)	33,862	-	48,336	-	27,021	-
Inventories (Note 4)	119,703	-	163,387	1	150,682	1
Other financial assets - current (Notes 8 and 25)	132,291	1	119,892	-	310,592	1
Other current assets (Note 24)	147,717	1	142,000	1	153,959	1
Total current assets	4,863,069	20	5,565,433	23	1,272,398	6
NON-CURRENT ASSETS						
Investments accounted for using the equity method (Notes 4 and 10)	29,814	-	-	-	-	-
Property and equipment (Notes 4, 11, 24 and 25)	18,591,881	78	18,376,839	75	19,753,545	93
Right-of-use assets (Notes 4 and 12)	1,878	-	300	-	139	-
Deferred tax assets (Note 4)	36,262	-	40,927	-	1,082	-
Prepayments for equipment	6,704	-	4,344	-	7,993	-
Other financial assets - non-current (Notes 8 and 25)	147,267	1	179,439	1	63,516	-
Other non-current assets (Notes 24 and 25)	150,458	1	155,015	1	172,362	1
Total non-current assets	18,964,264	80	18,756,864	77	19,998,637	94
TOTAL	\$ 23,827,333	100	\$ 24,322,297	100	\$ 21,271,035	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 13 and 25)	\$ 867,831	4	\$ 914,232	4	\$ 1,535,339	7
Notes payable and trade payables (Note 24)	137,192	-	155,094	1	124,743	1
Other payables (Note 21)	238,507	1	240,766	1	152,511	1
Other payables to related parties (Note 24)	308,748	1	308,748	1	502,498	2
Provisions - current (Note 14)	45,800	-	44,288	-	45,656	-
Lease liabilities - current (Notes 4 and 12)	114	-	89	-	120	-
Current portion of long-term borrowings (Notes 13, 21 and 25)	4,691,388	20	3,304,866	13	730,454	3
Other current liabilities (Note 4)	177,919	1	149,601	1	93,859	1
Total current liabilities	6,467,499	27	5,117,684	21	3,185,180	15
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 13 and 25)	8,765,900	37	11,561,659	48	14,282,575	67
Deferred tax liabilities (Note 4)	648,171	3	526,775	2	86,854	-
Lease liabilities - non-current (Notes 4 and 12)	1,155	-	168	-	-	-
Other long-term payables to related parties (Note 24)	97,611	-	94,389	-	196,839	1
Net defined benefit liabilities (Note 4)	1,536	-	1,767	-	2,733	-
Guarantee deposits received	-	-	-	-	7	-
Total non-current liabilities	9,514,373	40	12,184,758	50	14,569,008	68
Total liabilities	15,981,872	67	17,302,442	71	17,754,188	83
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 4 and 16)						
Ordinary shares	3,292,671	14	3,292,671	14	2,792,671	13
Capital surplus	2,642,041	11	2,642,041	11	1,489,164	7
Retained earnings						
Legal reserve	56,909	-	56,909	-	1,479,818	7
Unappropriated earnings (accumulated deficits)	2,506,782	11	2,002,718	8	(1,383,534)	(7)
Total retained earnings	2,563,691	11	2,059,627	8	96,284	-
Exchange differences on translating foreign operations	(798,027)	(4)	(1,143,073)	(5)	(947,558)	(4)
Total equity attributable to owners of the Corporation	7,700,376	32	6,851,266	28	3,430,561	16
NON-CONTROLLING INTERESTS	145,085	1	168,589	1	86,286	1
Total equity	7,845,461	33	7,019,855	29	3,516,847	17
TOTAL	\$ 23,827,333	100	\$ 24,322,297	100	\$ 21,271,035	100

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

(With Deloitte & Touche review report dated May 5, 2022)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 5 and 24)				
Rental revenue	\$ 1,549,945	97	\$ 748,776	94
Other operating revenue	<u>54,742</u>	<u>3</u>	<u>49,981</u>	<u>6</u>
Total operating revenue	1,604,687	100	798,757	100
OPERATING COSTS (Notes 17 and 24)	<u>(818,833)</u>	<u>(51)</u>	<u>(666,385)</u>	<u>(83)</u>
GROSS PROFIT	785,854	49	132,372	17
OPERATING EXPENSES (Notes 12, 15, 17 and 24)	<u>(78,852)</u>	<u>(5)</u>	<u>(58,008)</u>	<u>(7)</u>
PROFIT FROM OPERATIONS	<u>707,002</u>	<u>44</u>	<u>74,364</u>	<u>10</u>
NON-OPERATING INCOME AND EXPENSES				
Share of loss of associates accounted for using the equity method (Notes 4 and 10)	(186)	-	-	-
Interest income	1,089	-	30	-
Other income (Note 24)	27,161	2	20,760	3
Net foreign exchange loss (Notes 4 and 27)	(68,189)	(4)	(3,909)	(1)
Net loss on financial assets at fair value through profit or loss (Note 4)	(103)	-	(4)	-
Interest expense (Notes 4 and 24)	(59,262)	(4)	(71,343)	(9)
Other losses	(878)	-	(2,292)	-
Net loss on disposal of property and equipment (Note 4)	<u>(13)</u>	<u>-</u>	<u>(4,893)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>(100,381)</u>	<u>(6)</u>	<u>(61,651)</u>	<u>(8)</u>
PROFIT BEFORE INCOME TAX	606,621	38	12,713	2
INCOME TAX (EXPENSE) BENEFIT (Notes 4 and 18)	<u>(126,061)</u>	<u>(8)</u>	<u>1,661</u>	<u>-</u>
NET PROFIT FOR THE PERIOD	<u>480,560</u>	<u>30</u>	<u>14,374</u>	<u>2</u>

(Continued)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 4)	\$ 345,046	21	\$ 11,101	1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ 825,606	51	\$ 25,475	3
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 504,064	31	\$ 39,375	5
Non-controlling interests	(23,504)	(1)	(25,001)	(3)
	\$ 480,560	30	\$ 14,374	2
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 849,110	53	\$ 50,476	6
Non-controlling interests	(23,504)	(2)	(25,001)	(3)
	\$ 825,606	51	\$ 25,475	3
EARNINGS PER SHARE (Note 19)				
Basic	\$ 1.53		\$ 0.14	
Diluted	\$ 1.52		\$ 0.14	

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

(With Deloitte & Touche review report dated May 5, 2022)

(Concluded)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	Equity Attributable to Owners of the Corporation						Total Equity
	Ordinary Shares	Capital Surplus	Legal Reserve	Retained Earnings		Non-controlling Interests	
Unappropriated Earnings (Accumulated Deficits)				Exchange Differences on Translating Foreign Operations			
BALANCE AT JANUARY 1, 2021	\$ 2,792,671	\$ 1,489,164	\$ 1,479,818	\$ (1,422,909)	\$ (958,659)	\$ 111,287	\$ 3,491,372
Net profit (loss) for the three months ended March 31, 2021	-	-	-	39,375	-	(25,001)	14,374
Other comprehensive income for the three months ended March 31, 2021, net of income tax	-	-	-	-	11,101	-	11,101
Total comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	39,375	11,101	(25,001)	25,475
BALANCE AT MARCH 31, 2021	<u>\$ 2,792,671</u>	<u>\$ 1,489,164</u>	<u>\$ 1,479,818</u>	<u>\$ (1,383,534)</u>	<u>\$ (947,558)</u>	<u>\$ 86,286</u>	<u>\$ 3,516,847</u>
BALANCE AT JANUARY 1, 2022	\$ 3,292,671	\$ 2,642,041	\$ 56,909	\$ 2,002,718	\$ (1,143,073)	\$ 168,589	\$ 7,019,855
Net profit (loss) for the three months ended March 31, 2022	-	-	-	504,064	-	(23,504)	480,560
Other comprehensive income for the three months ended March 31, 2022, net of income tax	-	-	-	-	345,046	-	345,046
Total comprehensive income (loss) for the three months ended March 31, 2022	-	-	-	504,064	345,046	(23,504)	825,606
BALANCE AT MARCH 31, 2022	<u>\$ 3,292,671</u>	<u>\$ 2,642,041</u>	<u>\$ 56,909</u>	<u>\$ 2,506,782</u>	<u>\$ (798,027)</u>	<u>\$ 145,085</u>	<u>\$ 7,845,461</u>

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

(With Deloitte & Touche review report dated May 5, 2022)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 606,621	\$ 12,713
Adjustments for:		
Depreciation expense	323,089	329,607
Amortization expense	238	175
Net loss on financial assets at fair value through profit or loss	103	4
Interest expense	59,262	71,343
Interest income	(1,089)	(30)
Share of loss of associates accounted for using the equity method	186	-
Net loss on disposal of property and equipment	13	4,893
Changes in operating assets and liabilities		
Decrease in trade receivables	15,687	19,499
Decrease (increase) in inventories	48,106	(1,253)
Increase in other current assets	(2,837)	(13,038)
Decrease in notes payable and trade payables	(22,417)	(18,491)
(Decrease) increase in other payables	(6,043)	7,006
Increase (decrease) in other current liabilities	24,279	(140)
Decrease in net defined benefit liabilities	(231)	(239)
Cash generated from operations	1,044,967	412,049
Interest received	1,495	38
Interest paid	(59,674)	(74,693)
Income tax paid	(7)	(95)
Net cash generated from operating activities	<u>986,781</u>	<u>337,299</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using the equity method	(30,000)	-
Proceeds from disposal of non-current assets held for sale	-	194,801
Payments for property and equipment	(27,277)	(28,598)
Decrease in refundable deposits	7,520	119,988
Decrease in other financial assets	20,434	17,136
Increase in prepayments for equipment	(2,438)	(805)
Net cash (used in) generated from investing activities	<u>(31,761)</u>	<u>302,522</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(51,392)	(20,230)
Proceeds from long-term borrowings	50,000	-
Repayments of long-term borrowings	(1,832,879)	(37,938)

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended	
	March 31	
	2022	2021
Decrease in guarantee deposits received	\$ -	\$ (6)
Increase (decrease) in other payables to related parties	66,246	(328,295)
Repayments of the principal portion of lease liabilities	<u>(175)</u>	<u>(178)</u>
Net cash used in financing activities	<u>(1,768,200)</u>	<u>(386,647)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>150,961</u>	<u>2,192</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(662,219)	255,366
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>5,082,169</u>	<u>373,778</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 4,419,950</u>	<u>\$ 629,144</u>

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

(With Deloitte & Touche review report dated May 5, 2022)

(Concluded)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

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.

For the Corporation and its subsidiaries (the “Group”), the total current liabilities as of March 31, 2022 exceeded the total current assets by \$1,604,430 thousand. In order to enrich working capital and strengthen the financial structure, the Corporation proposes the following countermeasures to continuously improve the operating efficiencies and liquidity of funds:

- a. Bank loans: Apply for adjustment of bank loan repayment conditions to improve the financial structure and reduce financial costs.
- b. Financial plan: Timely implementation of the plan to issue ordinary shares for cash to increase long-term funds.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors on May 5, 2022.

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

- a. Initial application of the amendments to 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 Annual Improvements to IFRS Standards 2018-2020, Amendments to IFRS 3 “Reference to the Conceptual Framework”, Amendments to IAS 16 “Property, Plant and Equipment: Proceeds before Intended Use” and Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract” endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies:

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

New IFRSs	Effective Date Announced by IASB (Note 1)
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

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual financial statements.

- 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 9 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 entity in the Group, transactions in currencies other than the entity's functional currency (i.e., 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. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture. The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

h. 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.

Freehold land 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.

i. Impairment of property, equipment and right-of-use assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, equipment and right-of-use 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.

j. 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.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Such assets classified as held for sale are not depreciated.

k. 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 mandatorily classified as at FVTPL include 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 the Group 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 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.

1. 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.

m. 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.

n. 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.

o. 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.

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

p. 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.

q. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the period 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.

r. 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 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

	March 31, 2022	December 31, 2021	March 31, 2021
Cash on hand	\$ 57,597	\$ 46,419	\$ 50,592
Checking accounts and demand deposits	2,596,190	3,278,070	362,257
Cash equivalents			
Time deposits with original maturities of less than 3 months	<u>1,766,163</u>	<u>1,757,680</u>	<u>216,295</u>
	<u>\$ 4,419,950</u>	<u>\$ 5,082,169</u>	<u>\$ 629,144</u>

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

	March 31, 2022	December 31, 2021	March 31, 2021
Demand deposits	0.01%-0.08%	0.01%-0.05%	0.01%-0.05%
Time deposits with original maturities of less than 3 months	0.25%-0.67%	0.10%-0.28%	0.12%-0.25%

In accordance with internal credit management policy, the Group transacts only with creditworthy financial institutions. The Group estimates the loss provision for cash, cash equivalents and other financial assets based on the expected credit loss model. Since cash, 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

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Domestic listed shares	\$ 3,351	\$ 3,258	\$ 97
Mutual funds	852	891	903
Convertible bonds	<u>5,343</u>	<u>5,500</u>	<u>-</u>
	<u>\$ 9,546</u>	<u>\$ 9,649</u>	<u>\$ 1,000</u>

8. OTHER FINANCIAL ASSETS

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Current</u>			
Demand deposits	<u>\$ 132,291</u>	<u>\$ 119,892</u>	<u>\$ 310,592</u>
<u>Non-current</u>			
Demand deposits	\$ 117,000	\$ 145,191	\$ 28,247
Time deposits	<u>30,267</u>	<u>34,248</u>	<u>35,269</u>
	<u>\$ 147,267</u>	<u>\$ 179,439</u>	<u>\$ 63,516</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%, 0.01%-0.12% and 0.01%-0.15% per annum as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively.
- c. Refer to Note 23 for information relating to credit risk management and expected credit loss of other financial assets.

9. SUBSIDIARIES

- a. Subsidiaries included in the consolidated financial statements:

Investor	Investee	Main Business	% of Ownership			Remark
			March 31, 2022	December 31, 2021	March 31, 2021	
The Corporation	Dong Lien Maritime S.A. Panama	Cargo shipping services and shipping agency	100.00	100.00	100.00	-
	Fortunate Maritime S.A. Panama	"	100.00	100.00	100.00	-
	Dancewoods Hotel & Resort (Dancewoods)	Resort hotel service and recreational grounds and facilities	51.52	51.52	52.27	Note 1
Dong Lien Maritime S.A. Panama	Audrey Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00	100.00	100.00	-
	Beacon Pescadores S.A. Panama	"	-	100.00	100.00	Note 2
	Blossom Pescadores S.A. (Panama)	"	-	100.00	100.00	Note 2

(Continued)

Investor	Investee	Main Business	% of Ownership			Remark
			March 31, 2022	December 31, 2021	March 31, 2021	
	Brave Pescadores S.A.	"	100.00	100.00	100.00	-
	Bright Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Brilliant Pescadores S.A.	"	100.00	100.00	100.00	-
	Danceflora Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Dancewood Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Elegant Pescadores S.A. (Panama)	"	100.00	100.00	100.00	-
	Endurance Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Eternity Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Excellent Pescadores S.A. (Panama)	"	100.00	100.00	100.00	-
	Fair Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Federal Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Forever Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Fourseas Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Gallant Pescadores S.A.	"	100.00	100.00	100.00	-
	Genius Pescadores S.A. (Panama)	"	100.00	100.00	100.00	-
	Glaring Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Grand Ocean Navigation (Panama) S.A.	"	-	100.00	100.00	Note 2
	Grand Overseas S.A. Panama	"	-	100.00	100.00	Note 2
	Grand Pescadores S.A. (Panama)	"	100.00	100.00	100.00	-
	Honor Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Huge Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Indigo Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Jackson Steamship S.A.	"	-	100.00	100.00	Note 2
	Justicia Pescadores S.A. Panama	"	-	100.00	100.00	Note 2
	Leader Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Modest Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Moon Bright Shipping Corporation	"	100.00	100.00	100.00	-
	Patriot Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Penghu Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Pharos Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Poseidon Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Royal Pescadores S.A. (Panama)	"	-	100.00	100.00	Note 2
	Shining Pescadores S.A. (Panama)	"	100.00	100.00	100.00	-
	Skyhigh Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Spinnaker Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Stamina Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Summit Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Sunny Pescadores S.A. (Panama)	"	-	100.00	100.00	Note 2
	Superior Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Trump Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Unicorn Brilliant S.A. Panama	"	100.00	100.00	100.00	-
	Valor Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Vigor Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Well Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Wise Pescadores S.A. Panama	"	100.00	100.00	100.00	-
	Wonderful Pescadores S.A. Panama	"	100.00	100.00	100.00	-

(Concluded)

Note 1: 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.

Note 2: The subsidiaries have completed liquidation and dissolution in March 2022.

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

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
	December 31,		
	March 31, 2022	2021	March 31, 2021
Dancewoods	48.48%	48.48%	47.73%

Name of Subsidiary	Loss Allocated to Non-controlling Interests		Accumulated Non-controlling Interests		
	For the Three Months Ended March 31		March 31,	December 31,	March 31,
	2022	2021	2022	2021	2021
Dancewoods	\$ (23,504)	\$ (25,001)	\$ 145,085	\$ 168,589	\$ 86,286

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

Dancewoods

	March 31, 2022	December 31, 2021	March 31, 2021
Current assets	\$ 126,073	\$ 117,198	\$ 67,270
Non-current assets	3,130,309	3,192,171	3,288,316
Current liabilities	(2,809,104)	(2,831,092)	(1,243,074)
Non-current liabilities	<u>(148,011)</u>	<u>(130,527)</u>	<u>(1,931,732)</u>
Equity	<u>\$ 299,267</u>	<u>\$ 347,750</u>	<u>\$ 180,780</u>
Equity attributable to:			
Owners of Dancewoods	\$ 154,182	\$ 179,161	\$ 94,494
Non-controlling interests of Dancewoods	<u>145,085</u>	<u>168,589</u>	<u>86,286</u>
	<u>\$ 299,267</u>	<u>\$ 347,750</u>	<u>\$ 180,780</u>
		For the Three Months Ended March 31	
		2022	2021
Revenue		\$ 55,032	\$ 50,472
Loss for the period		<u>\$ (48,483)</u>	<u>\$ (52,379)</u>
Total comprehensive loss for the period		<u>\$ (48,483)</u>	<u>\$ (52,379)</u>
Loss attributable to:			
Owners of Dancewoods		\$ (24,979)	\$ (27,378)
Non-controlling interests of Dancewoods		<u>(23,504)</u>	<u>(25,001)</u>
		<u>\$ (48,483)</u>	<u>\$ (52,379)</u>
Total comprehensive loss attributable to:			
Owners of Dancewoods		\$ (24,979)	\$ (27,378)
Non-controlling interests of Dancewoods		<u>(23,504)</u>	<u>(25,001)</u>
		<u>\$ (48,483)</u>	<u>\$ (52,379)</u>
Net cash generated from (used in):			
Operating activities		\$ (29,448)	\$ (20,167)
Investing activities		15,921	6,826
Financing activities		<u>11,258</u>	<u>10,758</u>
Net cash used		<u>\$ (2,269)</u>	<u>\$ (2,583)</u>

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

March 31, 2022

Associate that is not individually material
Thermolysis Co., Ltd.

\$ 29,814

Information of the associate that is not individually material:

**For the Three
Months Ended
March 31, 2022**

The Group's share of:

Net loss for the period

\$ (186)

Other comprehensive income

-

Total comprehensive loss for the period

\$ (186)

In March 2022, the Group acquired 2,000 thousand ordinary shares of Thermolysis Co., Ltd. with cash of \$30,000 thousand, resulting in a 6.06% shareholding. Under the investment agreement, the Group can assign one member of the board of directors of Thermolysis Co., Ltd. Therefore, the Group has a significant influence over Thermolysis Co., Ltd. The Group's investment in Thermolysis Co., Ltd. included goodwill of \$16,761 thousand that was included in the cost of investment.

Investments accounted for using the equity method and the Group's share of profit or loss and other comprehensive income were calculated based on the financial statements that have not been reviewed. Management believes the financial statements that have not been reviewed would not have material impact on the investments under the equity method or the share of profit or loss and other comprehensive income in the consolidated financial statements.

11. PROPERTY AND EQUIPMENT

	March 31, 2022	December 31, 2021	March 31, 2021
Assets used by the Group	\$ 3,217,165	\$ 3,243,720	\$ 3,329,538
Assets leased under operating leases	<u>15,374,716</u>	<u>15,133,119</u>	<u>16,424,007</u>
	<u>\$ 18,591,881</u>	<u>\$ 18,376,839</u>	<u>\$ 19,753,545</u>

a. Assets used by the Group

	Freehold Land	Buildings	Other Equipment	Total
<u>Cost</u>				
Balance at January 1, 2022	\$ 684,976	\$ 2,501,692	\$ 668,156	\$ 3,854,824
Additions	-	82	5,948	6,030
Reclassification	-	-	215	215
Retirements	-	-	(73)	(73)
Balance at March 31, 2022	<u>\$ 684,976</u>	<u>\$ 2,501,774</u>	<u>\$ 674,246</u>	<u>\$ 3,860,996</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2022	\$ -	\$ 252,170	\$ 358,934	\$ 611,104
Depreciation expense	-	13,679	19,108	32,787
Retirements	-	-	(60)	(60)
Balance at March 31, 2022	<u>\$ -</u>	<u>\$ 265,849</u>	<u>\$ 377,982</u>	<u>\$ 643,831</u>
Carrying amounts at December 31, 2021 and January 1, 2022	<u>\$ 684,976</u>	<u>\$ 2,249,522</u>	<u>\$ 309,222</u>	<u>\$ 3,243,720</u>
Carrying amounts at March 31, 2022	<u>\$ 684,976</u>	<u>\$ 2,235,925</u>	<u>\$ 296,264</u>	<u>\$ 3,217,165</u>
<u>Cost</u>				
Balance at January 1, 2021	\$ 684,976	\$ 2,496,467	\$ 662,353	\$ 3,843,796
Additions	-	2,093	1,472	3,565
Retirements	-	(5,243)	(18)	(5,261)
Balance at March 31, 2021	<u>\$ 684,976</u>	<u>\$ 2,493,317</u>	<u>\$ 663,807</u>	<u>\$ 3,842,100</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2021	\$ -	\$ 197,842	\$ 282,147	\$ 479,989
Depreciation expense	-	13,677	19,264	32,941
Retirements	-	(359)	(9)	(368)
Balance at March 31, 2021	<u>\$ -</u>	<u>\$ 211,160</u>	<u>\$ 301,402</u>	<u>\$ 512,562</u>
Carrying amounts at March 31, 2021	<u>\$ 684,976</u>	<u>\$ 2,282,157</u>	<u>\$ 362,405</u>	<u>\$ 3,329,538</u>

b. Assets leased under operating leases

	Vessel Equipment	Equipment under Finance Leases	Total
<u>Cost</u>			
Balance at January 1, 2022	\$ 26,035,562	\$ 393,047	\$ 26,428,609
Additions	21,247	-	21,247
Retirements	(36,789)	-	(36,789)
Effects of foreign currency exchange differences	<u>887,416</u>	<u>13,419</u>	<u>900,835</u>
Balance at March 31, 2022	<u>\$ 26,907,436</u>	<u>\$ 406,466</u>	<u>\$ 27,313,902</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2022	\$ 11,037,580	\$ 257,910	\$ 11,295,490
Depreciation expenses	284,529	5,706	290,235
Retirements	(36,789)	-	(36,789)
Effects of foreign currency exchange differences	<u>381,317</u>	<u>8,933</u>	<u>390,250</u>
Balance at March 31, 2022	<u>\$ 11,666,637</u>	<u>\$ 272,549</u>	<u>\$ 11,939,186</u>
Carrying amount at December 31, 2021 and January 1, 2022	<u>\$ 14,997,982</u>	<u>\$ 135,137</u>	<u>\$ 15,133,119</u>
Carrying amount at March 31, 2022	<u>\$ 15,240,799</u>	<u>\$ 133,917</u>	<u>\$ 15,374,716</u>
<u>Cost</u>			
Balance at January 1, 2021	\$ 27,337,963	\$ 395,621	27,733,584
Additions	25,033	-	25,033
Retirements	(18,925)	-	(18,925)
Reclassification	49,560	-	49,560
Effects of foreign currency exchange differences	<u>53,065</u>	<u>764</u>	<u>53,829</u>
Balance at March 31, 2021	<u>\$ 27,446,696</u>	<u>\$ 396,385</u>	<u>\$ 27,843,081</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2021	10,875,217	243,242	11,118,459
Depreciation expenses	291,787	4,688	296,475
Retirements	(18,925)	-	(18,925)
Effects of foreign currency exchange differences	<u>22,567</u>	<u>498</u>	<u>23,065</u>
Balance at March 31, 2021	<u>\$ 11,170,646</u>	<u>\$ 248,428</u>	<u>\$ 11,419,074</u>
Carrying amount at March 31, 2021	<u>\$ 16,276,050</u>	<u>\$ 147,957</u>	<u>\$ 16,424,007</u>

Operating leases relate to leases of vessel equipment and equipment under finance leases with lease terms within 25 months with options 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	
Vessel	15-25 years
Equipment	3-10 years
Vessel overhaul	2 years
Equipment under financial lease	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 ARRANGEMENTS

- a. Right-of-use asset

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Carrying amounts</u>			
Land	\$ 278	\$ 300	\$ 22
Buildings	-	-	117
Equipment	<u>1,600</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,878</u>	<u>\$ 300</u>	<u>\$ 139</u>
		For the Three Months Ended March 31	
		2022	2021
Depreciation charge for right-of-use assets			
Land		\$ 21	\$ 16
Buildings		-	175
Equipment		<u>46</u>	<u>-</u>
		<u>\$ 67</u>	<u>\$ 191</u>

- b. Lease liabilities

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Carrying amounts</u>			
Current	<u>\$ 114</u>	<u>\$ 89</u>	<u>\$ 120</u>
Non-current	<u>\$ 1,155</u>	<u>\$ 168</u>	<u>\$ -</u>

Discount rate for lease liabilities was as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Land	1.86%	1.86%	2.44%
Buildings	-	-	2.44%
Equipment	1.95%	-	-

c. Material lease-in activities and terms

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

d. Other lease information

	For the Three Months Ended March 31	
	2022	2021
Expenses relating to short-term leases	<u>\$ 240</u>	<u>\$ 34</u>
Expenses relating to low-value asset leases	<u>\$ 101</u>	<u>\$ 62</u>
Total cash outflow for leases	<u>\$ 521</u>	<u>\$ 276</u>

The Group's leases of certain office equipment qualify as short-term leases and leases of 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

	March 31, 2022	December 31, 2021	March 31, 2021
Secured bank loans (Note 25)	<u>\$ 867,831</u>	<u>\$ 914,232</u>	<u>\$ 1,535,339</u>
Interest rate interval - secured bank loans	1.59%-1.86%	1.33%-1.86%	1.31%-2.28%

b. Long-term borrowings

	March 31, 2022	December 31, 2021	March 31, 2021
Secured bank loans* (Note 25)	\$ 13,457,288	\$ 14,866,525	\$ 15,013,029
Less: Current portion	<u>(4,691,388)</u>	<u>(3,304,866)</u>	<u>(730,454)</u>
	<u>\$ 8,765,900</u>	<u>\$ 11,561,659</u>	<u>\$ 14,282,575</u>
Interest rate interval - secured bank loans	1.31%-3.20%	1.17%-3.20%	1.23%-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 April 2022 and November 2030. Refer to Note 25 for the information relating to collateral pledged by the Group's vessel, U.S. time 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 two years 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 March 31, 2022, \$2,181,776 thousand was drawn down and shall be repaid in installments between April 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 March 31, 2022, Dancewoods has submitted to the managing bank an application for exemption from the above criteria for financial ratios. Since the applications were still in progress, the Group reclassified long-term borrowings of \$1,745,290 thousands to current liabilities (classified as current portion of long-term borrowings).

14. PROVISIONS

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Current</u>			
Litigation provision	<u>\$ 45,800</u>	<u>\$ 44,288</u>	<u>\$ 45,656</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

The employee benefit expenses for the defined benefit plan were calculated using the actuarially determined pension cost rate as of December 31, 2021 and 2020. Employee benefit expenses for the defined benefit plan were both \$3 thousand for the three months ended March 31, 2022 and 2021, respectively.

16. EQUITY

a. Share capital

	March 31, 2022	December 31, 2021	March 31, 2021
Number of shares authorized (in thousands)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Shares authorized	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>329,267</u>	<u>329,267</u>	<u>279,267</u>
Shares issued	<u>\$ 3,292,671</u>	<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 3 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 three months ended March 31, 2022 and 2021 was as follows:

	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 March 31, 2021	<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 and March 31, 2022	<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 appropriations of earnings for 2021 that were proposed by the board of directors on March 29, 2022 were as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 200,272	\$ -
Special reserve	1,143,073	-
Cash dividends	658,533	2

The stockholders resolved in their meeting on August 26, 2021 that no retained earnings would be appropriated for 2020 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.

The appropriation of earnings for 2021 will be resolved by the shareholders in their meeting to be held on June 21 2022.

17. NET PROFIT

a. Depreciation and amortization

	For the Three Months Ended March 31	
	2022	2021
Property and equipment	\$ 323,022	\$ 329,416
Right-of-use assets	<u>67</u>	<u>191</u>
	<u>\$ 323,089</u>	<u>\$ 329,607</u>
An analysis of depreciation by function		
Operating costs	\$ 322,256	\$ 328,499
Operating expenses	<u>833</u>	<u>1,108</u>
	<u>\$ 323,089</u>	<u>\$ 329,607</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 238</u>	<u>\$ 175</u>

b. Employee benefits expense

	For the Three Months Ended March 31	
	2022	2021
Short-term benefits		
Payroll	\$ 294,915	\$ 192,917
Labor and health insurance	<u>4,061</u>	<u>3,181</u>
	<u>298,976</u>	<u>196,098</u>
Post-employment benefits		
Defined contribution plans	1,819	1,625
Defined benefit plans (Note 15)	<u>3</u>	<u>3</u>
	<u>1,822</u>	<u>1,628</u>
Other employee benefits	<u>34,540</u>	<u>27,213</u>
Total employee benefits expense	<u>\$ 335,338</u>	<u>\$ 224,939</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 287,910	\$ 197,244
Operating expenses	<u>47,428</u>	<u>27,695</u>
	<u>\$ 335,338</u>	<u>\$ 224,939</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 estimated amount of compensation of employees and remuneration of directors for the three months ended March 31, 2022 were \$12,940 thousand and \$2,520 thousand, respectively. The Corporation retained its net profit before tax for the three months ended March 31, 2021 to offset deficits, and thus did not accrue compensation of employees and remuneration to directors.

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 the accounting estimate.

The compensation of employees and remuneration of directors for the year ended December 31, 2021 which have been approved by the Corporation's board of directors on March 29, 2022 were \$49,500 thousand and \$10,000 thousand, respectively. There was no difference between the actual amounts of compensation of employees and remuneration to directors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2021.

Information on the compensation of employees and remuneration to directors resolved by the Corporation's board of directors in 2021 and 2020 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 (benefit) were as follows:

	For the Three Months Ended March 31	
	2022	2021
Deferred tax		
In respect of the current period	<u>\$ 126,061</u>	<u>\$ (1,661)</u>

b. Income tax assessments

Income tax returns through 2020 and undistributed earnings through 2019 of both the Corporation and Dancewoods have been assessed and cleared by the tax authorities.

19. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended March 31	
	2022	2021
Basic earnings per share	<u>\$ 1.53</u>	<u>\$ 0.14</u>
Diluted earnings per share	<u>\$ 1.52</u>	<u>\$ 0.14</u>

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

Net Profit for the Period

	For the Three Months Ended March 31	
	2022	2021
Profit for the period attributable to the owners of the Corporation	<u>\$ 504,064</u>	<u>\$ 39,375</u>

Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	For the Three Months Ended March 31	
	2022	2021
Weighted average number of ordinary shares used in the computation of basic earnings per share	329,267	279,267
Effect of potentially dilutive ordinary shares		
Compensation of employees	<u>1,422</u>	<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>330,689</u>	<u>279,267</u>

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

	Dancewoods
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>
Differences recognized from equity transactions	<u>\$ 3,500</u>
<u>Line items adjusted for equity transactions</u>	
Capital surplus - changes in percentage of ownership interests in subsidiary	<u>\$ 3,500</u>

21. CASH FLOW INFORMATION

a. Non-cash transactions

For the three months ended March 31, 2022 and 2021, 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 March 31, 2022, December 31, 2021 and March 31, 2021, the Group reclassified long-term borrowings of \$4,691,388 thousand, \$3,304,866 thousand and \$730,454 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 March 31, 2022 and 2021, respectively.

b. Changes in liabilities arising from financing activities

For the three months ended March 31, 2022

	Opening Balance	Cash Flows	<u>Non-cash Changes</u> Changes in Foreign Exchange Rates	Others	Closing Balance
Short-term borrowings	\$ 914,232	\$ (51,392)	\$ 4,991	\$ -	\$ 867,831
Long-term borrowings	14,866,525	(1,782,879)	373,642	-	13,457,288
Other payables to related parties	403,137	66,246	(63,024)	-	406,359
Lease liabilities	<u>257</u>	<u>(175)</u>	<u>-</u>	<u>1,187</u>	<u>1,269</u>
	<u>\$ 16,184,151</u>	<u>\$ (1,768,200)</u>	<u>\$ 315,609</u>	<u>\$ 1,187</u>	<u>\$ 14,732,747</u>

For the three months ended March 31, 2021

	Opening Balance	Cash Flows	<u>Non-cash Changes</u> Changes in Foreign Exchange Rates	Others	Closing Balance
Short-term borrowings	\$ 1,555,215	\$ (20,230)	\$ 354	\$ -	\$ 1,535,339
Long-term borrowings	15,026,722	(37,938)	24,245	-	15,013,029
Other payables to related parties	1,032,140	(328,295)	(4,016)	(492)	699,337
Lease liabilities	<u>298</u>	<u>(178)</u>	<u>-</u>	<u>-</u>	<u>120</u>
	<u>\$ 17,614,375</u>	<u>\$ (386,641)</u>	<u>\$ 20,583</u>	<u>\$ (492)</u>	<u>\$ 17,247,825</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 a going concern and return the earnings to stockholders while taking into account the interest of other stakeholders, as well as to maintain the optimal capital structure to enhance stockholders’ value in the long term. The Corporation’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 payable 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 that are measured at fair value on a recurring basis

Fair value hierarchy

March 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mandatorily classified as at FVTPL	<u>\$ 9,546</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,546</u>

December 31, 2021

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

March 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mandatorily classified as at FVTPL	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>

There were no transfers between Levels 1 and 2 in the three months ended March 31, 2022 and 2021.

c. Categories of financial instruments

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 9,546	\$ 9,649	\$ 1,000
Financial assets measured at amortized cost			
Cash and cash equivalents	4,419,950	5,082,169	629,144
Trade receivables	33,862	48,336	27,021
Other financial assets (including current and non-current)	279,558	299,331	374,108
<u>Financial liabilities</u>			
Financial liabilities measured at amortized cost			
Short-term borrowings	867,831	914,232	1,535,339
Notes payable and trade payables	137,192	155,094	124,743
Other payables	238,507	240,766	152,511
Other payables to related parties	308,748	308,748	502,498
Other long-term payables to related parties	97,611	94,389	196,839
Long-term borrowings (including current portion)	13,457,288	14,866,525	15,013,029

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 27.

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.

	<u>USD Impact</u>		<u>JPY Impact</u>	
	<u>For the Three Months Ended</u>		<u>For the Three Months Ended</u>	
	<u>March 31</u>		<u>March 31</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit or loss	\$ <u>46,453</u> (i)	\$ <u>25,024</u> (i)	\$ <u>(190)</u> (ii)	\$ <u>327</u> (ii)

i. The result 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>March 31, 2022</u>	<u>December 31,</u> <u>2021</u>	<u>March 31, 2021</u>
Fair value interest rate risk			
Financial assets	\$ 1,796,430	\$ 1,791,928	\$ 251,564
Financial liabilities	742,631	431,252	875,656
Cash flow interest rate risk			
Financial assets	2,845,481	3,543,153	701,096
Financial liabilities	13,891,890	15,752,284	16,370,243

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 period.

Had interest rates been 5 basis points higher/lower and all other variables been held constant, the Group's pretax profit or loss for the three months ended March 31, 2022 and 2021 would have increased/decreased by \$1,380 thousand and \$1,958 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 profit for the three months ended March 31, 2022 and 2021 would have decreased/increased by \$477 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 a 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 March 31, 2022, December 31, 2021 and March 31, 2021, the carrying amounts of trade receivables were \$33,862 thousand, \$48,336 thousand and \$27,021 thousand, respectively, and accounted for 0.14%, 0.20% and 0.13% of the consolidated 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 Group's total current liabilities as of March 31, 2022 exceeded the total current assets by \$1,604,430 thousand, but the insufficient working capital will be dealt with through the application for adjustment of bank loan repayment conditions and the plan to issue ordinary shares for cash. The Group continues to strengthen cash flows management to reduce significant liquidity risk, refer to Note 1.

The following table shows the remaining contractual maturities of the Group's non-derivative financial liabilities with agreed repayment periods. The table 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.

March 31, 2022

	Less than 1 Year	Over 1 Year - 2 Years	Over 2 Years - 3 Years	Over 3 Years - 4 Years	Over 4 Years
<u>Non-derivative financial liabilities</u>					
Short-term borrowings	\$ 867,831	\$ -	\$ -	\$ -	\$ -
Long-term borrowings	4,691,388	3,254,801	3,340,333	828,103	1,342,663
Notes payable and trade payables	137,192	-	-	-	-
Other payables	238,507	-	-	-	-
Other payables to related parties	308,748	-	-	-	-
Other long-term payables to related parties	-	97,611	-	-	-
Lease liabilities	114	595	560	-	-
	<u>\$ 6,243,780</u>	<u>\$ 3,353,007</u>	<u>\$ 3,340,893</u>	<u>\$ 828,103</u>	<u>\$ 1,342,663</u>

December 31, 2021

	Less than 1 Year	Over 1 Year - 2 Years	Over 2 Years - 3 Years	Over 3 Years - 4 Years	Over 4 Years
<u>Non-derivative financial liabilities</u>					
Short-term borrowings	\$ 914,232	\$ -	\$ -	\$ -	\$ -
Long-term borrowings	3,304,866	4,940,388	4,217,777	1,032,210	1,371,284
Notes payable 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>

March 31, 2021

	Less than 1 Year	Over 1 Year - 2 Years	Over 2 Years - 3 Years	Over 3 Years - 4 Years	Over 4 Years
<u>Non-derivative financial liabilities</u>					
Short-term borrowings	\$ 1,535,339	\$ -	\$ -	\$ -	\$ -
Long-term borrowings	730,454	2,722,694	3,635,741	5,717,043	2,207,097
Notes payable and trade payables	124,743	-	-	-	-
Other payables	152,511	-	-	-	-
Other payables to related parties	502,498	-	-	-	-
Other long-term payables to related parties	-	76,136	120,703	-	-
Lease liabilities	120	-	-	-	-
	<u>\$ 3,045,665</u>	<u>\$ 2,798,830</u>	<u>\$ 3,756,444</u>	<u>\$ 5,717,043</u>	<u>\$ 2,207,097</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 March 31, 2022, 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

Related Party Name	Relationship with the Group
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
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
Genius Star Management Consulting Co., Ltd.	Entities controlled by the Corporation's chairman or his/her family
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

b. Operating transactions

1) Operating revenue

Line Item	Related Party Category	For the Three Months Ended March 31	
		2022	2021
Other operating revenue	Entities controlled by the Corporation's chairman or his/her family	\$ <u>318</u>	\$ <u>39</u>

Other operating revenue was obtained from providing related parties with food services.

2) Operating costs

Related Party Category	For the Three Months Ended March 31	
	2022	2021
Entities controlled by the Corporation's chairman or his/her family	\$ <u>838</u>	\$ <u>1,803</u>

3) Receivables from related parties

Line Item	Related Party Category	March 31, 2022	December 31, 2021	March 31, 2021
Trade receivables	Entities controlled by the Corporation's chairman or his/her family	\$ 82	\$ 14	\$ 3
Other receivables (classified as other current assets)	Entities controlled by the Corporation's chairman or his/her family	-	-	4
		\$ <u>82</u>	\$ <u>14</u>	\$ <u>7</u>

4) Payables to related parties

Line Item	Related Party Category	March 31, 2022	December 31, 2021	March 31, 2021
Trade payables (classified as notes payable and trade payables)	Entities controlled by the Corporation's chairman or his/her family	\$ -	\$ 208	\$ -

c. Acquisitions of property and equipment

Related Party Category	Purchase Price	
	For the Three Months Ended March 31	
	2022	2021
Entities controlled by the Corporation's chairman or his/her family	\$ -	\$ 14,523

d. Lease arrangements - the Group is lessee

Line Item	Related Party Name	March 31, 2022	December 31, 2021	March 31, 2021
Lease liabilities	Liang Yu Investment Corp.	\$ -	\$ -	\$ 120

	For the Three Months Ended March 31	
	2022	2021
<u>Interest expense</u>		
Entities controlled by the Corporation's chairman or his/her family	\$ -	\$ 1

e. Loans from related parties

Related Party Name	March 31, 2022	December 31, 2021	March 31, 2021
<u>Other payables to related parties</u>			
Pei Lin Investment Corp.	\$ 180,133	\$ 180,133	\$ 180,133
Hua Da Investment Corp.	128,000	128,000	174,800
Benefit Transport S.A.	-	-	85,605
Oceanlance Maritime Co., Ltd.	-	-	43,598
	<u>\$ 308,133</u>	<u>\$ 308,133</u>	<u>\$ 484,136</u>
<u>Other long-term payables to related parties</u>			
Oceanlance Maritime Co., Ltd.	\$ -	\$ -	\$ 59,700

The interest payables of loans from related parties (classified as other payables to related parties) were \$615 thousand, \$615 thousand and \$1,887 thousand as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively, and the related interest expenses were \$1,785 thousand and \$3,465 thousand for the three months ended March 31, 2022 and 2021, 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 \$302,129 thousand, March 31, 2021. Refer to Note 25 for more details.

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

Related Party Name	March 31, 2022	December 31, 2021	March 31, 2021
<u>Benefit Transport S.A.</u>			
Minimum lease payments			
Not later than one year	\$ -	\$ -	\$ 16,436
Later than one year and not later than five years	<u>97,611</u>	<u>94,389</u>	<u>137,139</u>
	<u>\$ 97,611</u>	<u>\$ 94,389</u>	<u>\$ 153,575</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 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 agreements. Refer to Note 25 for more details.

In order to dispose of above six vessels, the Group entered into an agreement 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 deposits of \$120,724 thousand, \$123,900 thousand, \$29,995 thousand, \$256,476 thousand and \$39,725 thousand with Benefit Transport S.A. according to the agreements.

For the abovementioned lease transactions, interest payables (classified as other payables to related parties) were \$39 thousand as of March 31, 2021. For the three months ended March 31, 2021, interest expense were \$863 thousand.

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.

Related Party Category	For the Three Months Ended March 31	
	2022	2021
Entities controlled by the Corporation's chairman or his/her family	<u>\$ 17</u>	<u>\$ 17</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

Related Party Category	For the Three Months Ended March 31	
	2022	2021
Short-term employee benefits	\$ 8,234	\$ 1,196
Post-employment benefits	<u>51</u>	<u>48</u>
	<u>\$ 8,285</u>	<u>\$ 1,244</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 and borrowings and deposits from related parties, and deposits from Taiwan Taipei District Court (refer to Note 26):

	March 31, 2022	December 31, 2021	March 31, 2021
Demand deposits (classified as other financial assets)	\$ 249,291	\$ 265,083	\$ 338,839
Pledged deposits (classified as other financial assets)	30,267	34,248	35,269
Refundable deposits (classified as non-current assets)	104,061	113,339	125,754
Buildings	2,235,497	2,249,079	2,281,666
Land	669,731	669,731	669,731
Leased equipment	133,917	135,137	147,957
Leased assets	13,459,146	14,667,083	15,983,254
Other equipment	<u>66,839</u>	<u>85,926</u>	<u>154,248</u>
	<u>\$ 16,948,749</u>	<u>\$ 18,219,626</u>	<u>\$ 19,736,718</u>

26. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

- 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 March 31, 2022, 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 March 31, 2022, Dancewoods have applied for the refund of the security deposit of \$6,450 thousand from court.

27. 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:

March 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 3,039	28.625 (USD:NTD)	\$ 87,026
JPY	44,413	0.0082 (JPY:USD)	10,451
<u>Financial liabilities</u>			
Monetary items			
USD	35,496	28.625 (USD:NTD)	1,016,079
JPY	28,250	0.0082 (JPY:USD)	6,647

December 31, 2021

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 11,758	27.68 (USD:NTD)	\$ 325,464
JPY	5,659	0.0087 (JPY:USD)	1,361
<u>Financial liabilities</u>			
Monetary items			
USD	35,496	27.68 (USD:NTD)	982,535
JPY	40,623	0.0087 (JPY:USD)	9,770

March 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,260	28.535 (USD:NTD)	\$ 35,964
JPY	16,921	0.0090 (JPY:USD)	4,361
<u>Financial liabilities</u>			
Monetary items			
USD	18,799	28.535 (USD:NTD)	536,436
JPY	42,310	0.0090 (JPY:USD)	10,903

The significant unrealized foreign exchange gains (losses) were as follows:

	For the Three Months Ended March 31			
	2022		2021	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	27.994 (USD:NTD)	<u>\$ (73,083)</u>	28.366 (USD:NTD)	<u>\$ (8,309)</u>

28. 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 (None)
 - 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 4)
- b. Information of investees (Table 5)
- 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 6)

29. 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 hotels 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.

Segment Revenue and Results

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

	Segment Revenue		Segment Income (Loss)	
	For the Three Months Ended March 31		For the Three Months Ended March 31	
	2022	2021	2022	2021
Shipping	\$ 1,549,739	\$ 748,559	\$ 699,768	\$ 119,327
Tourism	54,948	50,198	(33,885)	(35,271)
	<u>\$ 1,604,687</u>	<u>\$ 798,757</u>	665,883	84,056
Interest expense			(59,262)	(71,343)
Profit before tax			<u>\$ 606,621</u>	<u>\$ 12,713</u>

Segment revenue reported above represented revenue generated from external customers. There were no inter-segment sales for the three months ended March 31, 2022 and 2021.

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2022
(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		
1	Dong Lien Maritime S.A. Panama	Shih Wei Navigation Co., Ltd.	Other receivables from related parties	Yes	\$ 1,202,250	\$ 1,030,500	\$ 1,016,079	-	Short-term financing	\$ -	Repayments of borrowing and operating capital	\$ -	-	-	\$ 9,745,943	\$ 9,745,943
		Audrey Pescadores S.A. Panama	"	"	14,313	14,313	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Brave Pescadores S.A.	"	"	14,313	14,313	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Danceflora Pescadores S.A. Panama	"	"	28,625	28,625	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Dancewood Pescadores S.A. Panama	"	"	14,313	14,313	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Elegant Pescadores S.A. (Panama)	"	"	14,313	14,313	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Endurance Pescadores S.A. Panama	"	"	14,313	14,313	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Eternity Pescadores S.A. Panama	"	"	14,313	14,313	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Fair Pescadores S.A. Panama	"	"	14,313	14,313	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Federal Pescadores S.A. Panama	"	"	14,313	14,313	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Forever Pescadores S.A. Panama	"	"	14,313	14,313	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Fortunate Maritime S.A. Panama	"	"	28,625	28,625	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Fourseas Pescadores S.A. Panama	"	"	28,625	28,625	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Gallant Pescadores S.A.	"	"	14,313	14,313	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Genius Pescadores S.A. (Panama)	"	"	14,313	14,313	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Huge Pescadores S.A. Panama	"	"	14,313	14,313	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Indigo Pescadores S.A. Panama	"	"	14,313	14,313	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Modest Pescadores S.A. Panama	"	"	14,313	14,313	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Moon Bright Shipping Corporation	"	"	14,313	14,313	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Patriot Pescadores S.A. Panama	"	"	14,313	14,313	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Penghu Pescadores S.A. Panama	"	"	14,313	14,313	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Skyhigh Pescadores S.A. Panama	"	"	14,313	14,313	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Spinnaker Pescadores S.A. Panama	"	"	14,313	14,313	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Stamina Pescadores S.A. Panama	"	"	28,625	28,625	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Summit Pescadores S.A. Panama	"	"	28,625	28,625	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Trump Pescadores S.A. Panama	"	"	28,625	28,625	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Unicorn Brilliant S.A. Panama	"	"	14,313	14,313	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Valor Pescadores S.A. Panama	"	"	14,313	14,313	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Vigor Pescadores S.A. Panama	"	"	14,313	14,313	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Wise Pescadores S.A. Panama	"	"	14,313	14,313	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Wonderful Pescadores S.A. Panama	"	"	14,313	14,313	-	-	"	-	"	-	-	-	9,745,943	9,745,943
		Dancewoods Hotel & Resort	"	"	229,000	200,375	173,911	1.75%	"	-	"	-	-	-	2,923,783	3,898,377
						Total 1,746,137	Total 1,189,990									

Note 1: Limitation of financing is based on 30% of the lending company's net equity on March 31, 2022, 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 March 31, 2022.

Note 2: Limitation of financing is based on 40% of the lending company's net equity on March 31, 2022, 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 March 31, 2022.

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 THREE MONTHS ENDED MARCH 31, 2022
(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	\$ 7,700,376	\$ 2,448,494	\$ 2,444,178	\$ 2,444,178	\$ -	31.74	\$ 46,202,256	Yes	No	No
		Dong Lien Maritime S.A. Panama	a	7,700,376	1,187,960	1,142,160	1,142,160	-	14.83	46,202,256	Yes	No	No
		Fortunate Maritime S.A. Panama	a	7,700,376	619,318	97,611	97,611	-	1.27	46,202,256	Yes	No	No
		Audrey Pescadores S.A. Panama	a	7,700,376	402,804	402,804	402,804	2,794	5.23	46,202,256	Yes	No	No
		Brave Pescadores S.A.	a	7,700,376	457,399	457,399	457,399	3,769	5.94	46,202,256	Yes	No	No
		Danceflora Pescadores S.A. Panama	a	7,700,376	222,192	213,604	213,604	-	2.77	46,202,256	Yes	No	No
		Dancewood Pescadores S.A. Panama	a	7,700,376	431,897	431,897	431,897	6,431	5.61	46,202,256	Yes	No	No
		Elegant Pescadores S.A. (Panama)	a	7,700,376	569,544	569,544	569,544	-	7.40	46,202,256	Yes	No	No
		Endurance Pescadores S.A. Panama	a	7,700,376	593,124	593,124	593,124	7,531	7.70	46,202,256	Yes	No	No
		Eternity Pescadores S.A. Panama	a	7,700,376	452,653	452,653	452,653	-	5.88	46,202,256	Yes	No	No
		Fair Pescadores S.A. Panama	a	7,700,376	144,236	-	-	-	-	46,202,256	Yes	No	No
		Federal Pescadores S.A. Panama	a	7,700,376	608,526	608,526	608,526	-	7.90	46,202,256	Yes	No	No
		Forever Pescadores S.A. Panama	a	7,700,376	397,650	397,650	397,650	-	5.16	46,202,256	Yes	No	No
		Gallant Pescadores S.A.	a	7,700,376	237,540	-	-	-	-	46,202,256	Yes	No	No
		Genius Pescadores S.A. (Panama)	a	7,700,376	642,183	642,183	642,183	4,159	8.34	46,202,256	Yes	No	No
		Huge Pescadores S.A. Panama	a	7,700,376	159,020	159,020	159,020	-	2.07	46,202,256	Yes	No	No
		Indigo Pescadores S.A. Panama	a	7,700,376	449,556	449,556	449,556	-	5.84	46,202,256	Yes	No	No
		Modest Pescadores S.A. Panama	a	7,700,376	774,097	774,097	774,097	-	10.05	46,202,256	Yes	No	No
		Moon Bright Shipping Corporation	a	7,700,376	571,321	571,321	571,321	-	7.42	46,202,256	Yes	No	No
		Patriot Pescadores S.A. Panama	a	7,700,376	232,158	-	-	-	-	46,202,256	Yes	No	No
		Penghu Pescadores S.A. Panama	a	7,700,376	811,701	811,701	811,701	-	10.54	46,202,256	Yes	No	No
		Skyhigh Pescadores S.A. Panama	a	7,700,376	339,134	339,134	339,134	-	4.40	46,202,256	Yes	No	No
		Spinnaker Pescadores S.A. Panama	a	7,700,376	342,567	342,567	342,567	-	4.45	46,202,256	Yes	No	No
		Stamina Pescadores S.A. Panama	a	7,700,376	284,647	271,304	271,304	-	3.52	46,202,256	Yes	No	No
		Summit Pescadores S.A. Panama	a	7,700,376	317,941	308,781	308,781	-	4.01	46,202,256	Yes	No	No
		Unicorn Brilliant S.A. Panama	a	7,700,376	524,008	-	-	-	-	46,202,256	Yes	No	No
		Valor Pescadores S.A. Panama	a	7,700,376	94,070	94,070	94,070	-	1.22	46,202,256	Yes	No	No
		Vigor Pescadores S.A. Panama	a	7,700,376	285,293	285,293	285,293	-	3.70	46,202,256	Yes	No	No
		Wise Pescadores S.A. Panama	a	7,700,376	246,731	119,447	119,447	-	1.55	46,202,256	Yes	No	No
		Wonderful Pescadores S.A. Panama	a	7,700,376	412,035	412,035	412,035	5,582	5.35	46,202,256	Yes	No	No
									Total	173.89			

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 to a single entity is one time of the net equity on March 31, 2022.

Note 3: Limit on endorsement/guarantee given to a single entity is six times of the net equity on March 31, 2022.

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

MARCH 31, 2022

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2022			
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value (Note 1)
Shih Wei Navigation Co., Ltd.	<u>Ordinary shares</u>						
	Tai Twue Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss - current	7,000	\$ 100	0.01	\$ 100
	Wisdom Marine International Inc.	-	"	18,000	1,555	-	1,555
	China Steel Co.	-	"	11,000	429	-	429
	Evergreen Marine Co.	-	"	3,000	405	-	405
	Sincere Navigation C.	-	"	2,000	56	-	56
	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	852	-	852
	<u>Bonds</u>						
Convertible bond of Taiwan Kolin Co., Ltd	-	"	40	-	-	-	
Convertible bond of Merry Electronics Co., Ltd.	-	"	50	5,343		5,343	
Dancewoods Hotel & Resort	<u>Beneficiary certificates</u>						
	Dancewoods Suao Co., Ltd	-	"	1,140,000	-	19.00	-
	Nankang Rubber Tire Corp., Ltd.	-	"	20,000	801	-	801

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 5 for information on investments in subsidiaries and associates.

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
 FOR THE THREE MONTHS ENDED MARCH 31, 2022
 (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	\$ 47,289	Receive in net 30 days	3
				Other revenue	6,458	Receive in net 30 days	-
		Fortunate Maritime S.A. Panama Dancewoods Hotel & Resort	b b	Other payable to related parties	819,919	Pay in net 30 days	3
				Operating revenue	2,956	Receive in net 30 days	-
		Other income	1,409	Receive in net 30 days	-		
1	Dong Lien Maritime S.A. Panama and subsidiaries	Fortunate Maritime S.A. Panama	c	Other receivable to related parties	189,415	Receive in net 30 days	1

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 THREE MONTHS ENDED MARCH 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of March 31, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss) (Note 1)	Note
				March 31, 2022	December 31, 2021	Number of Shares	%	Carrying Amount			
Shih Wei Navigation Co., Ltd.	Dong Lien Maritime S.A. Panama	Panama	Cargo shipping services and shipping agency	\$ 1,228,378	\$ 1,187,826	42,912,775	100.00	\$ 9,745,943	\$ 658,639	\$ 658,639	Subsidiary (Notes 1, 3 and 4)
	Fortunate Maritime S.A. Panama	"	"	49,092	47,471	17,150	100.00	800,401	46,446	46,446	Subsidiary (Notes 1, 3 and 5)
	Dancewoods Hotel & Resort	Taiwan	Resort hotels service and recreational grounds and facilities	772,257	772,257	46,636,927	51.52	154,182	(48,483)	(24,979)	Subsidiary (Notes 1 and 3)
	Thermolysis Co., Ltd.	"	Pollution prevention equipment manufacturing and retail	30,000	-	2,000,000	6.06	29,814	(3,074)	(186)	Associate (Note 2)
Dong Lien Maritime S.A. Panama	Audrey Pescadores S.A. Panama	Panama	Cargo shipping services and shipping agency	143,125	138,400	50,000	100.00	312,311	32,750		Sub-subsidiary (Notes 1 and 3)
	Brave Pescadores S.A.	"	"	100,188	96,880	35,000	100.00	267,929	28,168		Sub-subsidiary (Notes 1 and 3)
	Bright Pescadores S.A. Panama	"	"	57,250	55,360	20,000	100.00	221,076	(43)		Sub-subsidiary (Notes 1 and 3)
	Brilliant Pescadores S.A.	"	"	28,625	27,680	10,000	100.00	88,464	(174)		Sub-subsidiary (Notes 1 and 3)
	Danceflora Pescadores S.A. Panama	"	"	314,875	304,480	110,000	100.00	274,366	18,121		Sub-subsidiary (Notes 1 and 3)
	Dancewood Pescadores S.A. Panama	"	"	229,000	221,440	8,000,000	100.00	300,146	30,924		Sub-subsidiary (Notes 1 and 3)
	Elegant Pescadores S.A. (Panama)	"	"	314,875	304,480	110,000	100.00	227,592	31,690		Sub-subsidiary (Notes 1 and 3)
	Endurance Pescadores S.A. Panama	"	"	143,125	138,400	50,000	100.00	234,682	30,718		Sub-subsidiary (Notes 1 and 3)
	Eternity Pescadores S.A. Panama	"	"	214,688	207,600	75,000	100.00	265,646	21,626		Sub-subsidiary (Notes 1 and 3)
	Excellent Pescadores S.A. (Panama)	"	"	57,250	55,360	20,000	100.00	129,382	(272)		Sub-subsidiary (Notes 1 and 3)
	Fair Pescadores S.A. Panama	"	"	257,470	110,720	89,946	100.00	243,537	(3,847)		Sub-subsidiary (Notes 1, 3 and 6)
	Federal Pescadores S.A. Panama	"	"	229,000	221,440	80,000	100.00	327,925	19,987		Sub-subsidiary (Notes 1 and 3)
	Forever Pescadores S.A. Panama	"	"	286,250	276,800	100,000	100.00	322,900	23,815		Sub-subsidiary (Notes 1 and 3)
	Fourseas Pescadores S.A. Panama	"	"	286,250	276,800	100,000	100.00	343,324	27,855		Sub-subsidiary (Notes 1 and 3)
	Gallant Pescadores S.A.	"	"	236,858	277	82,745	100.00	337,207	6,909		Sub-subsidiary (Notes 1, 3 and 7)
	Genius Pescadores S.A. (Panama)	"	"	286	277	10	100.00	460,703	29,592		Sub-subsidiary (Notes 1 and 3)
	Glaring Pescadores S.A. Panama	"	"	157,438	152,240	55,000	100.00	96,067	(157)		Sub-subsidiary (Notes 1 and 3)
	Grand Pescadores S.A. (Panama)	"	"	286	277	100	100.00	59,027	-		Sub-subsidiary (Notes 1 and 3)
	Honor Pescadores S.A. Panama	"	"	57,250	55,360	20,000	100.00	267,858	(2,095)		Sub-subsidiary (Notes 1 and 3)
	Huge Pescadores S.A. Panama	"	"	85,875	83,040	30,000	100.00	89,756	9,734		Sub-subsidiary (Notes 1 and 3)
	Indigo Pescadores S.A. Panama	"	"	57,250	55,360	20,000	100.00	241,527	45,382		Sub-subsidiary (Notes 1 and 3)
	Leader Pescadores S.A. Panama	"	"	85,875	83,040	30,000	100.00	125,977	612		Sub-subsidiary (Notes 1 and 3)
	Modest Pescadores S.A. Panama	"	"	243,313	235,280	85,000	100.00	198,509	(8,060)		Sub-subsidiary (Notes 1 and 3)
	Moon Bright Shipping Corporation	"	"	243,313	235,280	85,000	100.00	123,510	20,202		Sub-subsidiary (Notes 1 and 3)
	Patriot Pescadores S.A. Panama	"	"	430,775	193,760	150,489	100.00	263,912	4,894		Sub-subsidiary (Notes 1, 3 and 8)
	Penghu Pescadores S.A. Panama	"	"	314,875	304,480	110,000	100.00	219,209	32,907		Sub-subsidiary (Notes 1 and 3)
	Pharos Pescadores S.A. Panama	"	"	114,500	110,720	40,000	100.00	116,391	-		Sub-subsidiary (Notes 1 and 3)
Poseidon Pescadores S.A. Panama	"	"	114,500	110,720	40,000	100.00	181,248	-		Sub-subsidiary (Notes 1 and 3)	
Shining Pescadores S.A. (Panama)	"	"	286	277	100	100.00	125,405	-		Sub-subsidiary (Notes 1 and 3)	
Skyhigh Pescadores S.A. Panama	"	"	171,750	166,080	60,000	100.00	65,010	15,054		Sub-subsidiary (Notes 1 and 3)	
Spinnaker Pescadores S.A. Panama	"	"	200,375	193,760	70,000	100.00	304,372	27,475		Sub-subsidiary (Notes 1 and 3)	
Stamina Pescadores S.A. Panama	"	"	271,938	262,960	95,000	100.00	122,188	23,452		Sub-subsidiary (Notes 1 and 3)	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of March 31, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss) (Note 1)	Note
				March 31, 2022	December 31, 2021	Number of Shares	%	Carrying Amount			
	Summit Pescadores S.A. Panama	Panama	Cargo shipping services and shipping agency	\$ 85,875	83,040	30,000	100.00	\$ 301,656	\$ 38,621	Sub-subsidiary (Notes 1 and 3)	
	Superior Pescadores S.A. Panama	"	"	71,563	69,200	25,000	100.00	143,655	(225)	Sub-subsidiary (Notes 1 and 3)	
	Trump Pescadores S.A. Panama	"	"	171,750	166,080	60,000	100.00	207,601	7,606	Sub-subsidiary (Notes 1 and 3)	
	Unicorn Brilliant S.A. Panama	"	"	835,329	304,480	291,818	100.00	787,962	44,861	Sub-subsidiary (Notes 1, 3 and 9)	
	Valor Pescadores S.A. Panama	"	"	85,875	83,040	30,000	100.00	340,892	(3,017)	Sub-subsidiary (Notes 1 and 3)	
	Vigor Pescadores S.A. Panama	"	"	57,250	55,360	20,000	100.00	399,955	30,606	Sub-subsidiary (Notes 1 and 3)	
	Well Pescadores S.A. Panama	"	"	85,875	83,040	30,000	100.00	114,513	-	Sub-subsidiary (Notes 1 and 3)	
	Wise Pescadores S.A. Panama	"	"	314,594	193,760	109,902	100.00	173,630	8,799	Sub-subsidiary (Notes 1, 3 and 10)	
	Wonderful Pescadores S.A. Panama	"	"	143,125	138,400	50,000	100.00	269,299	26,850	Sub-subsidiary (Notes 1 and 3)	

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

Note 2: It is calculated based on their own financial statements which is not reviewed by accountant.

Note 3: In preparing the consolidated financial statements, the transactions have been eliminated.

Note 4: \$1,200,170 thousand is recorded under "prepayment for long-term investment" as Dong-Lien Maritime S.A. Panama has not completed the capital increase process.

Note 5: \$499,855 thousand is recorded under "prepayment for long-term investment" as Fortunate Maritime S.A. Panama has not completed the capital increase process.

Note 6: \$142,970 thousand is recorded under "prepayment for long-term investment" as Fair Pescadores S.A. Panama has not completed the capital increase process.

Note 7: \$236,571 thousand is recorded under "prepayment for long-term investment" as Gallant Pescadores S.A. has not completed the capital increase process.

Note 8: \$230,400 thousand is recorded under "prepayment for long-term investment" as Patriot Pescadores S.A. Panama has not completed the capital increase process.

Note 9: \$520,454 thousand is recorded under "prepayment for long-term investment" as Unicorn Brilliant S.A. Panama has not completed the capital increase process.

Note 10: \$114,219 thousand is recorded under "prepayment for long-term investment" as Wise Pescadores S.A. Panama has not completed the capital increase process.

(Concluded)

TABLE 6**SHIH WEI NAVIGATION CO., LTD.****INFORMATION OF MAJOR SHAREHOLDERS
MARCH 31, 2022**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Luo Pan Investment Corp.	30,441,267	9.24

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.