

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

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 2022 and 2021**

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

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Independent Auditors' Review Report

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Shih Wei Navigation Co., Ltd. and its subsidiaries as of June 30, 2022, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2022, as well as the changes in equity and cash flows for the six months ended June 30, 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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 Standard 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the 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 conducted in accordance with the generally accepted auditing standards 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.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Shih Wei Navigation Co., Ltd. and its subsidiaries as of June 30, 2022, and of its consolidated financial performance for the three months and six months ended June 30, 2022, as well as its consolidated cash flows for the six months ended June 30, 2022 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 June 30, 2022 exceeded the total current assets by \$323,344 thousand. The insufficient working capital of Shih Wei Navigation Co., Ltd. Group 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.

Other Matter

The consolidated financial statements of Shih Wei Navigation Co., Ltd and its subsidiaries for the six months ended June 30, 2021, were reviewed by other auditors, who expressed an unqualified opinion with an emphasis of matter on those statements on August 6, 2021.

The consolidated financial statements of Shih Wei Navigation Co., Ltd and its subsidiaries as of and for the year ended December 31, 2021 were audited by other auditors, who expressed an unqualified opinion on those statements on February 24, 2022.

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

KPMG

Taipei, Taiwan (Republic of China)
August 11, 2022

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and six months ended June 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

	For the three months ended June 30				For the six months ended June 30				
	2022		2021		2022		2021		
	Amount	%	Amount	%	Amount	%	Amount	%	
Operating Revenues (Note 6(q) and Note 7):									
4300	Rental revenue	\$ 1,862,316	98	1,195,722	98	3,412,261	97	1,944,498	96
4800	Other operating revenue	41,615	2	21,772	2	96,357	3	71,753	4
	Operating revenue, net	<u>1,903,931</u>	<u>100</u>	<u>1,217,494</u>	<u>100</u>	<u>3,508,618</u>	<u>100</u>	<u>2,016,251</u>	<u>100</u>
5000	Operating costs (Note 6(m) and Note 7)	<u>845,473</u>	<u>44</u>	<u>685,279</u>	<u>56</u>	<u>1,664,306</u>	<u>47</u>	<u>1,351,664</u>	<u>67</u>
	Gross profit from operations	<u>1,058,458</u>	<u>56</u>	<u>532,215</u>	<u>44</u>	<u>1,844,312</u>	<u>53</u>	<u>664,587</u>	<u>33</u>
6200	Administrative expenses (Note 6(m) and Note 6(r))	<u>85,913</u>	<u>5</u>	<u>45,837</u>	<u>4</u>	<u>164,765</u>	<u>5</u>	<u>103,845</u>	<u>5</u>
	Net operating income	<u>972,545</u>	<u>51</u>	<u>486,378</u>	<u>40</u>	<u>1,679,547</u>	<u>48</u>	<u>560,742</u>	<u>28</u>
Non-operating income and expenses:									
7100	Interest income	4,057	-	263	-	5,146	-	293	-
7190	Other income	20,481	1	20,409	2	47,642	1	41,169	2
7225	Gains on disposals of investments	150	-	65	-	150	-	65	-
7230	Foreign exchange (losses) gains	(70,173)	(4)	35,521	3	(138,362)	(4)	31,612	1
7235	Gains (losses) on financial assets at fair value through profit or loss	(2,874)	-	183	-	(2,977)	-	179	-
7370	Shares of loss of associates and joint ventures accounted for using equity method	(915)	-	-	-	(1,101)	-	-	-
7510	Interest expense	(78,439)	(4)	(68,932)	(6)	(137,701)	(4)	(140,275)	(7)
7590	Other expenses	(1,903)	-	(651)	-	(2,781)	-	(2,943)	-
7610	Losses on disposals of property, plant and equipment	(878)	-	(94)	-	(891)	-	(4,987)	-
	Total non-operating income and expenses	<u>(130,494)</u>	<u>(7)</u>	<u>(13,236)</u>	<u>(1)</u>	<u>(230,875)</u>	<u>(7)</u>	<u>(74,887)</u>	<u>(4)</u>
	Profit from continuing operations before tax	<u>842,051</u>	<u>44</u>	<u>473,142</u>	<u>39</u>	<u>1,448,672</u>	<u>41</u>	<u>485,855</u>	<u>24</u>
7950	Less: Income tax expenses (Note 6(n))	<u>175,478</u>	<u>9</u>	<u>4,559</u>	<u>1</u>	<u>301,539</u>	<u>9</u>	<u>2,898</u>	<u>-</u>
	Profit	<u>666,573</u>	<u>35</u>	<u>468,583</u>	<u>38</u>	<u>1,147,133</u>	<u>32</u>	<u>482,957</u>	<u>24</u>
8300	Other comprehensive income:								
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss								
8361	Exchange differences on translation of foreign financial statements	413,334	22	(138,115)	(11)	758,380	22	(127,014)	(6)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	<u>413,334</u>	<u>22</u>	<u>(138,115)</u>	<u>(11)</u>	<u>758,380</u>	<u>22</u>	<u>(127,014)</u>	<u>(6)</u>
8300	Other comprehensive income	<u>413,334</u>	<u>22</u>	<u>(138,115)</u>	<u>(11)</u>	<u>758,380</u>	<u>22</u>	<u>(127,014)</u>	<u>(6)</u>
	Total comprehensive income	<u>\$ 1,079,907</u>	<u>57</u>	<u>330,468</u>	<u>27</u>	<u>1,905,513</u>	<u>54</u>	<u>355,943</u>	<u>18</u>
	Profit (loss), attributable to:								
8610	Owners of parent	\$ 698,834	37	495,976	40	1,202,898	34	535,351	27
8620	Non-controlling interests	(32,261)	(2)	(27,393)	(2)	(55,765)	(2)	(52,394)	(3)
		<u>\$ 666,573</u>	<u>35</u>	<u>468,583</u>	<u>38</u>	<u>1,147,133</u>	<u>32</u>	<u>482,957</u>	<u>24</u>
	Comprehensive income (loss) attributable to:								
8710	Owners of parent	\$ 1,112,168	59	357,861	29	1,961,278	56	408,337	20
8720	Non-controlling interests	(32,261)	(2)	(27,393)	(2)	(55,765)	(2)	(52,394)	(2)
		<u>\$ 1,079,907</u>	<u>57</u>	<u>330,468</u>	<u>27</u>	<u>1,905,513</u>	<u>54</u>	<u>355,943</u>	<u>18</u>
	Basic earnings per share (Note 6(p))	<u>\$ 2.12</u>		<u>1.78</u>		<u>3.65</u>		<u>1.92</u>	
	Diluted earnings per share (Note 6(p))	<u>\$ 2.12</u>		<u>1.78</u>		<u>3.64</u>		<u>1.92</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the six months ended June 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to owners of parent

	Share capital		Retained earnings				Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements			
Balance at January 1, 2021	\$ 2,792,671	1,489,164	1,479,818	-	(1,422,909)	56,909	(958,659)	3,380,085	111,287	3,491,372
Profit (loss)	-	-	-	-	535,351	535,351	-	535,351	(52,394)	482,957
Other comprehensive income	-	-	-	-	-	-	(127,014)	(127,014)	-	(127,014)
Total comprehensive income	-	-	-	-	535,351	535,351	(127,014)	408,337	(52,394)	355,943
Other changes in capital surplus:										
Changes in ownership interests in subsidiaries	-	3,500	-	-	-	-	-	3,500	(3,500)	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	150,000	150,000
Balance at June 30, 2021	\$ 2,792,671	1,492,664	1,479,818	-	(887,558)	592,260	(1,085,673)	3,791,922	205,393	3,997,315
Balance at January 1, 2022	\$ 3,292,671	2,642,041	56,909	-	2,002,718	2,059,627	(1,143,073)	6,851,266	168,589	7,019,855
Profit (loss)	-	-	-	-	1,202,898	1,202,898	-	1,202,898	(55,765)	1,147,133
Other comprehensive income	-	-	-	-	-	-	758,380	758,380	-	758,380
Total comprehensive income	-	-	-	-	1,202,898	1,202,898	758,380	1,961,278	(55,765)	1,905,513
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	200,271	-	(200,271)	-	-	-	-	-
Special reserve appropriated	-	-	-	1,143,072	(1,143,072)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(658,534)	(658,534)	-	(658,534)	-	(658,534)
Balance at June 30, 2022	\$ 3,292,671	2,642,041	257,180	1,143,072	1,203,739	2,603,991	(384,693)	8,154,010	112,824	8,266,834

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months and six months ended June 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,448,672	485,855
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expenses	664,595	653,837
Amortization expenses	477	350
Net losses (gains) on financial assets or liabilities at fair value through profit or loss	2,977	(179)
Interest expenses	137,701	140,275
Interest income	(5,146)	(293)
Shares of losses (profit) of associates and joint ventures accounted for using equity method	1,101	-
Losses on disposal of property, plant and equipment	891	4,987
Gains on disposal of investments	-	(65)
Total adjustments to reconcile profit	802,596	798,912
Changes in operating assets and liabilities:		
Net gains on financial assets or liabilities at fair value through profit or loss	(6,015)	(521)
Decrease (increase) in accounts receivable	16,923	(6,184)
Decrease (increase) in inventories	21,870	(33,940)
(Increase) decrease in other current assets	(5,097)	8,761
Increase (decrease) in accounts payable	2,551	(11,130)
Increase in other payables	40,254	2,035
Increase in other current liabilities	36,611	14,215
Decrease in net defined benefit liabilities	(467)	(475)
Total adjustments	909,226	771,673
Cash inflow generated from operations	2,357,898	1,257,528
Interest received	5,552	305
Interest paid	(128,742)	(140,116)
Income taxes paid	(7)	(183)
Net cash flows from operating activities	2,234,701	1,117,534
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(30,000)	-
Proceeds from disposal of non-current assets classified as held for sale	-	193,468
Acquisition of property, plant and equipment	(137,078)	(89,925)
Proceeds from disposal of property, plant and equipment	8	-
Decrease in refundable deposits	7,519	119,167
Decrease in other financial assets	92,051	23,017
Increase in prepayments equipment	(3,430)	(8,392)
Net cash flows from (used in) investing activities	(70,930)	237,335
Cash flows from (used in) financing activities:		
Decrease in short-term loans	(577,442)	(295,101)
Increase in short-term notes and bills payable	40,000	-
Proceeds from long-term debt	80,010	250,000
Repayments of long-term debt	(2,205,565)	(115,782)
Increase in guarantee deposits received	-	(6)
Increase (decrease) in other payables to related parties	138,494	(416,940)
Payments of lease liabilities	(170)	(298)
Net cash flows from (used in) financing activities	(2,524,673)	(578,127)
Effects of exchange rate changes on cash and cash equivalents	360,138	(15,869)
Net (decrease) increase in cash and cash equivalents	(764)	760,873
Cash and cash equivalents at beginning of period	5,082,169	373,778
Cash and cash equivalents at end of period	\$ 5,081,405	1,134,651

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

June 30, 2022 and 2021

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

(1) Company history

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

For the Company and its subsidiaries (the "Group"), the total current liabilities as of June 30, 2022 exceeded the total current assets by \$323,344 thousand. In order to enrich working capital and strengthen its financial structure, the Company proposes the following countermeasures to continuously improve its operating efficiencies and liquidity of funds:

- (a) Bank loans: Apply for adjustment on 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 date and procedures of the consolidated financial statements:

These consolidated financial statements were authorized for issue by the Board of Directors on August 11, 2022.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2022:

- Amendments to IAS 16 “Property, Plant and Equipment – Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts – Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Disclosure of Accounting Policies”

(Continued)

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

- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”

(4) Summary of significant accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2021. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2021.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

List of the subsidiaries included in the consolidated financial statements:

Name investor	Name of investee	Scope of business	Percentage of ownership			Notes
			June 30, 2022	December 31, 2021	June 30, 2021	
The Company	Dong Lien Maritime S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
The Company	Fortunate Maritime S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
The Company	Dancewoods Hotel & Resort (Dancewoods)	Resort hotel service and recreational grounds and facilities	51.52 %	51.52 %	51.52 %	
Dong Lien Maritime S.A. Panama	Audrey Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Beacon Pescadores S.A. Panama	Cargo shipping services and shipping agency	- %	100.00 %	100.00 %	Note

(Continued)

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

Name investor	Name of investee	Scope of business	Percentage of ownership			Notes
			June 30, 2022	December 31, 2021	June 30, 2021	
Dong Lien Maritime S.A. Panama	Blossom Pescadores S.A. (Panama)	Cargo shipping services and shipping agency	- %	100.00 %	100.00 %	Note
Dong Lien Maritime S.A. Panama	Brave Pescadores S.A.	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Bright Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Brilliant Pescadores S.A.	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Danceflora Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Dancewood Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Elegant Pescadores S.A. (Panama)	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Endurance Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Eternity Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Excellent Pescadores S.A. (Panama)	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Fair Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Federal Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Forever Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Fourseas Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Gallant Pescadores S.A.	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Genius Pescadores S.A. (Panama)	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Glaring Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Grand Ocean Navigation (Panama) S.A.	Cargo shipping services and shipping agency	- %	100.00 %	100.00 %	Note
Dong Lien Maritime S.A. Panama	Grand Overseas S.A. Panama	Cargo shipping services and shipping agency	- %	100.00 %	100.00 %	Note
Dong Lien Maritime S.A. Panama	Grand Pescadores S.A. (Panama)	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Honor Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Huge Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Indigo Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Jackson Steamship S.A.	Cargo shipping services and shipping agency	- %	100.00 %	100.00 %	Note
Dong Lien Maritime S.A. Panama	Justicia Pescadores S.A. Panama	Cargo shipping services and shipping agency	- %	100.00 %	100.00 %	Note
Dong Lien Maritime S.A. Panama	Leader Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Modest Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Moon Bright Shipping Corporation	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Patriot Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Penghu Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	

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

Name investor	Name of investee	Scope of business	Percentage of ownership			Notes
			June 30, 2022	December 31, 2021	June 30, 2021	
Dong Lien Maritime S.A. Panama	Pharos Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Poseidon Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Royal Pescadores S.A. (Panama)	Cargo shipping services and shipping agency	- %	100.00 %	100.00 %	Note
Dong Lien Maritime S.A. Panama	Shining Pescadores S.A. (Panama)	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Skyhigh Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Spinnaker Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Stamina Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Summit Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Sunny Pescadores S.A. (Panama)	Cargo shipping services and shipping agency	- %	100.00 %	100.00 %	Note
Dong Lien Maritime S.A. Panama	Superior Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Trump Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Unicorn Brilliant S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Valor Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Vigor Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Well Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Wise Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Wonderful Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	

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

(c) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(d) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

(Continued)

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

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

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Except for the following, the preparation of the consolidated financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2021. For related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2021.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic and the Conflict of Ukraine:

(a) Revenue recognition

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

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	June 30, 2022	December 31, 2021	June 30, 2021
Cash on hand	\$ 45,603	46,419	38,359
Bank deposits	1,552,618	3,278,070	849,731
Cash equivalents	<u>3,483,184</u>	<u>1,757,680</u>	<u>246,561</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u><u>\$ 5,081,405</u></u>	<u><u>5,082,169</u></u>	<u><u>1,134,651</u></u>

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

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

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Mandatorily measured at fair value through profit or loss:			
Convertible bonds	\$ 2,500	5,500	-
Shares of exchange-listed and OTC-listed companies	9,311	3,258	873
Monetary fund	<u>876</u>	<u>891</u>	<u>896</u>
Total	<u>\$ 12,687</u>	<u>9,649</u>	<u>1,769</u>

(i) For information on the Group's hedge on credit, currency and interest rate of its financial instruments, please refer to Note 6(s).

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

(c) Other financial assets

Other financial assets were as follows:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Current:			
Restricted assets	\$ <u>99,863</u>	<u>119,892</u>	<u>305,120</u>
Non-current:			
Restricted assets	\$ <u>108,501</u>	<u>179,439</u>	<u>62,636</u>

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

(d) Investments accounted for using equity method

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Related party	\$ <u>28,899</u>	<u>-</u>	<u>-</u>

(i) Related party

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 to the Thermolysis Co., Ltd. Board as its representative. Therefore, the Group has a significant influence over Thermolysis Co., Ltd. The Group's investment in Thermolysis Co., Ltd. included the goodwill of \$16,761 thousand that was recognized as cost of investment.

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

(ii) Pledge

As of June 30, 2022, December 31 and June 30, 2021, the above investments accounted for using the equity method of the Group had not been pledged as collateral.

(e) Subsidiaries that have material non-controlling interest

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

<u>Subsidiaries</u>	<u>Country of registration</u>	<u>Percentage of non-controlling interests</u>		
		<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Dancewoods Hotel & Resort	Taiwan	48.48 %	48.48 %	48.48 %

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

Dancewoods Hotel & Resort financial information

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Current assets	\$ 123,888	117,198	55,120
Non-current assets	3,129,631	3,192,171	3,264,749
Current liabilities	(1,096,755)	(2,831,092)	(1,044,758)
Non-current liabilities	(1,924,041)	(130,527)	(1,851,444)
Net assets	<u>\$ 232,723</u>	<u>347,750</u>	<u>423,667</u>
Non-controlling interest	<u>\$ 112,824</u>	<u>168,589</u>	<u>205,393</u>

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Operating revenue	<u>\$ 41,704</u>	<u>21,797</u>	<u>96,736</u>	<u>72,269</u>
Profit (loss) from continuing operations	\$ (66,543)	(57,113)	(115,026)	(109,492)
Other comprehensive income	-	-	-	-
Comprehensive income	<u>\$ (66,543)</u>	<u>(57,113)</u>	<u>(115,026)</u>	<u>(109,492)</u>
Net income attribute to non-controlling interest	<u>\$ (32,261)</u>	<u>(27,393)</u>	<u>(55,765)</u>	<u>(52,394)</u>
Comprehensive income attribute to non-controlling interest	<u>\$ (32,261)</u>	<u>(27,393)</u>	<u>(55,765)</u>	<u>(52,394)</u>

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

	For the six months ended June 30	
	2022	2021
Net cash flows from operating activities	\$ (32,736)	(58,773)
Net cash flows from investing activities	(8,775)	(4,391)
Net cash flows from financing activities	65,002	54,081
Net increase (decrease) in cash and cash equivalents	\$ 23,491	(9,083)

(f) Property, plant and equipment

	Land	Buildings	Vessel Equipment	Equipment under finance Leases	Other Equipment	Total
Cost or deemed cost:						
Balance on January 1, 2022	\$ 684,976	2,501,692	26,035,562	393,047	668,156	30,283,433
Additions	-	1,030	126,254	-	9,794	137,078
Disposals and retirements	-	-	(62,453)	-	(2,944)	(65,397)
Reclassifications	-	-	1,854	-	1,069	2,923
Effect of change in foreign exchange rates	-	-	1,918,712	28,967	-	1,947,679
Balance on June 30, 2022	\$ 684,976	2,502,722	28,019,929	422,014	676,075	32,305,716
Balance on January 1, 2021	\$ 684,976	2,496,467	27,337,963	395,621	662,353	31,577,380
Additions	-	4,282	74,230	8,691	2,722	89,925
Disposals and retirements	-	(5,244)	(43,727)	-	(213)	(49,184)
Reclassifications	-	-	50,573	-	6,448	57,021
Effect of change in foreign exchange rates	-	-	(595,339)	(8,709)	-	(604,048)
Balance on June 30, 2021	\$ 684,976	2,495,505	26,823,700	395,603	671,310	31,071,094
Depreciation and impairment loss:						
Balance on January 1, 2022	\$ -	252,170	11,037,580	257,910	358,934	11,906,594
Depreciation for the period	-	27,361	587,536	11,710	37,762	664,369
Disposals and retirements	-	-	(62,453)	-	(2,045)	(64,498)
Reclassifications	-	-	286	-	(286)	-
Effect of change in foreign exchange rates	-	-	829,293	19,413	-	848,706
Balance on June 30, 2022	\$ -	279,531	12,392,242	289,033	394,365	13,355,171
Balance on January 1, 2021	\$ -	197,842	10,875,217	243,242	282,147	11,598,448
Depreciation for the period	-	27,371	577,241	10,398	38,503	653,513
Disposals and retirements	-	(359)	(43,727)	-	(111)	(44,197)
Effect of change in foreign exchange rates	-	-	(241,962)	(5,410)	-	(247,372)
Balance on June 30, 2021	\$ -	224,854	11,166,769	248,230	320,539	11,960,392
Carrying value:						
Balance on December 31 and January 1, 2022	\$ 684,976	2,249,522	14,997,982	135,137	309,222	18,376,839
Balance on June 30, 2022	\$ 684,976	2,223,191	15,627,687	132,981	281,710	18,950,545
Balance on January 1, 2021	\$ 684,976	2,298,625	16,462,746	152,379	380,206	19,978,932
Balance on June 30, 2021	\$ 684,976	2,270,651	15,656,931	147,373	350,771	19,110,702

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

- (i) Operating leases relate to leases of vessel equipment and equipment under finance leases, with lease terms within 25 months and extendable for another 4-15 months. All operating lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the assets upon maturity of the lease.
- (ii) As of June 30, 2022, December 31 and June 30, 2021, the above property, plant and equipment were pledged as collateral. Please refer to Note 8.

(g) Right-of-use assets

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
Carrying value:				
Balance on December 31 and January 1, 2022	\$ <u>300</u>	-	-	<u>300</u>
Balance on June 30, 2022	\$ <u>257</u>	-	<u>1,463</u>	<u>1,720</u>
Balance on January 1, 2021	\$ <u>39</u>	<u>291</u>	-	<u>330</u>
Balance on June 30, 2021	\$ <u>6</u>	-	-	<u>6</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of right-of-use assets for the six months ended June 30, 2022 and 2021. Please refer to Note 6 (12) of the 2021 annual consolidated financial statements for other related information.

(h) Short-term loans

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Secured bank loans	\$ <u>345,545</u>	<u>914,232</u>	<u>1,255,930</u>
Range of interest rate	<u>1.33%~2.39%</u>	<u>1.33%~1.86%</u>	<u>1.28%~2.28%</u>

(i) Borrowing and repayment

There were no borrowings made by the Group for the six months ended June 30, 2022 and 2021. In addition, the Group repaid the amounts of \$577,442 thousand and \$295,101 thousand, respectively, for both periods.

(ii) Collateral for bank loan

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

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

(i) Long-term loans

The details were as follows:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Secured bank loans	\$ 13,561,836	14,866,525	14,887,270
Less: current portion	<u>(3,611,592)</u>	<u>(3,304,866)</u>	<u>(846,187)</u>
Total	<u>\$ 9,950,244</u>	<u>11,561,659</u>	<u>14,041,083</u>
Range of interest rate	<u>1.48%~3.55%</u>	<u>1.17%~3.20%</u>	<u>1.17%~2.19%</u>

- (i) In the six months ended June 30, 2017, Dancewoods entered into a syndicated loan agreement with several financial institutions, with a credit line of \$2.3 billion and a credit period of 7 years, starting from the first drawdown, and repayments can be made either in one lump sum upon maturity or in installment basis. As of June 30, 2022, the amount of \$2,181,776 thousand was drawn down and shall be repaid in installment between April 2022 and May 2024. According to the loan agreement, Dancewoods is obligated to maintain the following financial ratios within the contract period:

Financial Ratios:

- 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 exceed 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, an additional interest rate of 0.05% will be included 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 lead bank can, based on the decision made by the majority of the syndicated banks, immediately terminate the credit line, declare the outstanding utilized principal and interest as due, and request for an immediate settlement.

As of June 30, 2022, Dancewoods has submitted to the lead bank an application, which had been approved in May 2022, for exemption from the above criteria for its financial ratios.

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

(ii) Borrowing and repayment

For the six months ended June 30, 2022 and 2021, the Group borrowed the amounts of \$80,010 thousand and \$250,000 thousand, with maturities set in March 2024 and March 2025, respectively. In addition, the Group repaid \$2,205,565 thousand and \$115,782 thousand, respectively.

(iii) Collateral for bank loan

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

(j) Short-term notes and bills payable

	June 30, 2022		
	Guarantee or acceptance institution	Range of interest rates(%)	Amount
Commercial paper payable	Mega Bills	1.98%	\$ 40,000
Less: Discount on short-term notes and bills payable			(33)
Total			\$ 39,967

For the six month ended June 30, 2022, the Group borrowed the amount of \$40,000 thousand, with an interest rate of 1.98% maturing in July 2022.

(k) Current provisions

	June 30, 2022	December 31, 2021	June 30, 2021
Litigation provision	\$ 47,552	44,288	44,576

Litigation provision was estimated by the management based on a lawsuit filed by the International Transport Workers Federation (ITF) in 2020. There were no significant changes in provisions for the six months ended June 30, 2022 and 2021. Please refer to Note 9 for more details.

(l) Lease liabilities

The Group's lease liabilities were as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Current	\$ 247	89	-
Non-current	\$ 1,028	168	-

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

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

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Interest on lease liabilities	\$ <u>6</u>	<u>-</u>	<u>10</u>	<u>2</u>
Expenses relating to short-term leases	\$ <u>125</u>	<u>120</u>	<u>365</u>	<u>154</u>
(Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets)	\$ <u>41</u>	<u>43</u>	<u>142</u>	<u>105</u>

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

	For the six months ended June 30	
	2022	2021
Total cash outflow for leases	\$ <u>687</u>	<u>559</u>

(i) Real estate leases

The Group leases land, buildings and equipment for its office use, with lease terms ranging from 3 to 4 years.

(ii) Other leases

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

(m) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim was measured and disclosed according to the actuarial report as of December 31, 2021 and 2020.

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

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Operating expense	\$ <u>3</u>	<u>3</u>	<u>6</u>	<u>6</u>

(Continued)

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

(ii) Defined contribution plans

The contributions of the Group to the Bureau of Labor Insurance for the employee pension benefits were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Operating costs	661	492	1,181	1,001
Operating expenses	1,240	1,112	2,490	2,228
Total	<u>\$ 1,901</u>	<u>1,604</u>	<u>3,671</u>	<u>3,229</u>

(n) Income tax

(i) The components of income tax were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Current tax expenses				
Current periods	\$ 81,425	-	81,425	-
Taxes on undistributed surplus earnings	42	-	42	-
	<u>81,467</u>	<u>-</u>	<u>81,467</u>	<u>-</u>
Deferred tax expenses				
Origination and reversal of temporary differences	94,011	4,559	220,072	2,898
Income tax expenses	<u>\$ 175,478</u>	<u>4,559</u>	<u>301,539</u>	<u>2,898</u>

(ii)

<u>Company</u>	<u>Approved year</u>
The Company	2020
Dancewoods Hotel & Resort	2020

(o) Capital and other equity

Except for the following disclosure, there were no significant changes for capital and other equity for the six months ended June 30, 2022 and 2021. For related information, please refer to Note 16 of the consolidated financial statements for the year ended December 31, 2021.

(i) Issuance of ordinary shares

On August 6, 2021, the Company's board of directors resolved to issue no more than 50,000 thousand ordinary shares, at a par value of \$10 per share, with the approval from the Securities and Futures Bureau on September 13, 2021. Furthermore, the Company applied for a 3-month extension for the public offering of its issuance of shares, which had been approved on November 22, 2021. A total of 50,000 thousand shares were issued at the price of \$32.8 per share, with the subscription base date set on 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, resulting in the fully paid share capital to increase to \$3,292,671 thousand.

(Continued)

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

On June 30, 2022, the Company's board resolved to issue no more than 40,000 thousand ordinary shares, with a par value of \$10 per share. On July 28, 2022, the above transaction was approved by the Securities and Futures Bureau.

(ii) Capital surplus

The components of the capital surplus were as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Share capital	\$ 2,182,374	2,182,374	1,042,374
Treasury stock transactions	701	701	701
The difference between consideration received or paid and the carrying amount of subsidiaries' net assets during actual disposal or acquisition	3,603	3,603	3,603
Changes in percentage of ownership interest in subsidiaries	4,361	4,361	4,361
Conversion of bonds	372,267	372,267	372,267
Employee stock options	9,377	9,377	-
Other	69,358	69,358	69,358
	<u>\$ 2,642,041</u>	<u>2,642,041</u>	<u>1,492,664</u>

(iii) Retained earnings

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

In accordance with the Company's Articles of Incorporation, which were approved during the shareholders' meeting held on June 21, 2022, as the Company distributes all or part of its dividends, or legal reserve, or capital in cash, the Company should hold a Board meeting to pass the resolution by more than half of the directors present at the Board meeting, which requires a quorum of two thirds of all the directors present. Thereafter, the resolution will have to be submitted to the Shareholder's meeting.

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

(Continued)

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

1) Legal reserve

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

2) Special reserve

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

3) Earnings distribution

Earnings distribution for the years ended December 31, 2021 and 2020 were decided by the resolution adopted at the shareholders' meeting held on June 21, 2022 and August 26, 2021, respectively. No earnings would be appropriated for 2020 due to accumulated deficits. The stockholders' meeting resolved to offset the accumulated deficits against the legal reserve of \$1,422,909 thousand. The 2021 earning was appropriated as follows:

	For the years ended Decembers	
	2021	
	Amount per share (dollars)	Amount
Dividends distributed to ordinary shareholders:		
Cash	2.00 \$	658,534
4) OCI accumulated in reserves, net of tax		
		Exchange differences on translation of foreign financial statements
Balance on December 31, 2021 and January 1, 2022		\$ (1,143,073)
Exchange differences on foreign operations		758,380
Balance on June 30, 2022		\$ (384,693)
Balance on January 1, 2021		\$ (958,659)
Exchange differences on foreign operations		(127,014)
Balance on June 30, 2021		\$ (1,085,673)

(Continued)

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

(p) Earnings per share

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

(i) Basic earnings per share

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit attributable to ordinary shareholders of the company	\$ <u>698,834</u>	<u>495,976</u>	<u>1,202,898</u>	<u>535,351</u>
Weighted-average number of ordinary shares	<u>329,267</u>	<u>279,267</u>	<u>329,267</u>	<u>279,267</u>
	<u>\$ 2.12</u>	<u>1.78</u>	<u>3.65</u>	<u>1.92</u>

(ii) Diluted earnings per share

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit attributable to ordinary shareholders of the company	\$ <u>698,834</u>	<u>495,976</u>	<u>1,202,898</u>	<u>535,351</u>
Weighted-average number of ordinary shares	329,267	279,267	329,267	279,267
Employee stock bonus	981	-	1,323	-
Weighted-average number of ordinary shares (diluted)	<u>\$ 330,248</u>	<u>279,267</u>	<u>330,590</u>	<u>279,267</u>
	<u>\$ 2.12</u>	<u>1.78</u>	<u>3.64</u>	<u>1.92</u>

(q) Revenue from contracts with customers

	<u>For the three months ended June 30, 2022</u>		
	<u>Shipping segment</u>	<u>Tourism segment</u>	<u>Total</u>
Primary geographical markets:			
Taiwan	\$ 12,729	41,658	54,387
Asia	1,605,954	-	1,605,954
Europe	244,293	-	244,293
Other	(703)	-	(703)
	<u>\$ 1,862,273</u>	<u>41,658</u>	<u>1,903,931</u>
Major products/services lines:			
Rental income	\$ 1,862,273	43	1,862,316
Other operating income	-	41,615	41,615
	<u>\$ 1,862,273</u>	<u>41,658</u>	<u>1,903,931</u>

(Continued)

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

	For the three months ended June 30, 2021		
	Shipping segment	Tourism segment	Total
Primary geographical markets:			
Taiwan	\$ 35,627	21,795	57,422
Asia	921,549	-	921,549
Europe	200,941	-	200,941
Other	<u>37,582</u>	<u>-</u>	<u>37,582</u>
	<u>\$ 1,195,699</u>	<u>21,795</u>	<u>1,217,494</u>
Major products/services lines:			
Rental income	\$ 1,195,699	23	1,195,722
Other operating income	<u>-</u>	<u>21,772</u>	<u>21,772</u>
	<u>\$ 1,195,699</u>	<u>21,795</u>	<u>1,217,494</u>
	For the six months ended June 30, 2022		
	Shipping segment	Tourism segment	Total
Primary geographical markets:			
Taiwan	\$ 23,277	96,607	119,884
Asia	2,862,305	-	2,862,305
Europe	495,866	-	495,866
Other	<u>30,563</u>	<u>-</u>	<u>30,563</u>
	<u>\$ 3,412,011</u>	<u>96,607</u>	<u>3,508,618</u>
Major products/services lines:			
Rental income	\$ 3,412,011	250	3,412,261
Other operating income	<u>-</u>	<u>96,357</u>	<u>96,357</u>
	<u>\$ 3,412,011</u>	<u>96,607</u>	<u>3,508,618</u>
	For the six months ended June 30, 2021		
	Shipping segment	Tourism segment	Total
Primary geographical markets:			
Taiwan	\$ 65,833	71,993	137,826
Asia	1,545,082	-	1,545,082
Europe	295,935	-	295,935
Other	<u>37,408</u>	<u>-</u>	<u>37,408</u>
	<u>\$ 1,944,258</u>	<u>71,993</u>	<u>2,016,251</u>

(Continued)

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

	For the six months ended June 30, 2021		
	Shipping segment	Tourism segment	Total
Major products/services lines:			
Rental income	\$ 1,944,258	240	1,944,498
Other operating income	-	71,753	71,753
	\$ 1,944,258	71,993	2,016,251

(r) Remunerations to employees and directors

The Company's articles of incorporation require that earnings shall first be offset against any deficit, then, a minimum of 2% will be distributed as employee remuneration and a maximum of 5% will be allocated as directors' remuneration. Employees who entitled to receive the abovementioned employee remuneration, in shares or cash, include the employees of the subsidiaries of the Company who meet certain specific requirements.

For the three months and the six months ended June 30, 2022, the Company estimated its employee remuneration amounting to \$17,900 thousand, and \$30,840 thousand, respectively, and directors' remuneration amounting to \$2,520 thousand, and \$5,040 thousand, respectively. The Company retained its net profit before tax for the six months ended June 30, 2021 to offset its deficits, and thus, did not accrue any remuneration to its employees and directors. The estimated amounts mentioned above were calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating expenses during 2022 and 2021.

For the year ended December 31, 2022, the remunerations to employees and directors amounted to \$49,500 thousand and \$10,000 thousand, respectively. Related information would be available on the Market Observation Post System website. The amounts, as stated in the consolidated financial statements, are identical to the actual distributions for the year ended 2021.

(s) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to note 23 of the consolidated financial statements for the year ended December 31, 2022.

(i) Credit risk

1) Credit risk exposure

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

(Continued)

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

2) Concentration of credit risk

As of June 30, 2022, December 31 and June 30, 2021, the accounts receivable amounted to \$34,162 thousand, \$48,336 thousand and \$51,673 thousand, constituting 0.14%, 0.20% and 0.24%, respectively, of the consolidated total assets. Most of the customers of the Group have good reputation, hence, there is no significant credit risk.

3) Accounts receivable of credit risk

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

(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>within 6 months</u>	<u>6-12months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>More than 5 years</u>
June 30, 2022							
Non-derivative financial liabilities							
Secured bank loans	\$13,907,381	14,571,686	1,633,031	2,630,281	6,431,222	3,865,935	11,217
Short-term notes and bills payable	39,967	40,000	40,000	-	-	-	-
Non-interest bearing liabilities	1,537,476	1,537,476	1,436,131	101,345	-	-	-
Lease liabilities	1,275	1,314	88	175	613	438	-
	<u>\$15,486,099</u>	<u>16,150,476</u>	<u>3,109,250</u>	<u>2,731,801</u>	<u>6,431,835</u>	<u>3,866,373</u>	<u>11,217</u>
December 31, 2021							
Non-derivative financial liabilities							
Secured bank loans	\$15,780,757	16,290,855	1,721,894	1,381,544	5,283,899	7,161,510	742,008
Non-interest bearing liabilities	798,997	798,997	704,608	-	94,389	-	-
Lease liabilities	257	264	-	88	88	88	-
	<u>\$16,580,011</u>	<u>17,090,116</u>	<u>2,426,502</u>	<u>1,381,632</u>	<u>5,378,376</u>	<u>7,161,598</u>	<u>742,008</u>
June 30, 2021							
Non-derivative financial liabilities							
Secured bank loans	\$16,143,200	16,772,998	942,269	1,225,721	4,778,694	8,765,891	1,060,423
Non-interest bearing liabilities	768,799	768,799	638,916	-	129,883	-	-
	<u>\$16,911,999</u>	<u>17,541,797</u>	<u>1,581,185</u>	<u>1,225,721</u>	<u>4,908,577</u>	<u>8,765,891</u>	<u>1,060,423</u>

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

(Continued)

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

(iii) Market risk

1) Currency risk

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

	June 30, 2022			December 31, 2021			June 30, 2021		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>									
<u>Monetary items</u>									
USD:NTD	\$ 2,518	29.7200	74,836	11,758	27.6800	325,464	1,806	27.8600	50,328
JPY:USD	24,592	0.0073	5,366	5,659	0.0087	1,361	16,623	0.0090	4,191
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD:NTD	30,496	29.7200	906,347	35,496	27.6800	982,535	21,014	27.8600	585,456
USD:JPY	34,418	0.0073	7,816	40,623	0.0087	9,770	22,584	0.0090	5,762

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivable, loans and trade and other payables that are denominated in foreign currency. A strengthening (weakening) of 1% of the NTD against the USD for the six months ended June 30, 2022 and 2021 would have (increased) decreased the net profit after tax by \$6,671 thousand and \$4,294 thousand, respectively. This analysis was based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for both periods.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months and the six months ended June 30, 2022 and 2021, the foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$(70,173) thousand, \$35,521 thousand, \$(138,362) thousand and \$31,612 thousand, respectively.

2) Interest rate analysis

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

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

If the interest rate had increased or decreased by 0.5% basis points, the Group's interest expenses would have increased or decreased by \$27,815 thousand and \$32,286 thousand for the six months ended June 30, 2022 and 2021, respectively, with all other variable factors remaining constant. This is mainly due to the Group's borrowing at variable rates.

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

(iv) Fair value of financial instruments

1) Fair value hierarchy

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

	June 30, 2022				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non derivative financial assets mandatorily measured at fair value through profit or loss	\$ 12,687	12,687	-	-	12,687
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 5,081,405	-	-	-	-
Accounts receivable	34,162	-	-	-	-
Other financial assets-current and non-current	208,364	-	-	-	-
Subtotal	\$ 5,323,931	-	-	-	-
Financial liabilities at amortized cost					
Bank loans	\$ 13,907,381	-	-	-	-
Short-term notes and bills payable	39,967	-	-	-	-
Notes payable and accounts payable	168,539	-	-	-	-
Other payables (include related parties)	1,368,937	-	-	-	-
Lease liabilities	1,275	-	-	-	-
Subtotal	\$ 15,486,099	-	-	-	-

(Continued)

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

	December 31, 2021				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non derivative financial assets mandatorily measured at fair value through profit or loss	\$ 9,649	9,649	-	-	9,649
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 5,082,169	-	-	-	-
Accounts receivable	48,336	-	-	-	-
Other financial assets-current and non-current	299,331	-	-	-	-
Subtotal	<u>\$ 5,429,836</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at amortized cost					
Bank loans	\$ 15,780,757	-	-	-	-
Notes payable and accounts payable	155,094	-	-	-	-
Other payables (include related parties)	643,903	-	-	-	-
Lease liabilities	<u>257</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>\$ 16,580,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

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

	June 30, 2021				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non derivative financial assets mandatorily measured at fair value through profit or loss	\$ 1,769	1,769	-	-	1,769
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 1,134,651	-	-	-	-
Accounts receivable	51,673	-	-	-	-
Other financial assets-current and non-current	367,756	-	-	-	-
Subtotal	<u>\$ 1,554,080</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at amortized cost					
Bank loans	\$ 16,143,200	-	-	-	-
Notes payable and accounts payable	129,088	-	-	-	-
Other payables (include related parties)	639,711	-	-	-	-
Subtotal	<u>\$ 16,911,999</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

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

2.1) Financial assets and financial liabilities measured at amortized cost

(Continued)

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

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

3) Valuation techniques for financial instruments measured at fair value

3.1) Non-derivative financial instruments

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

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

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

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

4) There were no transfers from each level for the six months ended June 30, 2022 and 2021.

(t) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in Note 23(d) of the consolidated financial statements for the year ended December 31, 2021.

(u) Capital management

Management believes that there were no changes in the Group's approach to the targets, policies and procedures in capital management as disclosed in the consolidated financial statements for the year ended December 31, 2021. Also, they believe that for the six months ended June 30, 2022, there were also no changes in the Group's capital management information. For other related information, please refer to Note 22 of the consolidated financial statements for the year ended December 31, 2021.

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

(7) Related-party transactions

(a) Names and relationship with related parties

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

<u>Name of related party</u>	<u>Relationship with the Group</u>
Benefit Transport S.A.	Entities controlled by the Company's chairman or his/her family
Wisdom Marine Agency Co., Ltd.	Entities controlled by the Company's chairman or his/her family
Genius Star Management Consulting Co., Ltd.	Entities controlled by the Company's chairman or his/her family
Pei Lin Investment Corp.	Entities controlled by the Company's chairman or his/her family
Luo Pan Investment Corp.	Entities controlled by the Company's chairman or his/her family
Liang Yu Investment Corp.	Entities controlled by the Company's chairman or his/her family
Fei Yuan Investment Corp.	Entities controlled by the Company's chairman or his/her family
Wisdom Shipping Agency Co., Ltd.	Entities controlled by the Company's chairman or his/her family
Huo Da Investment Corp.	Entities controlled by the Company's chairman or his/her family
Oceanlance Maritime S.A. Panama	Entities controlled by the Company's chairman or his/her family

(b) Significant transactions with related parties

(i) Operating revenue

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

<u>Account</u>	<u>Relationship</u>	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Other operating income	Entities controlled by the Company's chairman or his/her family	\$ <u>22</u>	<u>65</u>	<u>340</u>	<u>104</u>

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

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

(ii) Operating cost

<u>Relationship</u>	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Entities controlled by the Company's chairman or his/her family	\$ <u>1,853</u>	<u>200</u>	<u>2,690</u>	<u>2,003</u>

(iii) Receivables from related parties

<u>Account</u>	<u>Relationship</u>	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Account receivable	Entities controlled by the Company's chairman or his/her family	\$ <u>6</u>	<u>14</u>	<u>1</u>
Other receivables (classified as other current assets)	Entities controlled by the Company's chairman or his/her family	\$ <u>1</u>	<u>-</u>	<u>-</u>

(iv) Payables to related parties

<u>Account</u>	<u>Relationship</u>	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Account payable	Entities controlled by the Company's chairman or his/her family	\$ <u>-</u>	<u>208</u>	<u>3,984</u>

(v) Acquisitions of property and equipment

<u>Relationship</u>	<u>For the six months ended June 30</u>	
	<u>2022</u>	<u>2021</u>
Entities controlled by the Company's chairman or his/her family	\$ <u>-</u>	<u>18,165</u>

(vi) Other

<u>Account</u>	<u>Relationship</u>	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Interest expense	Entities controlled by the Company's chairman or his/her family	\$ <u>-</u>	<u>1</u>	<u>-</u>	<u>2</u>

In May 2018, the Group leased its office premises from entities controlled by the Company's chairman or his/her family for a period of three years, maturing in May 2021.

(Continued)

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

(vii) Loans from related parties

<u>Related party name</u>	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Pei Lin Investment Corp.	\$ 180,133	180,133	180,133
Huo Da Investment Corp.	128,000	128,000	128,000
Liang Yu Investment Corp.	-	-	7,000
Benefit Transport S.A.	-	-	27,860
	<u>\$ 308,133</u>	<u>308,133</u>	<u>342,993</u>

The interests payable on loans from related parties (classified as other payables to related parties) were \$536 thousand, \$615 thousand and \$1,456 thousand as of June 30, 2022, December 31, 2021 and June 30, 2021, respectively; and the related interest expenses were \$3,591 thousand and \$6,468 thousand for the six months ended June 30, 2022 and 2021, respectively. The loans from Benefit Transport S.A. amounting to \$289,554 thousand, which was secured on June 30, 2021 using the Group's vessels, had been fully repaid in July 2021. Please refer to Note 8.

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

<u>Related party name</u>	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Benefit Transport S.A.			
Not later than one year	\$ 101,345	-	16,047
Later than one year and not later than five years	-	94,389	129,883
	<u>\$ 101,345</u>	<u>94,389</u>	<u>145,930</u>

In September and November 2016, the Group entered into separate sale and purchase agreements with a related party, Benefit Transport S.A., to dispose its vessels at an amount of \$1,307,738 thousand. Consequently, the Group also entered into lease agreements to lease back its vessels from the related party, with lease terms ranging from October 2016 to September 2021 and December 2016 to November 2021, respectively. Furthermore, the Group planned to repurchase the above vessels upon their maturity. The Group deposited the amount of US\$18,550 thousand as collateral in accordance with the agreements (classified as other non-current assets). Please refer to Note 8.

In October 2017, the Group entered a sale and purchase agreement with its related party, Benefit Transport S.A., to dispose its vessel at an amount of \$181,536 thousand. Consequently, the Group also entered into a lease agreement to lease back its vessel from its related party, with a lease term which runs from the period between October 2017 and November 2022. Furthermore, the Group planned to repurchase the above vessel upon its maturity. The Group deposited the amount of US\$1,000 thousand as collateral in accordance with the agreements. Please refer to Note 8.

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
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In March 2020, the Group entered into a sale and purchase agreement with its related party, Benefit Transport S.A., to dispose its vessel at an amount of \$178,630 thousand. Consequently, the Group also entered into a lease agreement to lease back its vessel from its related party, with a lease term which runs from the period between April 2020 and May 2023. Furthermore, the Group planned to repurchase the above vessel upon its maturity. The Group deposited the amount of US\$3,410 thousand as collateral in accordance with the agreements. Please refer to Note 8.

In order to dispose six of the above vessels, the Group entered into an agreement with Benefit Transport S.A., who was requested by the Group to sell the vessels to different designated third parties on behalf of the Group in February 2021, July and February 2020, March 2018, and October 2017. Consequently, the Group cancelled its lease agreements before their maturity, as well as its plan to repurchase the above vessels. Instead, the Group settled the remaining lease payables of \$232,327 thousand, \$171,808 thousand, \$94,484 thousand, \$452,855 thousand and \$135,030 thousand and deposits of \$120,724 thousand, \$123,900 thousand, \$29,995 thousand, \$256,476 thousand and \$39,725 thousand, respectively, with Benefit Transport S.A.

For the abovementioned lease transactions, with the interests payable amounting to \$37 thousand, had been classified as other payables to related parties as of June 30, 2021. For the six months ended June 30, 2021, the interest expense amounted to \$1,139 thousand.

(ix) Other transactions with related parties

<u>Relationship</u>	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Entities controlled by the Company's chairman or his/her family	\$ <u>17</u>	<u>17</u>	<u>34</u>	<u>34</u>

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

(c) Key management personnel compensation

Key management personnel compensation comprised:

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	\$ 7,010	1,072	13,091	2,268
Post-employment benefits	<u>50</u>	<u>49</u>	<u>101</u>	<u>97</u>
	<u>\$ 7,060</u>	<u>1,121</u>	<u>13,192</u>	<u>2,365</u>

(Continued)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
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(8) Assets pledged as security:

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

<u>Assets pledged as security</u>	<u>Liabilities secured by pledge</u>	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Other financial assets-current and non-current	Bank loans	\$ 208,364	299,331	367,756
Other assets-non current	Loans form related parties and deposits	107,795	113,339	123,453
Property, plant and equipment	Bank loans	17,094,031	17,806,956	18,585,289
		<u>\$ 17,410,190</u>	<u>18,219,626</u>	<u>19,076,498</u>

(9) Significant commitments and contingencies

- (a) The Group's subsidiary, Forever Pescadores S.A. Panama, was investigated by the International Transport Workers' Federation (ITF) in March 2019, wherein ITF believed that some of the crew members' salaries were lower than the standard wage. In October 2020, the Group's subsidiary had reached a settlement with ITF and signed a non-disclosure agreement. Furthermore, certain subsidiaries of the Group were also randomly investigated by ITF, and the investigation is still in progress. The Group recognized the related provisions as of June 30, 2022 due to a possible obligation that may require an outflow of resources of economic benefits. Please refer to Note 6(k).
- (a) The contractors, FUT-AI Construction Co., Ltd. and Taiwan Shinryo Co., Ltd. (Shinryo), were in a dispute with Dancewoods due to the refusal of Dancewoods to pay the additional charges to both contractors for its hotel construction. In November 2019, the Chinese Arbitration Association, Taipei (CAA) requested Dancewoods to pay Shinryo the additional amount of \$23,920 thousand. Instead, Dancewoods requested Shinryo to drop the case made to CAA in December 2019, and suggested Shinryo to settle the matter between both of them, in which Shinryo agreed. Thereafter, Dancewoods commissioned a lawyer to propose a settlement; and on June 25, 2021, both parties reached a settlement agreement wherein Dancewoods have to pay Shinryo the amount of \$20,322 thousand. The payments were made on June 25, September 24 and December 24, 2021. Then, as of June 30, 2022, Dancewoods applied to the court for the refund of its security deposit amounting to \$6,450 thousand, which was received in full on July 14, 2022

(10) Losses due to major disasters: None

(11) Subsequent events: None

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

(12) Other

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

		For the three months ended June 30					
By item By function		2022			2021		
		Cost of sale	Operating expense	Total	Cost of sale	Operating expense	Total
Employee benefits							
Salary		247,881	46,875	294,756	182,729	19,784	202,513
Labor and health insurance		1,303	2,257	3,560	1,032	2,206	3,238
Pension		661	1,243	1,904	492	1,115	1,607
Others		14,345	1,204	15,549	24,775	947	25,722
Depreciation		323,227	1,073	324,300	323,210	1,020	324,230
Depletion		-	-	-	-	-	-
Amortization		-	420	420	-	175	175

		For the six months ended June 30					
By item By function		2022			2021		
		Cost of sale	Operating expense	Total	Cost of sale	Operating expense	Total
Employee benefits							
Salary		506,651	89,359	596,010	352,445	42,985	395,430
Labor and health insurance		2,519	5,170	7,689	2,115	4,304	6,419
Pension		1,181	2,496	3,677	1,001	2,234	3,235
Others		33,176	3,314	36,490	50,632	2,303	52,935
Depreciation		662,514	2,081	664,595	651,709	2,128	653,837
Depletion		-	-	-	-	-	-
Amortization		-	477	477	-	350	350

(Continued)

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

(13) Other disclosures:**(a) Information on significant transactions:**

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

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	DONG LIEN MARITIME S.A. PANAMA	FOREVER PESCADO RES S.A. PANAMA	Other receivables from related parties	Yes	23,776	23,776	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	ETERNITY PESCADO DORES S.A. PANAMA	Other receivables from related parties	Yes	23,776	23,776	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	UNICORN BRILLIANT S.A. PANAMA	Other receivables from related parties	Yes	14,860	-	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	VALOR PESCADO RES S.A. PANAMA	Other receivables from related parties	Yes	14,860	14,860	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	TRUMP PESCADO RES S.A. PANAMA	Other receivables from related parties	Yes	29,720	-	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	WISE PESCADO RES S.A. PANAMA	Other receivables from related parties	Yes	14,860	14,860	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	FAIR PESCADO RES S.A. PANAMA	Other receivables from related parties	Yes	14,860	-	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	GALLANT PESCADO DORES S.A. PANAMA	Other receivables from related parties	Yes	14,860	-	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	VIGOR PESCADO RES S.A. PANAMA	Other receivables from related parties	Yes	14,860	14,860	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	PATRIOT PESCADO RES S.A. PANAMA	Other receivables from related parties	Yes	14,860	-	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	MOON BRIGHT SHIPPING CORPORATION	Other receivables from related parties	Yes	23,776	23,776	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	FOURSEAS PESCADO DORES S.A. PANAMA	Other receivables from related parties	Yes	29,720	-	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	FEDERAL PESCADO RES S.A. PANAMA	Other receivables from related parties	Yes	23,776	23,776	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601

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

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	DONG LIEN MARITIME S.A. PANAMA	MODEST PESCADO RES S.A. PANAMA	Other receivables from related parties	Yes	29,720	29,720	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	PENGHU PESCADO RES S.A. PANAMA	Other receivables from related parties	Yes	29,720	29,720	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	SKYHIGH PESCADO RES S.A. PANAMA	Other receivables from related parties	Yes	14,860	14,860	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	DANCEWOOD PESCADO RES S.A. PANAMA	Other receivables from related parties	Yes	14,860	14,860	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	DANCEFLORA PESCADO RES S.A. PANAMA	Other receivables from related parties	Yes	29,720	29,720	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	STAMINA PESCADO RES S.A. PANAMA	Other receivables from related parties	Yes	29,720	23,776	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	BRAVE PESCADO RES S.A. PANAMA	Other receivables from related parties	Yes	14,860	14,860	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	GENIUS PESCADO RES S.A. (PANAMA)	Other receivables from related parties	Yes	23,776	23,776	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	SPINNAKER PESCADO RES S.A. PANAMA	Other receivables from related parties	Yes	14,860	14,860	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	ENDURANCE PESCADO RES S.A. PANAMA	Other receivables from related parties	Yes	14,860	14,860	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	SUMMIT PESCADO RES S.A. PANAMA	Other receivables from related parties	Yes	29,720	14,860	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	INDIGO PESCADO RES S.A. PANAMA	Other receivables from related parties	Yes	14,860	14,860	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	AUDREY PESCADO RES S.A. PANAMA	Other receivables from related parties	Yes	14,860	14,860	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	WONDERFUL PESCADO RES S.A. PANAMA	Other receivables from related parties	Yes	14,860	14,860	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	HUGE PESCADO RES S.A. PANAMA	Other receivables from related parties	Yes	14,860	14,860	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	ELEGANT PESCADO RES S.A. (PANAMA)	Other receivables from related parties	Yes	23,776	23,776	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601

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

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	DONG LIEN MARITIME S.A. PANAMA	FORTUNATE MARITIME S.A. PANAMA	Other receivables from related parties	Yes	29,720	29,720	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	The company	Other receivables from related parties	Yes	1,248,240	1,129,360	906,347	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	10,515,601	10,515,601
1	DONG LIEN MARITIME S.A. PANAMA	Dancewoods Hotel & Resort	Other receivables from related parties	Yes	267,480	208,040	207,282	1.75 %	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	3,154,680	4,206,240

Note 1: Limitation of financing was based on 30% of the lending company's net equity on June 30, 2022; if the loan to overseas company whose voting shares are 100% owned directly or indirectly by the lender or lending to parent, the limitation of financing would have been based on 100% of the lending company's net equity on June 30, 2022.

Note 2: Limitation of financing was based on 40% of the lending company's net equity on June 30, 2022, if the loan to overseas company whose voting shares are 100% owned directly or indirectly by the lender or lending to parent, the limitation of financing would have been based on 100% of the lending company's net equity on June 30, 2022.

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

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The company	DONG LIEN MARITIME S.A. PANAMA	1	8,154,010	1,233,403	1,181,604	1,092,444	-	14.49 %	48,924,060	Yes	No	No
0	The company	UNICORN BRILLIANT S.A. PANAMA	1	8,154,010	544,053	-	-	-	- %	48,924,060	Yes	No	No
0	The company	ELEGANT PESCADORES S.A. (PANAMA)	1	8,154,010	591,331	573,303	573,303	-	7.03 %	48,924,060	Yes	No	No
0	The company	BRAVE PESCADORES S.A.	1	8,154,010	474,896	461,968	461,968	3,914	5.67 %	48,924,060	Yes	No	No
0	The company	GENIUS PESCADORES S.A. (PANAMA)	1	8,154,010	666,748	652,481	652,481	4,319	8.00 %	48,924,060	Yes	No	No
0	The company	MOON BRIGHT SHIPPING CORPORATION	1	8,154,010	593,176	575,619	575,619	-	7.06 %	48,924,060	Yes	No	No
0	The company	GALLANT PESCADORES S.A.	1	8,154,010	246,627	-	-	-	- %	48,924,060	Yes	No	No
0	The company	VALOR PESCADORES S.A. PANAMA	1	8,154,010	97,669	90,157	90,157	-	1.11 %	48,924,060	Yes	No	No
0	The company	VIGOR PESCADORES S.A. PANAMA	1	8,154,010	296,206	284,133	284,133	-	3.48 %	48,924,060	Yes	No	No

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
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No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The company	FORTUNATE MARITIME S.A. PANAMA	1	8,154,010	643,008	101,345	101,345	-	1.24 %	48,924,060	Yes	No	No
0	The company	HUGE PESCADORES S.A. PANAMA	1	8,154,010	165,103	165,103	165,103	-	2.02 %	48,924,060	Yes	No	No
0	The company	FAIR PESCADORES S.A. PANAMA	1	8,154,010	149,754	-	-	-	- %	48,924,060	Yes	No	No
0	The company	FOREVER PESCADORES S.A. PANAMA	1	8,154,010	412,862	397,296	397,296	-	4.87 %	48,924,060	Yes	No	No
0	The company	ETERNITY PESCADORES S.A. PANAMA	1	8,154,010	469,969	454,044	454,044	-	5.57 %	48,924,060	Yes	No	No
0	The company	FEDERAL PESCADORES S.A. PANAMA	1	8,154,010	631,805	611,768	611,768	-	7.50 %	48,924,060	Yes	No	No
0	The company	WISE PESCADORES S.A. PANAMA	1	8,154,010	256,169	112,458	112,458	-	1.38 %	48,924,060	Yes	No	No
0	The company	MODEST PESCADORES S.A. PANAMA	1	8,154,010	803,709	803,709	803,709	-	9.86 %	48,924,060	Yes	No	No
0	The company	PATRIOT PESCADORES S.A. PANAMA	1	8,154,010	241,039	-	-	-	- %	48,924,060	Yes	No	No
0	The company	PENGHU PESCADORES S.A. PANAMA	1	8,154,010	842,751	819,035	819,035	-	10.04 %	48,924,060	Yes	No	No
0	The company	SKYHIGH PESCADORES S.A. PANAMA	1	8,154,010	352,107	352,107	352,107	-	4.32 %	48,924,060	Yes	No	No
0	The company	DANCEWOD PESCADORES S.A. PANAMA	1	8,154,010	448,419	437,383	437,383	6,678	5.36 %	48,924,060	Yes	No	No
0	The company	DANCEFLORA PESCADORES S.A. PANAMA	1	8,154,010	230,691	212,859	212,859	-	2.61 %	48,924,060	Yes	No	No
0	The company	STAMINA PESCADORES S.A. PANAMA	1	8,154,010	295,536	267,829	267,829	-	3.28 %	48,924,060	Yes	No	No
0	The company	SPINNAKER PESCADORES S.A. PANAMA	1	8,154,010	355,672	355,672	355,672	-	4.36 %	48,924,060	Yes	No	No
0	The company	ENDURANCE PESCADORES S.A. PANAMA	1	8,154,010	615,813	602,885	602,885	7,821	7.39 %	48,924,060	Yes	No	No
0	The company	INDIGO PESCADORES S.A. PANAMA	1	8,154,010	466,753	456,722	456,722	-	5.60 %	48,924,060	Yes	No	No
0	The company	SUMMIT PESCADORES S.A. PANAMA	1	8,154,010	330,103	311,082	311,082	-	3.82 %	48,924,060	Yes	No	No
0	The company	AUDREY PESCADORES S.A. PANAMA	1	8,154,010	418,212	408,628	408,628	2,902	5.01 %	48,924,060	Yes	No	No

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No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The company	WONDERFUL PESCADORES S.A. PANAMA	1	8,154,010	427,797	418,211	418,211	5,798	5.13 %	48,924,060	Yes	No	No
0	The company	Dancewoods Hotel & Resort	1	8,154,010	2,477,109	2,474,725	2,414,725	-	30.35 %	48,924,060	Yes	No	No

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

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

Note 2:Limit on endorsement/guarantee given to a single entity was 100% of the net equity on June 30, 2022.

Note 3:Limit on endorsement/guarantee given to a single entity was 600% of the net equity on June 30, 2022.

(iii) Securities held as of June 30, 2022 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The company	Convertible bond of Taiwan Kolin Co., Ltd	-	Financial assets at fair value through profit or loss - current	40	-	- %	-	
The company	Convertible bond of Merry Electronics Co., Ltd.	-	"	25,000	2,500	- %	2,500	
The company	Tai Twue Enterprise Co., Ltd.	-	"	7,000	95	- %	95	
The company	Wisdom Marine International Inc.	-	"	70,000	4,550	- %	4,550	
The company	China Steel Co.	-	"	11,000	313	- %	313	
The company	Evergreen Marine Co.	-	"	10,000	846	- %	846	
The company	Sincere Navigation C.	-	"	2,000	41	- %	41	
The company	I-Chiun Precision Industry Co., Ltd.	-	"	109	3	- %	3	
The company	Yulon Motor Co., Ltd.	-	"	35,000	1,652	- %	1,652	
The company	Fubon 3-Y Maturity Asia USD Bd Fd A USD	-	"	100,000	876	- %	876	
Dancewoods Hotel & Resort	Dancewoods Suao Co., Ltd	-	"	1,140,000	-	19.00 %	-	
Dancewoods Hotel & Resort	Chang Hwa Commercial Bank, Ltd.	-	"	50,000	867	- %	867	
Dancewoods Hotel & Resort	Yulon Motor Co., Ltd.	-	"	20,000	944	- %	944	

(iv) Individual securities acquired or disposed with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None

(v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None

(vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None

(viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None

(ix) Trading in derivative instruments: None

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

(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The company	Dong Lien Maritime S.A. Panama and subsidiaries	1	Operating revenue	97,211	Receive in net 30 days	3%
0	The company	Dancewoods Hotel & Resort	1	Other revenue	14,771	Receive in net 30 days	-%
0	The company	Dong Lien Maritime S.A. Panama and subsidiaries	1	Other payable to related parties	906,347	Pay in net 30 days	4%
0	The company	Dancewoods Hotel & Resort	2	Operating revenue	30	Receive in net 30 days	-%
0	The company	Dancewoods Hotel & Resort	2	Other payable to related parties	207,990	Receive in net 30 days	1%
0	The company	Fortunate Maritime S.A. Panama	2	Operating revenue	6,076	Receive in net 30 days	-%
1	Dancewoods Hotel & Resort	The company	2	Operating revenue	129	Receive in net 30 days	-%
2	Dong Lien Maritime S.A. Panama and subsidiaries	Dancewoods Hotel & Resort	3	Other revenue	1,785	Receive in net 30 days	-%

(b) Information on investees:

The following is the information on investees for the six months ended June 30, 2022 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2022			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2022	December 31, 2021	Shares (thousands)	Percentage of ownership	Carrying value			
The company	Dong Lien Maritime S.A. Panama	Panama	Cargo shipping services and shipping agency	2,567,593	1,275,368	86,392,775	100.00 %	10,515,601	1,605,170	1,605,170	Subsidiary (Note 1 and 3)
The company	Fortunate Maritime S.A. Panama	Panama	"	589,199	50,970	198,250	100.00 %	852,001	67,939	67,939	"
The company	Dancewoods Hotel & Resort	Taiwan	Resort hotels service and recreational grounds and facilities	772,257	-	46,636,927	51.52 %	119,899	(115,026)	(59,262)	"
The company	Thermolysis Co., Ltd	Taiwan	Pollution prevention equipment manufacturing and retail	30,000	-	2,000,000	6.06 %	28,899	(18,225)	(1,101)	Related Party (Note 2)
Dong Lien Maritime S.A. Panama	Audrey Pescadores S.A. Panama	Panama	Cargo shipping services and shipping agency	148,600	148,600	50,000	100.00 %	331,838	40,932	-	Sub-subsidiary (Note 1 and 3)
Dong Lien Maritime S.A. Panama	Brave Pescadores S.A.	Panama	"	104,020	104,020	35,000	100.00 %	309,093	58,783	-	"
Dong Lien Maritime S.A. Panama	Bright Pescadores S.A. Panama	Panama	"	59,440	59,440	20,000	100.00 %	228,995	(565)	-	"
Dong Lien Maritime S.A. Panama	Brilliant Pescadores S.A.	Panama	"	29,720	29,720	10,000	100.00 %	91,835	(192)	-	"
Dong Lien Maritime S.A. Panama	Danceflora Pescadores S.A. Panama	Panama	"	326,920	326,920	110,000	100.00 %	317,878	50,506	-	"
Dong Lien Maritime S.A. Panama	Dancewood Pescadores S.A. Panama	Panama	"	237,760	237,760	8,000,000	100.00 %	332,343	51,753	-	"
Dong Lien Maritime S.A. Panama	Elegant Pescadores S.A. (Panama)	Panama	"	326,920	326,920	110,000	100.00 %	281,589	76,292	-	"
Dong Lien Maritime S.A. Panama	Endurance Pescadores S.A. Panama	Panama	"	148,600	148,600	50,000	100.00 %	281,074	67,681	-	"
Dong Lien Maritime S.A. Panama	Eternity Pescadores S.A. Panama	Panama	"	222,900	222,900	75,000	100.00 %	319,059	63,994	-	"
Dong Lien Maritime S.A. Panama	Excellent Pescadores S.A. (Panama)	Panama	"	59,440	59,440	20,000	100.00 %	134,507	(109)	-	"
Dong Lien Maritime S.A. Panama	Fair Pescadores S.A. Panama	Panama	"	267,320	118,880	89,946	100.00 %	265,548	8,323	-	"
Dong Lien Maritime S.A. Panama	Federal Pescadores S.A. Panama	Panama	"	237,760	237,760	80,000	100.00 %	373,831	52,753	-	"

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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2022			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2022	December 31, 2021	Shares (thousands)	Percentage of ownership	Carrying value			
Dong Lien Maritime S.A. Panama	Forever Pescadores S.A. Panama	Panama	Cargo shipping services and shipping agency	297,200	297,200	100,000	100.00 %	370,902	58,894	-	Sub-subsidiary (Note 1 and 3)
Dong Lien Maritime S.A. Panama	Fourseas Pescadores S.A. Panama	Panama	"	297,200	297,200	100,000	100.00 %	393,778	64,655	-	"
Dong Lien Maritime S.A. Panama	Gallant Pescadores S.A.	Panama	"	245,918	297	82,745	100.00 %	362,456	19,025	-	"
Dong Lien Maritime S.A. Panama	Genius Pescadores S.A. (Panama)	Panama	"	297	297	10	100.00 %	527,288	77,687	-	"
Dong Lien Maritime S.A. Panama	Glaring Pescadores S.A. Panama	Panama	"	163,460	163,460	55,000	100.00 %	99,742	(161)	-	"
Dong Lien Maritime S.A. Panama	Grand Pescadores S.A. (Panama)	Panama	"	297	297	100	100.00 %	61,268	(16)	-	"
Dong Lien Maritime S.A. Panama	Honor Pescadores S.A. Panama	Panama	"	59,440	59,440	20,000	100.00 %	277,627	(2,611)	-	"
Dong Lien Maritime S.A. Panama	Huge Pescadores S.A. Panama	Panama	"	89,160	89,160	30,000	100.00 %	95,580	12,299	-	"
Dong Lien Maritime S.A. Panama	Indigo Pescadores S.A. Panama	Panama	"	59,440	59,440	20,000	100.00 %	314,662	108,324	-	"
Dong Lien Maritime S.A. Panama	Leader Pescadores S.A. Panama	Panama	"	89,160	89,160	30,000	100.00 %	130,804	636	-	"
Dong Lien Maritime S.A. Panama	Modest Pescadores S.A. Panama	Panama	"	252,620	252,620	85,000	100.00 %	221,046	6,173	-	"
Dong Lien Maritime S.A. Panama	Moon Bright Shipping Corporation	Panama	"	252,620	252,620	85,000	100.00 %	160,990	52,389	-	"
Dong Lien Maritime S.A. Panama	Patriot Pescadores S.A. Panama	Panama	"	447,253	208,040	150,489	100.00 %	276,323	7,259	-	"
Dong Lien Maritime S.A. Panama	Penghu Pescadores S.A. Panama	Panama	"	326,920	326,920	110,000	100.00 %	221,274	27,657	-	"
Dong Lien Maritime S.A. Panama	Pharos Pescadores S.A. Panama	Panama	"	118,880	118,880	40,000	100.00 %	120,843	-	-	"
Dong Lien Maritime S.A. Panama	Poseidon Pescadores S.A. Panama	Panama	"	118,880	118,880	40,000	100.00 %	188,165	(16)	-	"
Dong Lien Maritime S.A. Panama	Shining Pescadores S.A. (Panama)	Panama	"	297	297	100	100.00 %	130,188	(13)	-	"
Dong Lien Maritime S.A. Panama	Skyhigh Pescadores S.A. Panama	Panama	"	178,320	178,320	60,000	100.00 %	77,627	25,238	-	"
Dong Lien Maritime S.A. Panama	Spinnaker Pescadores S.A. Panama	Panama	"	208,040	208,040	70,000	100.00 %	359,890	70,598	-	"
Dong Lien Maritime S.A. Panama	Stamina Pescadores S.A. Panama	Panama	"	282,340	282,340	95,000	100.00 %	174,161	69,781	-	"
Dong Lien Maritime S.A. Panama	Summit Pescadores S.A. Panama	Panama	"	89,160	89,160	30,000	100.00 %	365,392	90,078	-	"
Dong Lien Maritime S.A. Panama	Superior Pescadores S.A. Panama	Panama	"	74,300	74,300	25,000	100.00 %	149,150	(231)	-	"
Dong Lien Maritime S.A. Panama	Trump Pescadores S.A. Panama	Panama	"	178,320	178,320	60,000	100.00 %	238,292	29,792	-	"
Dong Lien Maritime S.A. Panama	Unicorn Brilliant S.A. Panama	Panama	"	867,283	326,920	291,818	100.00 %	852,140	78,929	-	"
Dong Lien Maritime S.A. Panama	Valor Pescadores S.A. Panama	Panama	"	89,160	89,160	30,000	100.00 %	391,260	32,982	-	"
Dong Lien Maritime S.A. Panama	Vigor Pescadores S.A. Panama	Panama	"	59,440	59,440	20,000	100.00 %	460,213	74,857	-	"
Dong Lien Maritime S.A. Panama	Well Pescadores S.A. Panama	Panama	"	89,160	89,160	30,000	100.00 %	118,894	-	-	"
Dong Lien Maritime S.A. Panama	Wise Pescadores S.A. Panama	Panama	"	326,629	208,040	109,902	100.00 %	190,778	19,183	-	"

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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2022			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2022	December 31, 2021	Shares (thousands)	Percentage of ownership	Carrying value			
Dong Lien Maritime S.A. Panama	Wonderful Pescadores S.A. Panama	Panama	Cargo shipping services and shipping agency	148,600	148,600	50,000	100.00 %	331,699	77,905	-	Sub-subsidiary (Note 1 and 3)

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

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

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

(c) Information on investment in mainland China: None

(d) Major shareholders: None

Shareholder's Name	Shareholding	Shares	Percentage
Luo Pan Investment Corp.		30,441,267	9.24 %

(14) Segment information:

The two operating segments of the Group are categorized as Real Estate Transaction Group and Construction Group. These two groups have different market and marketing strategy, which are described as follows:

- (a) Shipping segment: engages in the business of cargo shipping services and shipping agency
- (b) Tourism segment: engages in the business of resort hotels service and recreational grounds and facilities

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

	Shipping segment	Tourism segment	Adjustment and eliminations	Total
For the three months ended June 30, 2022				
Revenue:				
Revenue from external customers	\$ 1,862,273	41,658	-	1,903,931
Intersegment revenues	15	45	(60)	-
Total revenue	<u>\$ 1,862,288</u>	<u>41,703</u>	<u>(60)</u>	<u>1,903,931</u>
Reportable segment profit or loss	<u>\$ 698,820</u>	<u>(66,543)</u>	<u>34,296</u>	<u>666,573</u>
For the three months ended June 30, 2021				
Revenue:				
Revenue from external customers	\$ 1,195,699	21,795	-	1,217,494
Intersegment revenues	15	2	(17)	-
Total revenue	<u>\$ 1,195,714</u>	<u>21,797</u>	<u>(17)</u>	<u>1,217,494</u>
Reportable segment profit or loss	<u>\$ 495,964</u>	<u>(57,113)</u>	<u>29,732</u>	<u>468,583</u>
For the six months ended June 30, 2022				
Revenue:				
Revenue from external customers	\$ 3,412,011	96,607	-	3,508,618
Intersegment revenues	30	129	(159)	-
Total revenue	<u>\$ 3,412,041</u>	<u>96,736</u>	<u>(159)</u>	<u>3,508,618</u>
Reportable segment profit or loss	<u>\$ 1,202,868</u>	<u>(115,026)</u>	<u>59,291</u>	<u>1,147,133</u>
For the six months ended June 30, 2021				
Revenue:				
Revenue from external customers	\$ 1,944,258	71,993	-	2,016,251
Intersegment revenues	30	276	(306)	-
Total revenue	<u>\$ 1,944,288</u>	<u>72,269</u>	<u>(306)</u>	<u>2,016,251</u>
Reportable segment profit or loss	<u>\$ 535,323</u>	<u>(109,492)</u>	<u>57,126</u>	<u>482,957</u>