

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

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2023 and 2022**

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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 March 31, 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2023, 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 the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. 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 Standards on Auditing of the Republic of China 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 March 31, 2023, and of its consolidated financial performance, and its consolidated cash flows for the three months ended March 31, 2023 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.

**Other Matter**

The consolidated financial statements of Shih Wei Navigation Co., Ltd and its subsidiaries for the three months ended March 31, 2022, were reviewed by other auditors, who expressed an unqualified opinion with an emphasis of matter on those statements on May 5, 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)
May 5, 2023

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 Standards on Auditing

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2023 and 2022

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

		For the three months ended March 31			
		2023		2022	
		Amount	%	Amount	%
	Operating Revenues (Note 6(r) and Note 7):				
4300	Rental revenue	\$ 799,762	93	1,549,945	97
4800	Other operating revenue	63,131	7	54,742	3
	Operating revenue, net	<u>862,893</u>	<u>100</u>	<u>1,604,687</u>	<u>100</u>
5000	Operating costs (Note 6(n) and Note 7)	<u>901,305</u>	<u>104</u>	<u>818,833</u>	<u>51</u>
	Gross (loss) profit from operations	(38,412)	(4)	785,854	49
6200	Administrative expenses (Note 6(n) and Note 6(s))	<u>72,064</u>	<u>8</u>	<u>78,852</u>	<u>5</u>
	Net operating (loss) income	<u>(110,476)</u>	<u>(12)</u>	<u>707,002</u>	<u>44</u>
	Non-operating income and expenses :				
7100	Interest income	35,809	4	1,089	-
7190	Other income	30,043	3	27,161	2
7230	Foreign exchange (losses) gains	15,265	2	(68,189)	(4)
7235	Gains (losses) on financial assets at fair value through profit or loss	952	-	(103)	-
7370	Shares of loss of associates and joint ventures accounted for using equity method	(878)	-	(186)	-
7510	Interest expense	(152,791)	(18)	(59,262)	(4)
7590	Other expenses	(3,208)	-	(878)	-
7610	Losses on disposals of property, plant and equipment	(1,753)	-	(13)	-
7673	Impairment loss recognised in profit or loss, property, plant and equipment	(11,771)	(1)	-	-
	Total non-operating income and expenses	<u>(88,332)</u>	<u>(10)</u>	<u>(100,381)</u>	<u>(6)</u>
	Profit (loss) from continuing operations before tax	(198,808)	(22)	606,621	38
7950	Less: Income tax expenses (Note 6(o))	<u>7,625</u>	<u>1</u>	<u>126,061</u>	<u>8</u>
	Profit (loss)	<u>(206,433)</u>	<u>(23)</u>	<u>480,560</u>	<u>30</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	(110,766)	(13)	345,046	21
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>(110,766)</u>	<u>(13)</u>	<u>345,046</u>	<u>21</u>
8300	Other comprehensive income	<u>(110,766)</u>	<u>(13)</u>	<u>345,046</u>	<u>21</u>
	Total comprehensive income	<u>\$ (317,199)</u>	<u>(36)</u>	<u>825,606</u>	<u>51</u>
	Profit (loss), attributable to:				
8610	Owners of parent	\$ (185,167)	(21)	504,064	31
8620	Non-controlling interests	<u>(21,266)</u>	<u>(2)</u>	<u>(23,504)</u>	<u>(1)</u>
		<u>\$ (206,433)</u>	<u>(23)</u>	<u>480,560</u>	<u>30</u>
	Comprehensive income (loss) attributable to:				
8710	Owners of parent	\$ (295,933)	(34)	849,110	53
8720	Non-controlling interests	<u>(21,266)</u>	<u>(2)</u>	<u>(23,504)</u>	<u>(2)</u>
		<u>\$ (317,199)</u>	<u>(36)</u>	<u>825,606</u>	<u>51</u>
	Basic earnings per share (Note 6(q))	<u>\$ (0.50)</u>		<u>1.53</u>	
	Diluted earnings per share (Note 6(q))	<u>\$ (0.50)</u>		<u>1.52</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 Standards on Auditing

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to owners of parent

	Share capital					Retained earnings		Total other equity interest		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	Total equity attributable to owners of parent			
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)	-	-	-	-	504,064	504,064	-	504,064	(23,504)	480,560	
Other comprehensive income	-	-	-	-	-	-	345,046	345,046	-	345,046	
Total comprehensive income	-	-	-	-	504,064	504,064	345,046	849,110	(23,504)	825,606	
Balance at March 31, 2022	<u>\$ 3,292,671</u>	<u>2,642,041</u>	<u>56,909</u>	<u>-</u>	<u>2,506,782</u>	<u>2,563,691</u>	<u>(798,027)</u>	<u>7,700,376</u>	<u>145,085</u>	<u>7,845,461</u>	
Balance at January 1, 2023	\$ 3,692,671	3,044,890	257,180	1,143,072	2,031,323	3,431,575	(43,174)	10,125,962	73,919	10,199,881	
Profit (loss)	-	-	-	-	(185,167)	(185,167)	-	(185,167)	(21,266)	(206,433)	
Other comprehensive income	-	-	-	-	-	-	(110,766)	(110,766)	-	(110,766)	
Total comprehensive income	-	-	-	-	(185,167)	(185,167)	(110,766)	(295,933)	(21,266)	(317,199)	
Appropriation and distribution of retained earnings:											
Cash dividends of ordinary shares	-	-	-	-	(553,901)	(553,901)	-	(553,901)	-	(553,901)	
Changes in ownership interests in subsidiaries	-	680	-	-	-	-	-	680	(680)	-	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	146,800	146,800	
Balance at March 31, 2023	<u>\$ 3,692,671</u>	<u>3,045,570</u>	<u>257,180</u>	<u>1,143,072</u>	<u>1,292,255</u>	<u>2,692,507</u>	<u>(153,940)</u>	<u>9,276,808</u>	<u>198,773</u>	<u>9,475,581</u>	

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 Standards on Auditing

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2023	2022
Cash flows from (used in) operating activities:		
(Loss) profit before tax	\$ (198,808)	606,621
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expenses	367,832	323,089
Amortization expenses	373	238
Net losses on financial assets or liabilities at fair value through profit or loss	(952)	103
Interest expenses	152,791	59,262
Interest income	(35,809)	(1,089)
Shares of losses of associates and joint ventures accounted for using equity method	878	186
Gains on disposal of property, plant and equipment	1,753	13
Impairment loss on non-financial assets	11,771	-
Total adjustments to reconcile profit	<u>498,637</u>	<u>381,802</u>
Changes in operating assets and liabilities:		
Net gains on financial assets or liabilities at fair value through profit or loss	(3,485)	-
Decrease in accounts receivable	34,617	15,687
Decrease in inventories	42,991	48,106
Increase in other current assets	(8,938)	(2,837)
Decrease in accounts payable	(14,281)	(22,417)
Decrease in other payables	(31,077)	(6,043)
Increase (decrease) in other current liabilities	(39,002)	24,279
Decrease in net defined benefit liabilities	-	(231)
Total adjustments	<u>479,462</u>	<u>438,346</u>
Cash inflow generated from operations	280,654	1,044,967
Interest received	67,854	1,495
Interest paid	(155,392)	(59,674)
Income taxes paid	(48)	(7)
Net cash flows from operating activities	<u>193,068</u>	<u>986,781</u>
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	-	(30,000)
Acquisition of property, plant and equipment	(54,223)	(27,277)
Proceeds from disposal of property, plant and equipment	12,413	-
Decrease in refundable deposits	-	7,520
Decrease in other financial assets	20,715	20,434
Decrease (increase) in prepayments equipment	617	(2,438)
Net cash flows from investing activities	<u>(20,478)</u>	<u>(31,761)</u>
Cash flows from (used in) financing activities:		
Decrease in short-term loans	-	(51,392)
Increase in short-term notes and bills payable	20,000	-
Proceeds from long-term debt	101,270	50,000
Repayments of long-term debt	(1,237,718)	(1,832,879)
Increase (decrease) in other payables to related parties	(164,920)	66,246
Payments of lease liabilities	(38)	(175)
Change in non-controlling interests	146,800	-
Net cash flows used in financing activities	<u>(1,134,606)</u>	<u>(1,768,200)</u>
Effects of exchange rate changes on cash and cash equivalents	<u>(42,300)</u>	<u>150,961</u>
Net (decrease) increase in cash and cash equivalents	<u>(1,004,316)</u>	<u>(662,219)</u>
Cash and cash equivalents at beginning of period	<u>5,374,819</u>	<u>5,082,169</u>
Cash and cash equivalents at end of period	<u>\$ 4,370,503</u>	<u>4,419,950</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 Standards on Auditing

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2023 and 2022

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

(1) Company history

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

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

These consolidated financial statements were authorized for issue by the Board of Directors on May 5, 2023.

(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, 2023:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

- (b) 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 IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information “
- IFRS16 “Requirements for Sale and Leaseback Transactions”

(Continued)

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

(4) Summary of significant accounting policies:

(a) Statement of compliance

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

(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
			March 31, 2023	December 31, 2022	March 31, 2022	
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	51.37 %	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	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 %	

(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
			March 31, 2023	December 31, 2022	March 31, 2022	
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	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 %	
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	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	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.

(Continued)

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

(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.

(e) Non-current assets held for sale & Discontinued operations

(i) Non-current assets held for sale

Non-current assets or disposal groups comprising assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use, are reclassified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, generally, the assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to assets not within the scope of IAS 36 – Impairment of Assets. Such assets will continue to be measured in accordance with the Group's accounting policies.

Impairment losses on assets initially classified as held for sale and any subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of the cumulative impairment loss that has been recognized.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

(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.

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, 2022. For related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2022.

(6) Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2022 consolidated financial statements. Please refer to note 6 to the 2022 annual consolidated financial statements.

(a) Cash and cash equivalents

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Cash on hand	\$ 49,850	57,900	57,597
Bank deposits	740,342	1,116,405	2,596,190
Cash equivalents	<u>3,580,311</u>	<u>4,200,514</u>	<u>1,766,163</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 4,370,503</u>	<u>5,374,819</u>	<u>4,419,950</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(t) for the interest rate risk and sensitivity analysis on the financial assets and liabilities of the Group.

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Mandatorily measured at fair value through profit or loss:			
Convertible bonds	\$ -	-	5,343
Shares of exchange-listed and OTC-listed companies	14,798	10,361	3,351
Monetary fund	-	-	852
Total	<u>\$ 14,798</u>	<u>10,361</u>	<u>9,546</u>

(Continued)

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

(i) For information on the Group's hedge on credit, currency and interest rate of its financial instruments, please refer to Note 6(t).

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

(c) Other financial assets

Other financial assets were as follows:

	<u>March 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>March 31,</u> <u>2022</u>
Current:			
Restricted assets	\$ <u>201,157</u>	<u>218,799</u>	<u>132,291</u>
Non-current:			
Restricted assets	\$ <u>56,471</u>	<u>59,525</u>	<u>147,267</u>

The other financial assets of the 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>March 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>March 31,</u> <u>2022</u>
Related party	\$ <u>26,871</u>	<u>27,749</u>	<u>29,814</u>

(i) Related party

In March 2022, the 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 The Group can assign one member to the Thermolysis Co., Ltd. Board as its representative. Therefore, the The Group has a significant influence over Thermolysis Co., Ltd.

(ii) Pledge

As of March 31, 2023, December 31 and March 31, 2022, the above investments accounted for using the equity method of the The Group had not been pledged as collateral.

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

(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>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Dancewoods Hotel & Resort	Taiwan	48.63 %	48.48 %	48.48 %

The Group's subscription in Dancewoods Hotel & Resort's new share issuance in cash on January, 2023, was not proportional to its shareholding, resulting in a reduction of its shareholding from 51.52% to 51.37%.

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>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Current assets	\$ 196,407	121,225	126,073
Non-current assets	2,963,758	2,992,886	3,130,309
Current liabilities	(2,582,263)	(2,678,630)	(2,809,104)
Non-current liabilities	(240,409)	(78,265)	(148,011)
Net assets	<u>\$ 337,493</u>	<u>357,216</u>	<u>299,267</u>
Non-controlling interest	<u>\$ 198,773</u>	<u>73,919</u>	<u>145,085</u>

	<u>For the three months ended March 31</u>	
	<u>2023</u>	<u>2022</u>
Operating revenue	<u>\$ 63,217</u>	<u>55,032</u>
Profit (loss) from continuing operations	\$ (43,729)	(48,483)
Other comprehensive income	-	-
Comprehensive income	<u>\$ (43,729)</u>	<u>(48,483)</u>
Net income attribute to non-controlling interest	<u>\$ (21,266)</u>	<u>(23,504)</u>
Comprehensive income attribute to non-controlling interest	<u>\$ (21,266)</u>	<u>(23,504)</u>
Net cash flows from operating activities	\$ (400,170)	(29,448)
Net cash flows from investing activities	(5,298)	15,921
Net cash flows from financing activities	488,174	11,258
Net increase (decrease) in cash and cash equivalents	<u>\$ 82,706</u>	<u>(2,269)</u>

(Continued)

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

(f) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the The Group , for the three months ended March 31, 2023 and 2022 were as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Vessel Equipment</u>	<u>Equipment under finance Leases</u>	<u>Other Equipment</u>	<u>Total</u>
Cost or deemed cost:						
Balance on January 1, 2023	\$ 684,976	2,506,349	29,153,683	-	682,043	33,027,051
Additions	-	2,480	50,721	-	1,022	54,223
Disposals and retirements	-	(1,985)	(52,459)	-	(3,530)	(57,974)
Prepayments for equipment (reclassification)	-	476	-	-	-	476
Reclassified as non-current assets held for sale	-	-	(545,765)	-	-	(545,765)
Effect of change in foreign exchange rates	-	-	(246,554)	-	-	(246,554)
Balance on March 31, 2023	<u>\$ 684,976</u>	<u>2,507,320</u>	<u>28,359,626</u>	<u>-</u>	<u>679,535</u>	<u>32,231,457</u>
Balance on January 1, 2022	\$ 684,976	2,501,692	26,035,562	393,047	668,156	30,283,433
Additions	-	82	21,247	-	5,948	27,277
Disposals and retirements	-	-	(36,789)	-	(73)	(36,862)
Reclassifications	-	-	-	-	215	215
Effect of change in foreign exchange rates	-	-	887,416	13,419	-	900,835
Balance on March 31, 2022	<u>\$ 684,976</u>	<u>2,501,774</u>	<u>26,907,436</u>	<u>406,466</u>	<u>674,246</u>	<u>31,174,898</u>
Depreciation and impairment loss:						
Balance on January 1, 2023	\$ -	305,793	13,444,729	-	430,514	14,181,036
Depreciation for the period	-	13,653	335,384	-	18,636	367,673
Disposals and retirements	-	(346)	(41,000)	-	(2,462)	(43,808)
Reclassified as non-current assets held for sale	-	-	(360,142)	-	-	(360,142)
Impairment loss	-	-	11,771	-	-	11,771
Effect of change in foreign exchange rates	-	-	(113,023)	-	-	(113,023)
Balance on March 31, 2023	<u>\$ -</u>	<u>319,100</u>	<u>13,277,719</u>	<u>-</u>	<u>446,688</u>	<u>14,043,507</u>
Balance on January 1, 2022	\$ -	252,170	11,037,580	257,910	358,934	11,906,594
Depreciation for the period	-	13,679	284,529	5,706	19,108	323,022
Disposals and retirements	-	-	(36,789)	-	(60)	(36,849)
Effect of change in foreign exchange rates	-	-	381,317	8,933	-	390,250
Balance on March 31, 2022	<u>\$ -</u>	<u>265,849</u>	<u>11,666,637</u>	<u>272,549</u>	<u>377,982</u>	<u>12,583,017</u>
Carrying value:						
Balance on January 1, 2023	<u>\$ 684,976</u>	<u>2,200,556</u>	<u>15,708,954</u>	<u>-</u>	<u>251,529</u>	<u>18,846,015</u>
Balance on March 31, 2023	<u>\$ 684,976</u>	<u>2,188,220</u>	<u>15,081,907</u>	<u>-</u>	<u>232,847</u>	<u>18,187,950</u>
Balance on January 1, 2022	<u>\$ 684,976</u>	<u>2,249,522</u>	<u>14,997,982</u>	<u>135,137</u>	<u>309,222</u>	<u>18,376,839</u>
Balance on March 31, 2022	<u>\$ 684,976</u>	<u>2,235,925</u>	<u>15,240,799</u>	<u>133,917</u>	<u>296,264</u>	<u>18,591,881</u>

(Continued)

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) Non-current assets held for sale

The Group signed the sale agreement in March 2023; it has started to conduct the related sales and is expected to complete the sales in April 2023. The above-mentioned assets which book value was \$197,394 thousand were measured at the lower of book value and fair value less costs of sales, and an impairment loss of \$11,771 thousand was recognized under other gains and losses in the consolidated statement of comprehensive income.

(iii) As of March 31, 2023, December 31 and March 31, 2022, 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>Other Equipment</u>	<u>Total</u>
Carrying value:				
Balance on January 1, 2023	\$ <u>214</u>	-	1,189	1,403
Balance on March 31, 2023	\$ <u>192</u>	-	1,052	1,244
Balance on January 1, 2022	\$ <u>300</u>	-	-	300
Balance on March 31, 2022	\$ <u>278</u>	-	1,600	1,878

There were no significant additions, disposal, or recognition and reversal of impairment losses of right-of-use assets for the three months ended March 31, 2023 and 2022. Please refer to Note 6(g) of the 2022 annual consolidated financial statements for other related information.

(h) Short-term loans

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Secured bank loans	\$ <u>714,000</u>	714,000	867,831
Range of interest rate	<u>2.08%~2.52%</u>	<u>1.33%~4.15%</u>	<u>1.59%~1.86%</u>

(i) Borrowing and repayment

For the three months ended March 31, 2023 and 2022, the The Group borrowed the amounts of \$0 thousand and \$0 thousand. In addition, the The Group repaid the amounts of \$0 thousand and \$51,392 thousand, respectively.

(ii) Collateral for bank loan

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

(Continued)

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

(i) Long-term loans

The details were as follows:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Secured bank loans	\$ 10,819,270	12,038,130	13,457,288
Less: current portion	<u>(4,103,863)</u>	<u>(4,288,433)</u>	<u>(4,691,388)</u>
Total	<u>\$ 6,715,407</u>	<u>7,749,697</u>	<u>8,765,900</u>
Range of interest rate	<u>1.94%~6.66%</u>	<u>1.48%~6.49%</u>	<u>1.31%~3.20%</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 March 31, 2023, the amount of \$2,111,715 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 March 31, 2023 Dancewoods has submitted to the managing bank an application for exemption from the above criteria for financial ratios. Since the application was still in progress, the The Group reclassified long-term borrowings of \$1,835,715 thousand to current liabilities (classified as current portion of long-term borrowings).

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

(ii) Borrowing and repayment

For the three months ended March 31, 2023 and 2022, the The Group borrowed the amounts of \$101,270 thousand and \$50,000 thousand, with maturities set in March 2024 and August 2025, respectively. In addition, the The Group repaid \$1,237,718 thousand and \$1,832,879 thousand, respectively.

(iii) Collateral for bank loan

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

(j) Short-term notes and bills payable

March 31, 2023			
	Guarantee or acceptance institution	Range of interest rates(%)	Amount
Commercial paper payable	Mega Bills	2.20~3.14%	\$ 80,000
Less: Discount on short-term notes and bills payable			(261)
Total			\$ 79,739
December 31, 2022			
	Guarantee or acceptance institution	Range of interest rates(%)	Amount
Commercial paper payable	Mega Bills	2.20~2.54%	\$ 60,000
Less: Discount on short-term notes and bills payable			(48)
Total			\$ 59,952

For the three months ended March 31, 2023, the The Group borrowed the amount of \$20,000 thousand, with an interest rate of 3.14% maturing in May 2023.

(k) Bonds Payable

The Group resolved by the Board of Directors on March 30, 2023, to issue the sixth domestic guaranteed conversion bonds in the following manner. The issuance is pending approval by the competent authority.

A total of 5,000 bonds are issued at par value of \$100 thousand per bond, with a total par value of \$500 million. The issue period is three years, the coupon rate is 0%, the issue is at no lower than the face value, and the issue is fully underwritten by public auction with 100% of the face value as the reserve, and the actual issue price is determined by the auction results.

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

(l) Current provisions

	March 31, 2023	December 31, 2022	March 31, 2022
Litigation provision	<u>\$ 48,720</u>	<u>49,136</u>	<u>45,800</u>

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 three months ended March 31, 2023 and 2022. Please refer to note 9 for more details.

(m) Lease liabilities

The The Group's lease liabilities were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Current	<u>\$ 1,072</u>	<u>502</u>	<u>114</u>
Non-current	<u>\$ 88</u>	<u>696</u>	<u>1,155</u>

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

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31	
	2023	2022
Interest on lease liabilities	<u>\$ 6</u>	<u>4</u>
Expenses relating to short-term leases	<u>\$ 177</u>	<u>240</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 611</u>	<u>101</u>

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

	For the three months ended March 31	
	2023	2022
Total cash outflow for leases	<u>\$ 750</u>	<u>521</u>

(i) Real estate leases

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

(ii) Other leases

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

(Continued)

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

(n) 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, 2022 and 2020.

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

	For the three months ended	
	March 31	
	2023	2022
Operating expense	\$ 243	3

(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	
	March 31	
	2023	2022
Operating costs	\$ 695	569
Operating expenses	1,356	1,249
Total	\$ 2,051	1,818

(o) Income tax

(i) The components of income tax for the three months ended March 31, 2023 and 2022 were as follows:

	For the three months ended	
	March 31	
	2023	2022
Deferred tax expenses		
Origination and reversal of temporary differences	\$ 7,625	126,061
Income tax expenses	\$ 7,625	126,061

Company	Approved year
The Company	2020
Dancewoods Hotel & Resort	2020

(Continued)

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

(p) Capital and other equity

(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.

On June 30, 2022, the Company's Board of Directors resolved to issue no more than 40,000 thousand ordinary shares, with a par value of \$10 per share, with the approval from by the Securities and Futures Bureau on July 28, 2022. Furthermore, the Company applied for a 3-month extension for the public offering of its issuance of shares, which had been approved on September 29, 2022. A total of 40,000 thousand shares were issued of the price of \$20 per share. The amendment of the registration of the issuance of new ordinary shares had been approved on December 13, 2022 by the Ministry of Economic Affairs, resulting in the fully paid share capital to increase to \$3,692,671 thousand.

The Company resolved by the Board of Directors' Meeting on March 30, 2023, to issue 20,000 thousand ordinary shares, at a par value of \$10 per share. The capital increase is pending approval by the competent authority.

(ii) Capital surplus

The components of the capital surplus were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Share capital	\$ 2,582,374	2,582,374	2,182,374
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	5,041	4,361	4,361
Conversion of bonds	372,267	372,267	372,267
Employee stock options	12,226	12,226	9,377
Other	69,358	69,358	69,358
	<u>\$ 3,045,570</u>	<u>3,044,890</u>	<u>2,642,041</u>

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

(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.

1) Legal reserve

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

2) Special reserve

In accordance with the rule issued by the FSC, a portion of the current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. The amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions. As of March 31, 2023, the special earnings reserve was amounted \$1,143,072 thousand.

(Continued)

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

3) Earnings distribution

Earnings distribution for the years ended December 31, 2022 and 2021, was decided by the resolution adopted at the board meeting held on March 30, 2023, and the shareholders' meeting on June 21, 2022, respectively. The earnings were distributed as follows:

	For the years end December 31,			
	2023		2022	
	Amount per share (dollars)	Amount	Amount per share (dollars)	Amount
Dividends distributed to ordinary shareholders:				
Cash	1.50	\$ <u>553,901</u>	2.00	\$ <u>658,534</u>

4) OCI accumulated in reserves, net of tax

	Exchange differences on translation of foreign financial statements
Balance on December 31, 2022 and January 1, 2023	\$ (43,174)
Exchange differences on foreign operations	<u>(110,766)</u>
Balance on March 31, 2023	\$ <u>(153,940)</u>
Balance on January 1, 2022	\$ (1,143,073)
Exchange differences on foreign operations	<u>345,046</u>
Balance on March 31, 2022	\$ <u>(798,027)</u>

(q) Earnings per share

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

(i) Basic earnings per share (NT dollars)

	For the three months ended March 31	
	2023	2022
Profit (Loss) attributable to ordinary shareholders of the company	\$ <u>(185,167)</u>	\$ <u>504,064</u>
Weighted-average number of ordinary shares (shares in thousands)	<u>369,267</u>	<u>329,267</u>
	\$ <u>(0.50)</u>	\$ <u>1.53</u>

(Continued)

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

(ii) Diluted earnings per share (NT dollars)

	For the three months ended March 31	
	2023	2022
Profit (Loss) attributable to ordinary shareholders of the company	\$ (185,167)	504,064
Weighted-average number of ordinary shares (shares in thousands)	369,267	329,267
Employee stock bonus (Note)	-	1,422
Weighted-average number of ordinary shares (diluted)	369,267	330,689
	\$ (0.50)	1.52

Note: The item has an anti-dilutive effect on January 1 to March 31, 2023, and hence it is not included in the calculation of diluted earnings per share.

(r) Revenue from contracts with customers

	For the three months ended March 31, 2023		
	Shipping segment	Tourism segment	Total
Primary geographical markets:			
Taiwan	\$ 2,521	63,189	65,710
Asia	710,097	-	710,097
Europe	84,666	-	84,666
Other	2,420	-	2,420
	\$ 799,704	63,189	862,893
Major products/services lines:			
Rental income	\$ 799,704	58	799,762
Other operating income	-	63,131	63,131
	\$ 799,704	63,189	862,893

(Continued)

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

	For the three months ended March 31, 2022		
	Shipping segment	Tourism segment	Total
Primary geographical markets:			
Taiwan	\$ 10,548	54,949	65,497
Asia	1,256,351	-	1,256,351
Europe	251,573	-	251,573
Other	31,266	-	31,266
	<u>\$ 1,549,738</u>	<u>54,949</u>	<u>1,604,687</u>
Major products/services lines:			
Rental income	\$ 1,549,738	207	1,549,945
Other operating income	-	54,742	54,742
	<u>\$ 1,549,738</u>	<u>54,949</u>	<u>1,604,687</u>

(s) Remunerations to employees and directors

The Company did not estimate its employees' and directors' remuneration for the three months ended March 31, 2023 since it incurred net loss after tax. For the three months ended March 31, 2022, the Company estimated its employees' remuneration amounting to \$12,940 thousand and directors' remuneration amounting to \$2,520 thousand. These amounts were based on the estimated distribution percentages of employees' remuneration and directors' remuneration as stipulated in the Company's Articles of Incorporation, and were recognized as operating expenses for that period. If there is a discrepancy between the actual distribution amount and the estimated amount in the next year, it will be treated as a change in accounting estimate, and the difference will be recognized as profit or loss for the next year. If the Board of Directors decides to purchase stock for employee remuneration, the basis for calculating the number of shares for stock remuneration is based on the day before the Board of Directors' resolution.

The remunerations to employees and directors for the year ended December 31, 2022 were approved by the Board of Directors on March 30, 2023, amounted to \$52,100 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 2022.

(Continued)

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

(t) 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.

2) Concentration of credit risk

As of March 31, 2023, December 31 and March 31, 2022, the accounts receivable amounted to \$15,211 thousand, \$50,281 thousand and \$33,862 thousand, constituting 0.00%、0.20% and 0.00%, 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>
March 31, 2023							
Non-derivative financial liabilities							
Secured bank loans	\$11,533,270	11,678,222	1,812,663	1,864,048	5,736,941	2,254,941	9,629
Short-term notes and bills payable	79,739	80,000	80,000	-	-	-	-
Non-interest bearing liabilities	621,152	621,152	621,152	-	-	-	-
Lease liabilities	1,160	2,114	1,057	288	263	506	-
	<u>\$12,235,321</u>	<u>12,381,488</u>	<u>2,514,872</u>	<u>1,864,336</u>	<u>5,737,204</u>	<u>2,255,447</u>	<u>9,629</u>

(Continued)

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>within 6 months</u>	<u>6-12months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>More than 5 years</u>
December 31, 2022							
Non-derivative financial liabilities							
Secured bank loans	\$12,752,130	13,019,991	2,014,751	1,908,589	6,310,496	2,776,526	9,629
Short-term notes and bills payable	59,952	60,000	60,000	-	-	-	-
Non-interest bearing liabilities	818,951	818,951	818,951	-	-	-	-
Lease liabilities	<u>1,198</u>	<u>1,270</u>	<u>526</u>	<u>613</u>	<u>131</u>	<u>-</u>	<u>-</u>
	<u>\$13,632,231</u>	<u>13,900,212</u>	<u>2,894,228</u>	<u>1,909,202</u>	<u>6,310,627</u>	<u>2,776,526</u>	<u>9,629</u>
March 31, 2022							
Non-derivative financial liabilities							
Secured bank loans	\$14,325,119	16,011,270	2,030,196	2,491,272	5,818,253	5,299,310	372,239
Non-interest bearing liabilities	684,447	1,368,894	684,447	684,447	-	-	-
Lease liabilities	<u>1,269</u>	<u>1,125</u>	<u>25</u>	<u>44</u>	<u>550</u>	<u>506</u>	<u>-</u>
	<u>\$15,010,835</u>	<u>17,381,289</u>	<u>2,714,668</u>	<u>3,175,763</u>	<u>5,818,803</u>	<u>5,299,816</u>	<u>372,239</u>

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

(iii) Market risk

1) Currency risk

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

	<u>March 31, 2023</u>			<u>December 31, 2022</u>			<u>March 31, 2022</u>			
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	
<u>Financial assets</u>										
<u>Monetary items</u>										
USD:NTD	\$	3,156	30.4500	96,089	1,534	30.7100	47,109	3,039	28.6250	87,026
JPY:USD		26,003	0.0075	5,950	23,342	0.0076	5,425	44,413	0.0082	10,451
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD:NTD		37,996	30.4500	1,156,985	54,944	30.7100	1,288,921	35,496	28.6250	1,016,079
USD:JPY		44,615	0.0075	10,208	58,001	0.0076	13,479	28,250	0.0082	6,647

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 receivables, loans and borrowings and trade and other payables that are denominated in foreign currency.

(Continued)

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

A strengthening (weakening) of 1% of the NTD against the USD for the three months ended March 31, 2023 and 2022, would have increased (decreased) the net profit after tax by \$7,304 thousand and \$7,402 thousand, respectively. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases. The analysis assumes that all other variables remain constant, and is performed on the same basis for the three months ended March 31, 2023 and 2022.

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 ended March 31, 2023 and 2022, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$15,265 thousand and \$(68,189) 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 net income would have increased or decreased by \$11,533 thousand and \$57,300 thousand for the three months ended March 31, 2023 and 2022, respectively, with all other variable factors remaining constant. This is mainly due to the Group's borrowing at variable rates.

3) Other market price risk

The Group was exposed to equity price risk on its investments classified as financial assets at FVTPL. For the three months ended March 31, 2023 and 2022, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	For the three months ended March 31			
	2023		2022	
Prices of securities at the reporting date	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 5%	\$ -	740	-	477
Decreasing 5%	\$ -	(740)	-	(477)

(Continued)

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

(iv) Fair value of financial instruments

1) The Categories and Fair values of Financial Instruments

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

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

	March 31, 2023				
	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	\$ 14,798	14,798	-	-	14,798
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 4,370,503	-	-	-	-
Accounts receivable	15,211	-	-	-	-
Other financial assets-current and non-current	257,628	-	-	-	-
Subtotal	<u>\$ 4,643,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at amortized cost					
Bank loans	\$ 11,533,270	-	-	-	-
Short-term notes and bills payable	79,739	-	-	-	-
Notes payable and accounts payable	192,793	-	-	-	-
Other payables (include related parties)	428,359	-	-	-	-
Lease liabilities	1,160	-	-	-	-
Subtotal	<u>\$ 12,235,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

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

	December 31, 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	\$ 10,361	10,361	-	-	10,361
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 5,374,819	-	-	-	-
Accounts receivable	50,281	-	-	-	-
Other financial assets-current and non-current	278,324	-	-	-	-
Subtotal	\$ 5,703,424	-	-	-	-
Financial liabilities at amortized cost					
Bank loans	\$ 12,752,130	-	-	-	-
Short-term notes and bills payable	59,952	-	-	-	-
Notes payable and accounts payable	208,763	-	-	-	-
Other payables (include related parties)	610,188	-	-	-	-
Lease liabilities	1,198	-	-	-	-
Subtotal	\$ 13,632,231	-	-	-	-

(Continued)

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

	March 31, 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	\$ 9,546	9,546	-	-	9,546
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 4,419,950	-	-	-	-
Accounts receivable	33,862	-	-	-	-
Other financial assets-current and non-current	279,558	-	-	-	-
Subtotal	<u>\$ 4,733,370</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at amortized cost					
Bank loans	\$ 14,325,119	-	-	-	-
Notes payable and accounts payable	137,192	-	-	-	-
Other payables (include related parties)	547,255	-	-	-	-
Lease liabilities	<u>1,269</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>\$ 15,010,835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

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

2.1) Financial assets and financial liabilities measured at amortized cost

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

(Continued)

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

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 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 three months ended March 31, 2023 and 2022.

(u) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in Note 6(t) of the consolidated financial statements for the year ended December 31, 2022.

(v) 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, 2022. Also, they believe that for the three months ended March 31, 2023, there were also no changes in the Group's capital management information. For other related information, please refer to Note 6(u) of the consolidated financial statements for the year ended December 31, 2022.

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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
Dancewood Manor Co., Ltd.	Entities controlled by the Company's chairman or his/her family
Da Si Management Consulting Co., Ltd.	Entities controlled by the Company's chairman or his/her family
Kun Lun Construction Co., Ltd.	Entities controlled by the Company's chairman or his/her family
King Chou Investment, Ltd.	Entities controlled by the Company's chairman or his/her family
Kei Jai Investment, Ltd.	Entities controlled by the Company's chairman or his/her family

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

(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>	For the three months ended March 31	
		<u>2023</u>	<u>2022</u>
Other operating income	Entities controlled by the Company's chairman or his/her family	\$ <u>68</u>	<u>318</u>

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

(ii) Operating cost

<u>Relationship</u>	For the three months ended March 31	
	<u>2023</u>	<u>2022</u>
Entities controlled by the Company's chairman or his/her family	\$ <u>876</u>	<u>838</u>

(iii) Receivables from related parties

<u>Account</u>	<u>Relationship</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Account receivable	Entities controlled by the Company's chairman or his/her family	\$ <u>5</u>	<u>7</u>	<u>82</u>
Other receivables (classified as other current assets)	Entities controlled by the Company's chairman or his/her family	\$ <u>-</u>	<u>100</u>	<u>-</u>

(iv) Payables to related parties

<u>Account</u>	<u>Relationship</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Account payable	Entities controlled by the Company's chairman or his/her family	\$ <u>98</u>	<u>95</u>	<u>-</u>
Other payables-related parties	Entities controlled by the Company's chairman or his/her family	\$ <u>50</u>	<u>-</u>	<u>-</u>

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

(v) Loans from related parties

<u>Related party name</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Pei Lin Investment Corp.	\$ 33,333	180,133	180,133
Huo Da Investment Corp.	128,000	128,000	128,000
	<u>\$ 161,333</u>	<u>308,133</u>	<u>308,133</u>

The interests payable on loans from related parties (classified as other payables to related parties) were \$290 thousand, \$615 thousand and \$615 thousand as of March 31, 2023, December 31 and March 31, 2022, respectively. and the related interest expenses were \$1,039 thousand and \$1,785 thousand for the three months ended March 31, 2023 and 2022, respectively.

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

<u>Related party name</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Benefit Transport S.A.			
Not later than one year	\$ -	-	-
Later than one year and not later than five years	-	-	97,611
	<u>\$ -</u>	<u>-</u>	<u>97,611</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 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 The Group deposited the amount of US\$18,550 thousand as collateral in accordance with the agreements.

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

In October 2017, the 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 The Group deposited the amount of US\$1,000 thousand as collateral in accordance with the agreements.

In March 2020, the 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 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 The Group planned to repurchase the above vessel upon its maturity. The The Group deposited the amount of US\$3,410 thousand as collateral in accordance with the agreements.

In order to dispose six of the above vessels, the The Group entered into an agreement with Benefit Transport S.A., who was requested by the The Group to sell the vessels to different designated third parties on behalf of the The Group in August 2022, 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 \$220,498 thousand, \$232,327 thousand, \$171,808 thousand, \$94,484 thousand, \$452,855 thousand and \$135,030 thousand and deposits of \$104,721 thousand, \$120,724 thousand, \$123,900 thousand, \$29,995 thousand, \$256,476 thousand and \$39,725 thousand, respectively, with Benefit Transport S.A.

For the three months ended March 31, 2022, the interest expense amounted to \$3,084 thousand for the abovementioned lease transactions.

(vii) Other transactions with related parties

Relationship	For the three months ended March 31	
	2023	2022
Entities controlled by the Company's chairman or his/her family	\$ 17	17

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

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

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended	
	March 31	
	2023	2022
Short-term employee benefits	\$ 3,062	8,234
Post-employment benefits	58	51
	\$ 3,120	8,285

(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>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Other financial assets-current and non-current	Bank loans	\$ 183,668	352,366	249,291
Other financial assets	Fixed deposit pledge	73,960	-	30,267
Other assets-non-current	Loans from related parties and deposits	-	-	104,061
Property, plant and equipment	Bank loans	17,027,138	16,098,872	16,565,130
		\$ 17,284,766	16,451,238	16,948,749

(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 March 31, 2023 due to a possible obligation that may require an outflow of resources of economic benefits. Please refer to Note 6(l).

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

- (b) 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 \$20,332 thousand. The payments were made on June 25, September 24 and December 24, 2021. Dancewoods has fully received its security deposit amounting to \$6,450 thousand on July 14, 2022.

(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Other

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

By item	By function	For the three months ended March 31					
		2023			2022		
		Cost of sale	Operating expense	Total	Cost of sale	Operating expense	Total
Employee benefits							
Salary		246,130	30,934	277,064	252,468	42,447	294,915
Labor and health insurance		1,534	3,248	4,782	1,215	2,846	4,061
Pension		695	1,599	2,294	569	1,253	1,822
Others		27,833	1,576	29,409	32,459	2,081	34,540
Depreciation		366,635	1,197	367,832	322,256	833	323,089
Depletion		-	-	-	-	-	-
Amortization		-	373	373	-	238	238

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

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

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

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	DONG LIEN MARITIME S.A. PANAMA	FOREVER PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	24,360	24,360	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,891,156	11,891,156
1	DONG LIEN MARITIME S.A. PANAMA	ETERNITY PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	24,360	24,360	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,891,156	11,891,156
1	DONG LIEN MARITIME S.A. PANAMA	VALOR PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	15,225	15,225	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,891,156	11,891,156
1	DONG LIEN MARITIME S.A. PANAMA	WISE PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	15,225	15,225	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,891,156	11,891,156
1	DONG LIEN MARITIME S.A. PANAMA	VIGOR PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	24,360	24,360	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,891,156	11,891,156
1	DONG LIEN MARITIME S.A. PANAMA	MOON BRIGHT SHIPPING CORPORATION	Other receivables from related parties	Yes	30,450	30,450	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,891,156	11,891,156
1	DONG LIEN MARITIME S.A. PANAMA	FEDERAL PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	45,675	45,675	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,891,156	11,891,156
1	DONG LIEN MARITIME S.A. PANAMA	MODEST PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	45,675	45,675	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,891,156	11,891,156
1	DONG LIEN MARITIME S.A. PANAMA	PENGHU PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	45,675	45,675	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,891,156	11,891,156
1	DONG LIEN MARITIME S.A. PANAMA	SKYHIGH PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	15,225	15,225	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,891,156	11,891,156
1	DONG LIEN MARITIME S.A. PANAMA	DANCEWOOD PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	15,225	15,225	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,891,156	11,891,156
1	DONG LIEN MARITIME S.A. PANAMA	DANCEFLORA PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	30,450	-	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,891,156	11,891,156
1	DONG LIEN MARITIME S.A. PANAMA	STAMINA PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	24,360	-	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,891,156	11,891,156

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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	BRAVE PESCADORES S.A.	Other receivables from related parties	Yes	15,225	15,225	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,891,156	11,891,156
1	DONG LIEN MARITIME S.A. PANAMA	GENIUS PESCADORES S.A. (PANAMA)	Other receivables from related parties	Yes	24,360	24,360	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,891,156	11,891,156
1	DONG LIEN MARITIME S.A. PANAMA	SPINNAKER PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	24,360	24,360	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,891,156	11,891,156
1	DONG LIEN MARITIME S.A. PANAMA	ENDURANCE PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	24,360	24,360	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,891,156	11,891,156
1	DONG LIEN MARITIME S.A. PANAMA	SUMMIT PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	24,360	24,360	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,891,156	11,891,156
1	DONG LIEN MARITIME S.A. PANAMA	INDIGO PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	24,360	24,360	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,891,156	11,891,156
1	DONG LIEN MARITIME S.A. PANAMA	AUDREY PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	15,225	15,225	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,891,156	11,891,156
1	DONG LIEN MARITIME S.A. PANAMA	WONDERFUL PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	15,225	15,225	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,891,156	11,891,156
1	DONG LIEN MARITIME S.A. PANAMA	HUGE PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	24,360	24,360	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,891,156	11,891,156
1	DONG LIEN MARITIME S.A. PANAMA	ELEGANT PESCADORES S.A. (PANAMA)	Other receivables from related parties	Yes	30,450	30,450	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,891,156	11,891,156
1	DONG LIEN MARITIME S.A. PANAMA	FORTUNATE MARITIME S.A. PANAMA	Other receivables from related parties	Yes	30,450	30,450	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,891,156	11,891,156
1	DONG LIEN MARITIME S.A. PANAMA	The company	Other receivables from related parties	Yes	1,218,000	1,126,650	1,004,735	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,891,156	11,891,156
1	DONG LIEN MARITIME S.A. PANAMA	Dancewoods Hotel & Resort	Other receivables from related parties	Yes	304,500	304,500	152,250	1.75	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	3,567,347	4,756,462

Note 1: Limitation of financing was based on 30% of the lending company's net equity on March 31, 2023; 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 March 31, 2023.

Note 2: Limitation of financing was based on 40% of the lending company's net equity on March 31, 2023; 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 March 31, 2023.

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

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

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The company	DONG LIEN MARITIME S.A. PANAMA	1	9,276,808	968,745	949,016	766,316	-	10.23 %	55,660,848	Yes	No	No
0	The company	ELEGANT PESCADORES S.A. (PANAMA)	1	9,276,808	428,643	410,172	410,172	-	4.42 %	55,660,848	Yes	No	No
0	The company	BRAVE PESCADORES S.A.	1	9,276,808	203,223	189,978	189,978	4,058	2.05 %	55,660,848	Yes	No	No
0	The company	GENIUS PESCADORES S.A. (PANAMA)	1	9,276,808	639,273	624,655	624,655	4,478	6.73 %	55,660,848	Yes	No	No
0	The company	MOON BRIGHT SHIPPING CORPORATION	1	9,276,808	553,780	535,792	535,792	-	5.78 %	55,660,848	Yes	No	No
0	The company	VALOR PESCADORES S.A. PANAMA	1	9,276,808	76,979	69,282	69,282	-	0.75 %	55,660,848	Yes	No	No
0	The company	VIGOR PESCADORES S.A. PANAMA	1	9,276,808	164,973	138,900	138,900	-	1.50 %	55,660,848	Yes	No	No
0	The company	HUGE PESCADORES S.A. PANAMA	1	9,276,808	153,686	136,610	136,610	-	1.47 %	55,660,848	Yes	No	No
0	The company	FOREVER PESCADORES S.A. PANAMA	1	9,276,808	375,158	359,209	359,209	-	3.87 %	55,660,848	Yes	No	No
0	The company	ETERNITY PESCADORES S.A. PANAMA	1	9,276,808	280,315	280,315	280,315	-	3.02 %	55,660,848	Yes	No	No
0	The company	FEDERAL PESCADORES S.A. PANAMA	1	9,276,808	585,739	399,994	399,994	-	4.31 %	55,660,848	Yes	No	No
0	The company	WISE PESCADORES S.A. PANAMA	1	9,276,808	91,538	79,696	79,696	-	0.86 %	55,660,848	Yes	No	No
0	The company	MODEST PESCADORES S.A. PANAMA	1	9,276,808	777,642	754,738	754,738	-	8.14 %	55,660,848	Yes	No	No
0	The company	PENGHU PESCADORES S.A. PANAMA	1	9,276,808	790,554	766,254	766,254	-	8.26 %	55,660,848	Yes	No	No
0	The company	SKYHIGH PESCADORES S.A. PANAMA	1	9,276,808	186,553	175,577	175,577	-	1.89 %	55,660,848	Yes	No	No
0	The company	DANCEWOOD PESCADORES S.A. PANAMA	1	9,276,808	425,512	414,206	414,206	6,910	4.46 %	55,660,848	Yes	No	No
0	The company	DANCEFLORA PESCADORES S.A. PANAMA	1	9,276,808	199,818	-	-	-	- %	55,660,848	Yes	No	No
0	The company	STAMINA PESCADORES S.A. PANAMA	1	9,276,808	246,021	-	-	-	- %	55,660,848	Yes	No	No
0	The company	SPINNAKER PESCADORES S.A. PANAMA	1	9,276,808	344,639	334,755	334,755	-	3.61 %	55,660,848	Yes	No	No
0	The company	ENDURANCE PESCADORES S.A. PANAMA	1	9,276,808	591,202	577,956	577,956	8,095	6.23 %	55,660,848	Yes	No	No
0	The company	INDIGO PESCADORES S.A. PANAMA	1	9,276,808	447,387	437,110	437,110	-	4.71 %	55,660,848	Yes	No	No
0	The company	SUMMIT PESCADORES S.A. PANAMA	1	9,276,808	299,235	289,491	289,491	-	3.12 %	55,660,848	Yes	No	No
0	The company	AUDREY PESCADORES S.A. PANAMA	1	9,276,808	399,024	389,204	389,204	3,009	4.20 %	55,660,848	Yes	No	No
0	The company	WONDERFUL PESCADORES S.A. PANAMA	1	9,276,808	408,845	399,023	399,023	6,008	4.30 %	55,660,848	Yes	No	No
0	The company	Dancewoods Hotel & Resort	1	9,276,808	2,469,215	2,418,465	2,398,465	-	26.07 %	55,660,848	Yes	No	No

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

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

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 March 31, 2023.

Note 3: Limit on endorsement/guarantee given to a single entity was 600% of the net equity on March 31, 2023.

(iii) Securities held as of March 31, 2023 (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	Tai Twue Enterprise Co., Ltd.	-	"	7,000	133	- %	133	
The company	Wisdom Marine International Inc.	-	"	75,000	4,815	- %	4,815	
The company	China Steel Co.	-	"	11,000	340	- %	340	
The company	Evergreen Marine Co.	-	"	4,000	634	- %	634	
The company	Sincere Navigation C.	-	"	2,000	50	- %	50	
The company	I-Chiun Precision Industry Co., Ltd.	-	"	109	3	- %	3	
The company	Yulon Motor Co., Ltd.	-	"	50,000	3,760	- %	3,760	
The company	Taiwan Business Bank, Ltd.	-	"	250,000	3,363	- %	3,363	
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	Aerospace Industrial Development Corp.	-	"	20,000	833	- %	833	

(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

(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	51,299	Receive in net 30-90 days	6%
0	The company	Dong Lien Maritime S.A. Panama and subsidiaries	1	Other revenue	5,099	Receive in net 30-90 days	-%
0	The company	Dancewoods Hotel & Resort	2	Operating revenue	15	Receive in net 30-90 days	-%
0	The company	Dancewoods Hotel & Resort	2	Other payable to related parties	400	Receive in net 30-90 days	-%
0	The company	Dancewoods Hotel & Resort	2	Other revenue	1,389	Receive in net 30-90 days	-%
0	The company	Fortunate Maritime S.A. Panama	2	Operating revenue	1,603	Receive in net 30-90 days	-%
1	Dancewoods Hotel & Resort	The company	2	Operating revenue	28	Receive in net 30-90 days	-%

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

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
2	Dong Lien Maritime S.A. Panama and subsidiaries	The company	1	Other payable to related parties	1,004,735	Receive in accordance with the agreements	4.00%
2	Dong Lien Maritime S.A. Panama and subsidiaries	Dancewoods Hotel & Resort	3	Interest revenue	788	Receive in net 30-90 days	-%
2	Dong Lien Maritime S.A. Panama and subsidiaries	Dancewoods Hotel & Resort	3	Other payable to related parties	152,250	Receive in accordance with the agreements	1.00%

Note 1: Company numbering as follows:

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

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

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

(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2023 (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 March 31, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	Carrying value			
The company	Dong Lien Maritime S.A. Panama	Panama	Cargo shipping services and shipping agency	2,630,660	2,653,129	86,392,775	100.00 %	11,891,156	(190,077)	(190,077)	Subsidiary (Note 1 and 2)
The company	Fortunate Maritime S.A. Panama	Panama	"	603,671	608,826	198,250	100.00 %	828,981	(3,106)	(3,106)	"
The company	Dancewoods Hotel & Resort	Taiwan	Resort hotels service and recreational grounds and facilities	925,457	772,257	46,501,030	51.37 %	209,971	(43,729)	(22,463)	"
The company	Thermolysis Co., Ltd	Taiwan	Pollution prevention equipment manufacturing and retail	30,000	30,000	2,000,000	6.06 %	26,871	(16,552)	(878)	Related Party (Note 3)
Dong Lien Maritime S.A. Panama	Audrey Pescadores S.A. Panama	Panama	Cargo shipping services and shipping agency	152,250	153,550	50,000	100.00 %	149,678	-	-	Sub-subsidiary (Note 1 and 2)
Dong Lien Maritime S.A. Panama	Brave Pescadores S.A. Panama	Panama	"	106,575	107,485	35,000	100.00 %	349,134	-	-	"
Dong Lien Maritime S.A. Panama	Bright Pescadores S.A. Panama	Panama	"	60,900	61,420	20,000	100.00 %	60,900	-	-	"
Dong Lien Maritime S.A. Panama	Brilliant Pescadores S.A. Panama	Panama	"	30,450	30,710	10,000	100.00 %	30,450	-	-	"
Dong Lien Maritime S.A. Panama	Danceflora Pescadores S.A. Panama	Panama	"	334,950	337,810	110,000	100.00 %	372,743	-	-	"
Dong Lien Maritime S.A. Panama	Dancewood Pescadores S.A. Panama	Panama	"	243,600	245,680	8,000,000	100.00 %	250,142	-	-	"
Dong Lien Maritime S.A. Panama	Elegant Pescadores S.A. (Panama)	Panama	"	334,950	337,810	110,000	100.00 %	448,181	-	-	"
Dong Lien Maritime S.A. Panama	Endurance Pescadores S.A. Panama	Panama	"	152,250	153,550	50,000	100.00 %	161,394	-	-	"
Dong Lien Maritime S.A. Panama	Eternity Pescadores S.A. Panama	Panama	"	228,375	230,325	75,000	100.00 %	371,377	-	-	"
Dong Lien Maritime S.A. Panama	Excellent Pescadores S.A. (Panama)	Panama	"	60,900	61,420	20,000	100.00 %	60,900	-	-	"
Dong Lien Maritime S.A. Panama	Fair Pescadores S.A. Panama	Panama	"	273,886	276,224	89,946	100.00 %	270,215	-	-	"
Dong Lien Maritime S.A. Panama	Federal Pescadores S.A. Panama	Panama	"	243,600	245,680	80,000	100.00 %	390,720	-	-	"
Dong Lien Maritime S.A. Panama	Forever Pescadores S.A. Panama	Panama	"	304,500	307,100	100,000	100.00 %	291,758	-	-	"

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Notes to the Consolidated Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	Carrying value			
Dong Lien Maritime S.A. Panama	Fourseas Pescadores S.A. Panama	Panama	Cargo shipping services and shipping agency	304,500	307,100	100,000	100.00 %	426,976	-	-	Sub-subsidiary (Note 1 and 2)
Dong Lien Maritime S.A. Panama	Gallant Pescadores S.A. Panama	Panama	"	251,959	254,110	82,745	100.00 %	252,676	-	-	"
Dong Lien Maritime S.A. Panama	Genius Pescadores S.A. (Panama)	Panama	"	305	307	10	100.00 %	141,821	-	-	"
Dong Lien Maritime S.A. Panama	Glaring Pescadores S.A. Panama	Panama	"	167,475	168,905	55,000	100.00 %	102,175	-	-	"
Dong Lien Maritime S.A. Panama	Grand Pescadores S.A. (Panama)	Panama	"	305	307	100	100.00 %	305	-	-	"
Dong Lien Maritime S.A. Panama	Honor Pescadores S.A. Panama	Panama	"	60,900	61,420	20,000	100.00 %	60,886	-	-	"
Dong Lien Maritime S.A. Panama	Huge Pescadores S.A. Panama	Panama	"	91,350	92,130	30,000	100.00 %	84,371	-	-	"
Dong Lien Maritime S.A. Panama	Indigo Pescadores S.A. Panama	Panama	"	60,900	61,420	20,000	100.00 %	153,681	-	-	"
Dong Lien Maritime S.A. Panama	Leader Pescadores S.A. Panama	Panama	"	91,350	92,130	30,000	100.00 %	91,350	-	-	"
Dong Lien Maritime S.A. Panama	Modest Pescadores S.A. Panama	Panama	"	258,825	261,035	85,000	100.00 %	201,590	-	-	"
Dong Lien Maritime S.A. Panama	Moon Bright Shipping Corporation	Panama	"	258,825	261,035	85,000	100.00 %	194,632	-	-	"
Dong Lien Maritime S.A. Panama	Patriot Pescadores S.A. Panama	Panama	"	458,239	462,152	150,489	100.00 %	239,712	-	-	"
Dong Lien Maritime S.A. Panama	Penghu Pescadores S.A. Panama	Panama	"	334,950	337,810	110,000	100.00 %	258,457	-	-	"
Dong Lien Maritime S.A. Panama	Pharos Pescadores S.A. Panama	Panama	"	121,800	122,840	40,000	100.00 %	121,800	-	-	"
Dong Lien Maritime S.A. Panama	Poseidon Pescadores S.A. Panama	Panama	"	121,800	122,840	40,000	100.00 %	121,968	-	-	"
Dong Lien Maritime S.A. Panama	Shining Pescadores S.A. (Panama)	Panama	"	305	307	100	100.00 %	305	-	-	"
Dong Lien Maritime S.A. Panama	Skyhigh Pescadores S.A. Panama	Panama	"	182,700	184,260	60,000	100.00 %	244,990	-	-	"
Dong Lien Maritime S.A. Panama	Spinnaker Pescadores S.A. Panama	Panama	"	213,150	214,970	70,000	100.00 %	214,098	-	-	"
Dong Lien Maritime S.A. Panama	Stamina Pescadores S.A. Panama	Panama	"	289,275	291,745	95,000	100.00 %	187,653	-	-	"
Dong Lien Maritime S.A. Panama	Summit Pescadores S.A. Panama	Panama	"	91,350	92,130	30,000	100.00 %	393,912	-	-	"
Dong Lien Maritime S.A. Panama	Superior Pescadores S.A. Panama	Panama	"	76,125	76,775	25,000	100.00 %	76,125	-	-	"
Dong Lien Maritime S.A. Panama	Trump Pescadores S.A. Panama	Panama	"	182,700	184,260	60,000	100.00 %	242,793	-	-	"
Dong Lien Maritime S.A. Panama	Unicorn Brilliant S.A. Panama	Panama	"	888,586	896,173	291,818	100.00 %	892,358	-	-	"
Dong Lien Maritime S.A. Panama	Valor Pescadores S.A. Panama	Panama	"	91,350	92,130	30,000	100.00 %	228,964	-	-	"
Dong Lien Maritime S.A. Panama	Vigor Pescadores S.A. Panama	Panama	"	60,900	61,420	20,000	100.00 %	300,543	-	-	"
Dong Lien Maritime S.A. Panama	Well Pescadores S.A. Panama	Panama	"	91,350	92,130	30,000	100.00 %	91,350	-	-	"
Dong Lien Maritime S.A. Panama	Wise Pescadores S.A. Panama	Panama	"	334,652	337,509	109,902	100.00 %	202,163	-	-	"
Dong Lien Maritime S.A. Panama	Wonderful Pescadores S.A. Panama	Panama	"	152,250	153,550	50,000	100.00 %	152,258	-	-	"

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

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

(Continued)

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

(c) Information on investment in mainland China: None

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Luo Pan Investment Corp.		31,941,267	8.65 %

(14) Segment information:

The two operating segments of the The Group are categorized as Real Estate Transaction The Group and Construction The 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 The Group's operating segment information and reconciliation were as follows:

For the three months ended March 31, 2023	Shipping segment	Tourism segment	Adjustment and eliminations	Total
Revenue:				
Revenue from external customers	\$ 799,704	63,189	-	862,893
Intersegment revenues	15	28	(43)	-
Total revenue	<u>\$ 799,719</u>	<u>63,217</u>	<u>(43)</u>	<u>862,893</u>
Reportable segment profit or loss	<u>\$ (176,345)</u>	<u>(22,463)</u>	<u>-</u>	<u>(198,808)</u>
For the three months ended March 31, 2022				
Revenue:				
Revenue from external customers	\$ 1,549,738	54,949	-	1,604,687
Intersegment revenues	15	84	(99)	-
Total revenue	<u>\$ 1,549,753</u>	<u>55,033</u>	<u>(99)</u>	<u>1,604,687</u>
Reportable segment profit or loss	<u>\$ 631,600</u>	<u>(24,979)</u>	<u>-</u>	<u>606,621</u>