

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

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 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 June 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2023 and 2022, as well as the changes in equity and cash flows for the six months ended June 30, 2023 and 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with 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 June 30, 2023 and 2022, and of its consolidated financial performance for the three months and six months ended June 30, 2023 and 2022 as well as its consolidated cash flows for the six months ended June 30, 2023 and 2022, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

KPMG

Taipei, Taiwan (Republic of China)
August 10, 2023

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2023, December 31, 2022, and June 30, 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets		June 30, 2023		December 31, 2022		June 30, 2022		Liabilities and Equity		June 30, 2023		December 31, 2022		June 30, 2022	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (Note 6(a) and Note 6(t))	\$ 5,021,836	22	5,374,819	22	5,081,405	20	2100	Short-term borrowings (Note 6(h) and Note 6(t))	\$ 714,000	3	714,000	3	345,545	1
1110	Current financial assets at fair value through profit or loss (Note 6(b) and Note 6(t))	23,980	-	10,361	-	12,687	-	2110	Short-term notes and bills payable (Note 6(j) and Note 6(t))	80,000	-	59,952	-	39,967	-
1170	Accounts receivable, net (Note 6(t))	17,551	-	50,281	-	34,162	-	2130	Current contract liabilities (Note 6(j) and Note 6(t))	126,794	1	151,851	1	189,422	1
130X	Inventories	136,382	1	196,994	1	152,655	1	2170	Accounts payable (Note 6(t) and Note 7)	143,552	1	208,763	1	168,539	-
1476	Other current financial assets (Note 6(c), 6(t) and Note 8)	199,335	1	218,799	1	99,863	-	2200	Other payables (Note 6(t) and Note 7)	240,462	1	301,440	1	300,389	1
1479	Other current assets	<u>223,213</u>	<u>1</u>	<u>229,374</u>	<u>1</u>	<u>154,406</u>	<u>1</u>	2216	Dividends payable (Note 6(p))	553,901	2	-	-	658,534	4
		<u>5,622,297</u>	<u>25</u>	<u>6,080,628</u>	<u>25</u>	<u>5,535,178</u>	<u>22</u>	2220	Other payables to related parties (Note 6(t) and Note 7)	161,673	1	308,748	1	410,014	2
Non-current assets:								2230	Current tax liabilities	214,211	1	123,571	-	81,460	-
1550	Investments accounted for using equity method (Note 6(d))	24,213	-	27,749	-	28,899	-	2250	Current provisions (Note 6(l) and Note 9)	49,824	-	49,136	-	47,552	-
1600	Property, plant and equipment (Note 6(f) and Note 8)	17,560,732	75	18,846,015	75	18,950,545	77	2280	Current lease liabilities (Note 6(m) and Note 6(t))	1,034	-	502	-	247	-
1755	Right-of-use assets (Note 6(g))	1,086	-	1,403	-	1,720	-	2322	Long-term borrowings, current portion (Note 6(i) and Note 6(t))	5,667,586	24	4,288,433	17	3,611,592	15
1840	Deferred tax assets	11,348	-	9,709	-	7,597	-	2399	Other current liabilities, others	<u>30,961</u>	<u>-</u>	<u>56,925</u>	<u>-</u>	<u>5,261</u>	<u>-</u>
1915	Prepayments for equipment	2,930	-	9,288	-	5,072	-			<u>7,983,998</u>	<u>34</u>	<u>6,263,321</u>	<u>24</u>	<u>5,858,522</u>	<u>24</u>
1980	Other non-current financial assets (Note 6(c), 6(t) and Note 8)	57,660	-	59,525	-	108,501	-	Non-Current liabilities:							
1990	Other non-current assets, others (Note 7 and Note 8)	<u>48,475</u>	<u>-</u>	<u>48,714</u>	<u>-</u>	<u>153,933</u>	<u>1</u>	2530	Bonds payable (Note 6(k))	473,753	2	-	-	-	-
		<u>17,706,444</u>	<u>75</u>	<u>19,002,403</u>	<u>75</u>	<u>19,256,267</u>	<u>78</u>	2540	Long-term borrowings (Note 6(i) and Note 6(t))	4,588,760	20	7,749,697	31	9,950,244	40
								2570	Deferred tax liabilities	731,574	3	869,436	4	713,517	3
								2580	Non-current lease liabilities (Note 6(m) and Note 6(t))	-	-	696	-	1,028	-
								2640	Net defined benefit liabilities, non-current	-	-	-	-	1,300	-
										<u>5,794,087</u>	<u>25</u>	<u>8,619,829</u>	<u>35</u>	<u>10,666,089</u>	<u>43</u>
								Total liabilities		<u>13,778,085</u>	<u>59</u>	<u>14,883,150</u>	<u>59</u>	<u>16,524,611</u>	<u>67</u>
								Equity attributable to owners of parent (Note 6(p)):							
								3110	Ordinary shares	3,692,671	16	3,692,671	15	3,292,671	13
								3200	Capital surplus	3,107,206	13	3,044,890	12	2,642,041	11
								Retained earnings :							
								3310	Legal reserve	460,228	2	257,180	1	257,180	1
								3320	Special reserve	43,174	-	1,143,072	5	1,143,072	5
								3350	Unappropriated retained earnings (accumulated deficit)	<u>1,947,721</u>	<u>8</u>	<u>2,031,323</u>	<u>8</u>	<u>1,203,739</u>	<u>5</u>
										<u>2,451,123</u>	<u>10</u>	<u>3,431,575</u>	<u>14</u>	<u>2,603,991</u>	<u>11</u>
								3400	Other equity interests	<u>130,518</u>	<u>1</u>	<u>(43,174)</u>	<u>-</u>	<u>(384,693)</u>	<u>(2)</u>
								Total equity attributable to owners of parent:		<u>9,381,518</u>	<u>40</u>	<u>10,125,962</u>	<u>41</u>	<u>8,154,010</u>	<u>33</u>
								36XX	Non-controlling interests (Note 6(e))	<u>169,138</u>	<u>1</u>	<u>73,919</u>	<u>-</u>	<u>112,824</u>	<u>-</u>
								Total equity		<u>9,550,656</u>	<u>41</u>	<u>10,199,881</u>	<u>41</u>	<u>8,266,834</u>	<u>33</u>
Total assets		<u>\$ 23,328,741</u>	<u>100</u>	<u>25,083,031</u>	<u>100</u>	<u>24,791,445</u>	<u>100</u>	Total liabilities and equity		<u>\$ 23,328,741</u>	<u>100</u>	<u>25,083,031</u>	<u>100</u>	<u>24,791,445</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and six months ended June 30, 2023 and 2022

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

	For the three months ended June 30				For the six months ended June 30				
	2023		2022		2023		2022		
	Amount	%	Amount	%	Amount	%	Amount	%	
Operating Revenues (Note 6(r) and Note 7):									
4300	Rental revenue	\$ 845,404	94	1,862,316	98	1,645,166	93	3,412,261	97
4800	Other operating revenue	55,656	6	41,615	2	118,787	7	96,357	3
	Operating revenue, net	<u>901,060</u>	<u>100</u>	<u>1,903,931</u>	<u>100</u>	<u>1,763,953</u>	<u>100</u>	<u>3,508,618</u>	<u>100</u>
5000	Operating costs (Note 6(n) and Note 7)	<u>838,412</u>	<u>93</u>	<u>845,473</u>	<u>44</u>	<u>1,739,717</u>	<u>99</u>	<u>1,664,306</u>	<u>47</u>
	Gross (loss) profit from operations	62,648	7	1,058,458	56	24,236	1	1,844,312	53
6200	Administrative expenses (Note 6(n) and Note 6(s))	<u>73,344</u>	<u>8</u>	<u>85,913</u>	<u>5</u>	<u>145,408</u>	<u>8</u>	<u>164,765</u>	<u>5</u>
	Net operating (loss) income	<u>(10,696)</u>	<u>(1)</u>	<u>972,545</u>	<u>51</u>	<u>(121,172)</u>	<u>(7)</u>	<u>1,679,547</u>	<u>48</u>
Non-operating income and expenses :									
7100	Interest income	44,084	5	4,057	-	79,893	5	5,146	-
7190	Other income	16,637	2	20,481	1	46,680	3	47,642	1
7225	Gains (losses) on disposals of investments	(360)	-	150	-	(360)	-	150	-
7230	Foreign exchange (losses) gains	(43,579)	(5)	(70,173)	(4)	(28,314)	(2)	(138,362)	(4)
7235	Gains (losses) on financial assets at fair value through profit or loss	415	-	(2,874)	-	1,367	-	(2,977)	-
7370	Shares of loss of associates and joint ventures accounted for using equity method	(2,658)	-	(915)	-	(3,536)	-	(1,101)	-
7510	Interest expense	(155,439)	(17)	(78,439)	(4)	(308,230)	(17)	(137,701)	(4)
7590	Other expenses	(5,932)	(1)	(1,903)	-	(9,140)	(1)	(2,781)	-
7610	Losses on disposals of property, plant and equipment	(485)	-	(878)	-	(2,238)	-	(891)	-
7673	Impairment loss recognised in profit or loss, property, plant and equipment	1,901	-	-	-	(9,870)	(1)	-	-
	Total non-operating income and expenses	<u>(145,416)</u>	<u>(16)</u>	<u>(130,494)</u>	<u>(7)</u>	<u>(233,748)</u>	<u>(13)</u>	<u>(230,875)</u>	<u>(7)</u>
	Profit (loss) from continuing operations before tax	<u>(156,112)</u>	<u>(17)</u>	<u>842,051</u>	<u>44</u>	<u>(354,920)</u>	<u>(20)</u>	<u>1,448,672</u>	<u>41</u>
7950	Less: Income tax expenses (Note 6(o))	<u>114,907</u>	<u>13</u>	<u>175,478</u>	<u>9</u>	<u>122,532</u>	<u>7</u>	<u>301,539</u>	<u>9</u>
	Profit (loss)	<u>(271,019)</u>	<u>(30)</u>	<u>666,573</u>	<u>35</u>	<u>(477,452)</u>	<u>(27)</u>	<u>1,147,133</u>	<u>32</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	284,457	32	413,334	22	173,691	10	758,380	22
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>284,457</u>	<u>32</u>	<u>413,334</u>	<u>22</u>	<u>173,691</u>	<u>10</u>	<u>758,380</u>	<u>22</u>
8300	Other comprehensive income	<u>284,457</u>	<u>32</u>	<u>413,334</u>	<u>22</u>	<u>173,691</u>	<u>10</u>	<u>758,380</u>	<u>22</u>
	Total comprehensive income	<u>\$ 13,438</u>	<u>2</u>	<u>1,079,907</u>	<u>57</u>	<u>(303,761)</u>	<u>(17)</u>	<u>1,905,513</u>	<u>54</u>
	Profit (loss), attributable to:								
8610	Owners of parent	\$ (241,384)	(27)	698,834	37	(426,551)	(24)	1,202,898	34
8620	Non-controlling interests	(29,635)	(3)	(32,261)	(2)	(50,901)	(3)	(55,765)	(2)
		<u>\$ (271,019)</u>	<u>(30)</u>	<u>666,573</u>	<u>35</u>	<u>(477,452)</u>	<u>(27)</u>	<u>1,147,133</u>	<u>32</u>
	Comprehensive income (loss) attributable to:								
8710	Owners of parent	\$ 43,073	5	1,112,168	59	(252,860)	(14)	1,961,278	56
8720	Non-controlling interests	(29,635)	(3)	(32,261)	(2)	(50,901)	(3)	(55,765)	(2)
		<u>\$ 13,438</u>	<u>2</u>	<u>1,079,907</u>	<u>57</u>	<u>(303,761)</u>	<u>(17)</u>	<u>1,905,513</u>	<u>54</u>
	Basic (loss) earnings per share (Note 6(q))	<u>\$ (0.65)</u>		<u>2.12</u>		<u>(1.16)</u>		<u>3.65</u>	
	Diluted (loss) earnings per share (Note 6(q))	<u>\$ (0.65)</u>		<u>2.12</u>		<u>(1.16)</u>		<u>3.64</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Changes in Equity****For the six months ended June 30, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

Equity attributable to owners of parent

	Share capital		Retained earnings				Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements			
Balance at January 1, 2022	\$ 3,292,671	2,642,041	56,909	-	2,002,718	2,059,627	(1,143,073)	6,851,266	168,589	7,019,855
Profit (loss)	-	-	-	-	1,202,898	1,202,898	-	1,202,898	(55,765)	1,147,133
Other comprehensive income	-	-	-	-	-	-	758,380	758,380	-	758,380
Total comprehensive income	-	-	-	-	1,202,898	1,202,898	758,380	1,961,278	(55,765)	1,905,513
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	200,271	-	(200,271)	-	-	-	-	-
Special reserve appropriated	-	-	-	1,143,072	(1,143,072)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(658,534)	(658,534)	-	(658,534)	-	(658,534)
Balance at June 30, 2022	\$ 3,292,671	2,642,041	257,180	1,143,072	1,203,739	2,603,991	(384,693)	8,154,010	112,824	8,266,834
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)	-	-	-	-	(426,551)	(426,551)	-	(426,551)	(50,901)	(477,452)
Other comprehensive income	-	-	-	-	-	-	173,692	173,692	-	173,692
Total comprehensive income	-	-	-	-	(426,551)	(426,551)	173,692	(252,859)	(50,901)	(303,760)
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	203,048	-	(203,048)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(553,901)	(553,901)	-	(553,901)	-	(553,901)
Reversal of special reserve	-	-	-	(1,099,898)	1,099,898	-	-	-	-	-
Due to recognition of equity component of convertible bonds (preference share) issued	-	61,636	-	-	-	-	-	61,636	-	61,636
Changes in ownership interests in subsidiaries	-	680	-	-	-	-	-	680	(680)	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	146,800	146,800
Balance at June 30, 2023	\$ 3,692,671	3,107,206	460,228	43,174	1,947,721	2,451,123	130,518	9,381,518	169,138	9,550,656

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the three months and six months ended June 30, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	For the six months ended June 30	
	2023	2022
Cash flows from (used in) operating activities:		
(Loss) profit before tax	\$ (354,920)	1,448,672
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expenses	720,268	664,595
Amortization expenses	747	477
Net losses (gains) on financial assets or liabilities at fair value through profit or loss	(1,367)	2,977
Interest expenses	308,230	137,701
Interest income	(79,893)	(5,146)
Shares of losses of associates and joint ventures accounted for using equity method	3,536	1,101
Losses on disposal of property, plant and equipment	2,238	891
Impairment loss on non-financial assets	9,870	-
Total adjustments to reconcile profit	<u>963,629</u>	<u>802,596</u>
Changes in operating assets and liabilities:		
Net gains on financial assets or liabilities at fair value through profit or loss	(11,652)	(6,015)
Decrease in accounts receivable	32,797	16,923
Decrease in inventories	62,125	21,870
Decrease (increase) in other current assets	20,716	(5,097)
Increase (decrease) in contract liabilities	(26,149)	39,107
Increase (decrease) in accounts payable	(66,716)	2,551
Increase (decrease) in other payables	(63,356)	40,254
Decrease in other current liabilities	(26,196)	(2,496)
Decrease in net defined benefit liabilities	-	(467)
Total adjustments	<u>885,198</u>	<u>909,226</u>
Cash inflow generated from operations	530,278	2,357,898
Interest received	67,854	5,552
Interest paid	(308,146)	(128,742)
Income taxes paid	(171,391)	(7)
Net cash flows from operating activities	<u>118,595</u>	<u>2,234,701</u>
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	-	(30,000)
Proceeds from disposal of non-current assets classified as held for sale	187,524	-
Acquisition of property, plant and equipment	(138,599)	(137,078)
Proceeds from disposal of property, plant and equipment	696,682	8
Decrease in refundable deposits	-	7,519
Decrease in other financial assets	21,536	92,051
Decrease (increase) in prepayments equipment	5,724	(3,430)
Net cash flows from investing activities	<u>772,867</u>	<u>(70,930)</u>
Cash flows from (used in) financing activities:		
Decrease in short-term loans	-	(577,442)
Increase in short-term notes and bills payable	20,000	40,000
Proceeds from issuing bonds	534,550	-
Proceeds from long-term debt	50,000	80,010
Repayments of long-term debt	(1,938,494)	(2,205,565)
Decrease in guarantee deposits received	(560)	-
Increase (decrease) in other payables to related parties	(119,092)	138,494
Payments of lease liabilities	(164)	(170)
Change in non-controlling interests	146,800	-
Net cash flows used in financing activities	<u>(1,306,960)</u>	<u>(2,524,673)</u>
Effects of exchange rate changes on cash and cash equivalents	<u>62,515</u>	<u>360,138</u>
Net (decrease) increase in cash and cash equivalents	<u>(352,983)</u>	<u>(764)</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>\$ 5,021,836</u>	<u>\$ 5,081,405</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

June 30, 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 August 10, 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”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IAS12 “International Tax Reform – Pillar Two Model Rules”

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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
			June 30, 2023	December 31, 2022	June 30, 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 %	

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

Name investor	Name of investee	Scope of business	Percentage of ownership			Notes
			June 30, 2023	December 31, 2022	June 30, 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 %	

(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.

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

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.

(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

	June 30, 2023	December 31, 2022	June 30, 2022
Cash on hand	\$ 39,311	57,900	45,603
Bank deposits	1,205,866	1,116,405	1,552,618
Cash equivalents	<u>3,776,659</u>	<u>4,200,514</u>	<u>3,483,184</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u><u>\$ 5,021,836</u></u>	<u><u>5,374,819</u></u>	<u><u>5,081,405</u></u>

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

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

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

	<u>June 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>June 30,</u> <u>2022</u>
Mandatorily measured at fair value through profit or loss:			
Convertible bonds	\$ 5,515	-	2,500
Shares of exchange-listed and OTC-listed companies	17,965	10,361	9,311
Embedded derivatives-redemption rights (Note 6(k))	500	-	-
	-	-	876
Total	\$ <u>23,980</u>	<u>10,361</u>	<u>12,687</u>

(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>June 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>June 30,</u> <u>2022</u>
Current:			
Restricted assets	\$ <u>199,335</u>	<u>218,799</u>	<u>99,863</u>
Non-current:			
Restricted assets	\$ <u>57,660</u>	<u>59,525</u>	<u>108,501</u>

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

(d) Investments accounted for using equity method

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

	<u>June 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>June 30,</u> <u>2022</u>
Related party	\$ <u>24,213</u>	<u>27,749</u>	<u>28,899</u>

(i) Related party

In March 2022, the Group acquired 2,000 thousand ordinary shares of Thermolysis Co., Ltd. with cash of \$30,000 thousand, resulting in a 6.06% shareholding. Under the investment agreement, the Group can assign one member to the Thermolysis Co., Ltd. Board as its representative. Therefore, the Group has a significant influence over Thermolysis Co., Ltd.

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

(ii) Pledge

As of June 30, 2023, December 31 and June 30, 2022, the above investments accounted for using the equity method of the Group had not been pledged as collateral.

(e) Subsidiaries that have material non-controlling interest

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

<u>Subsidiaries</u>	<u>Country of registration</u>	<u>Percentage of non-controlling interests</u>		
		<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 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>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
	Current assets	\$ 133,667	121,225
Non-current assets	2,936,410	2,992,886	3,129,631
Current liabilities	(2,571,229)	(2,678,630)	(1,096,755)
Non-current liabilities	(222,301)	(78,265)	(1,924,041)
Net assets	<u>\$ 276,547</u>	<u>357,216</u>	<u>232,723</u>
Non-controlling interest	<u>\$ 169,138</u>	<u>73,919</u>	<u>112,824</u>

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Operating revenue	<u>\$ 55,732</u>	<u>41,704</u>	<u>118,949</u>	<u>96,736</u>
Profit (loss) from continuing operations	\$ (60,939)	(66,543)	(104,668)	(115,026)
Other comprehensive income	-	-	-	-
Comprehensive income	<u>\$ (60,939)</u>	<u>(66,543)</u>	<u>(104,668)</u>	<u>(115,026)</u>
Net income attribute to non-controlling interest	<u>\$ (29,635)</u>	<u>(32,261)</u>	<u>(50,901)</u>	<u>(55,765)</u>
Comprehensive income attribute to non-controlling interest	<u>\$ (29,635)</u>	<u>(32,261)</u>	<u>(50,901)</u>	<u>(55,765)</u>

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

	For the six months ended June 30	
	2023	2022
Net cash flows from operating activities	\$ (364,702)	(32,736)
Net cash flows from investing activities	(9,908)	(8,775)
Net cash flows from financing activities	394,852	65,002
Net increase in cash and cash equivalents	\$ 20,242	23,491

(f) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group, for the six months ended June 30, 2023 and 2022 were as follows:

	Land	Buildings	Vessel Equipment	Equipment under finance Leases	Other Equipment	Non-current assets held for sale	Total
Cost or deemed cost:							
Balance on January 1, 2023	\$ 684,976	2,506,349	29,153,683	-	682,043	-	33,027,051
Additions	-	4,990	131,546	-	2,063	-	138,599
Disposals and retirements	-	(1,985)	(1,901,940)	-	(3,604)	(545,765)	(2,453,294)
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	-	-	361,196	-	-	-	361,196
Balance on June 30, 2023	\$ 684,976	2,509,830	27,198,720	-	680,502	-	31,074,028
Balance on January 1, 2022	\$ 684,976	2,501,692	26,035,562	393,047	668,156	-	30,283,433
Additions	-	1,030	126,254	-	9,794	-	137,078
Disposals and retirements	-	-	(62,453)	-	(2,944)	-	(65,397)
Reclassifications	-	-	1,854	-	1,069	-	2,923
Effect of change in foreign exchange rates	-	-	1,918,712	28,967	-	-	1,947,679
Balance on June 30, 2022	\$ 684,976	2,502,722	28,019,929	422,014	676,075	-	32,305,716
Depreciation and impairment loss:							
Balance on January 1, 2023	\$ -	305,793	13,444,729	-	430,514	-	14,181,036
Depreciation for the period	-	27,392	655,850	-	36,709	-	719,951
Disposals and retirements	-	(350)	(1,205,779)	-	(2,480)	(358,241)	(1,566,850)
Reclassified as non-current assets held for sale	-	-	(360,142)	-	-	360,142	-
Impairment loss (reversal)	-	-	11,771	-	-	(1,901)	9,870
Effect of change in foreign exchange rates	-	-	169,289	-	-	-	169,289
Balance on June 30, 2023	\$ -	332,835	12,715,718	-	464,743	-	13,513,296
Balance on January 1, 2022	\$ -	252,170	11,037,580	257,910	358,934	-	11,906,594
Depreciation for the period	-	27,361	587,536	11,710	37,762	-	664,369
Disposals and retirements	-	-	(62,453)	-	(2,045)	-	(64,498)
Reclassifications	-	-	286	-	(286)	-	-
Effect of change in foreign exchange rates	-	-	829,293	19,413	-	-	848,706
Balance on June 30, 2022	\$ -	279,531	12,392,242	289,033	394,365	-	13,355,171

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

Carrying value:	<u>Land</u>	<u>Buildings</u>	<u>Vessel Equipment</u>	<u>Equipment under finance Leases</u>	<u>Other Equipment</u>	<u>Non-current assets held for sale</u>	<u>Total</u>
Balance on January 1, 2023	\$ 684,976	2,200,556	15,708,954	-	251,529	-	18,846,015
Balance on June 30, 2023	\$ 684,976	2,176,995	14,483,002	-	215,759	-	17,560,732
Balance on January 1, 2022	\$ 684,976	2,249,522	14,997,982	135,137	309,222	-	18,376,839
Balance on June 30, 2022	\$ 684,976	2,223,191	15,627,687	132,981	281,710	-	18,950,545

(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; the sale and receipt of the relevant payment were completed in May 2023. The above-mentioned assets which book value was \$197,394 thousand (USD \$6,482 thousand) were measured at the lower of book value and fair value less costs of sales, and an impairment loss of \$9,870 thousand was recognized under other gains and losses in the consolidated statement of comprehensive income.

(iii) As of June 30, 2023, December 31 and June 30, 2022, the above property, plant and equipment were pledged as collateral. Please refer to Note 8.

(g) Right-of-use assets

Carrying value:	<u>Land</u>	<u>Buildings</u>	<u>Other Equipment</u>	<u>Total</u>
Balance on January 1, 2023	\$ 214	-	1,189	1,403
Balance on June 30, 2023	\$ 171	-	915	1,086
Balance on January 1, 2022	\$ 300	-	-	300
Balance on June 30, 2022	\$ 257	-	1,463	1,720

There were no significant additions, disposal, or recognition and reversal of impairment losses of right-of-use assets for the six months ended June 30, 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>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Secured bank loans	\$ 714,000	714,000	345,545
Range of interest rate	<u>2.08%~2.97%</u>	<u>1.33%~4.15%</u>	<u>1.33%~2.39%</u>

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

(i) Borrowing and repayment

For the six months ended June 30, 2023 and 2022, the Group borrowed the amounts of both \$0 thousand. In addition, the Group repaid the amounts of \$0 thousand and \$577,442 thousand, respectively.

(ii) Collateral for bank loan

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

(i) Long-term loans

The details were as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Secured bank loans	\$ 10,256,346	12,038,130	13,561,836
Less: current portion	<u>(5,667,586)</u>	<u>(4,288,433)</u>	<u>(3,611,592)</u>
Total	<u>\$ 4,588,760</u>	<u>7,749,697</u>	<u>9,950,244</u>
Range of interest rate	<u>1.94%~7.12%</u>	<u>1.48%~6.49%</u>	<u>1.48%~3.55%</u>

- (i) In the six months ended June 30, 2017, Dancewoods entered into a syndicated loan agreement with several financial institutions, with a credit line of \$2.3 billion and a credit period of 7 years, starting from the first drawdown, and repayments can be made either in one lump sum upon maturity or in installment basis. As of June 30, 2023, the amount of \$2,051,533 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.

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

As of June 30, 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 Group reclassified long-term borrowings of \$1,775,533 thousand to current liabilities (classified as current portion of long-term borrowings).

(ii) Borrowing and repayment

For the six months ended June 30, 2023 and 2022, the Group borrowed the amounts of \$50,000 thousand and \$80,010 thousand, with maturities set in April 2027 and March 2024, respectively. In addition, the Group repaid \$1,938,494 thousand and \$2,205,565 thousand, respectively.

(iii) Collateral for bank loan

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

(j) Short-term notes and bills payable

June 30, 2023			
	Guarantee or acceptance institution	Range of interest rates(%)	Amount
Commercial paper payable	Mega Bills	2.20~2.58%	\$ <u><u>80,000</u></u>
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			\$ <u><u>59,952</u></u>
June 30, 2022			
	Guarantee or acceptance institution	Range of interest rates(%)	Amount
Commercial paper payable	Mega Bills	1.98%	\$ 40,000
Less: Discount on short-term notes and bills payable			(33)
Total			\$ <u><u>39,967</u></u>

For the three months ended June 30, 2023 and 2022, the Group borrowed the amount of \$20,000 thousand and \$40,000 thousand, with an interest rate of 2.58% and 1.98% maturing in July 2023 and July 2022, respectively.

(Continued)

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

(k) Bonds Payable

The information on the issuance of secured convertible bonds of the Group was as follows:

	June 30, 2023
Total amount of secured convertible bonds issued	\$ 500,000
Unamortized balance of discount on bonds payable	(26,247)
Balance of bonds payable at the end of the period	\$ 473,753
Embedded derivatives-redemption rights (listed in financial assets at fair value through profit or loss)	\$ 500
Equity component-conversion rights (listed in capital surplus-stock options)	\$ 61,636
Interest expense	\$ 239

In June 2023, the Group issued the sixth secured conversion bonds. A total of 5,000 bonds were issued at par value of \$100 thousand per bond, with a total par value of \$500 million. The issued period is three years, the coupon rate is 0%, and a total issue price is \$538,546 thousand.

The holders of each unit of bonds have the right to convert the bonds into common shares of the Group at \$23.8 per share, and the conversion price shall be adjusted in accordance with the prescribed calculation formula in the event of a change in share capital or the payment of cash dividends by the Group. The conversion period is from September 22, 2023 to June 21, 2026. From the day following the expiration of three months from the date of issuance to 40 days before the expiration of the issuance period, the Group may also convert the Group's convertible bonds to cash by redeeming all of the outstanding bonds at the par value of the bonds if the closing price of the Group's common stock on the Taiwan Stock Exchange exceeds 30% or more of the prevailing conversion price for 30 consecutive trading days, or if the outstanding balance of the bonds is less than 10% of the total amount of the bonds originally issued.

(l) Current provisions

	June 30, 2023	December 31, 2022	June 30, 2022
Litigation provision	\$ 49,824	49,136	47,552

Litigation provision was estimated by the management based on a lawsuit filed by the International Transport Workers Federation (ITF) in 2020. There were no significant changes in provisions for the six months ended June 30, 2023 and 2022. Please refer to note 9 for more details.

(m) Lease liabilities

The Group's lease liabilities were as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Current	\$ 1,034	502	247
Non-current	\$ -	696	1,028

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
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Please refer to Note 6(t) for maturity analysis.

The amounts recognized in profit or loss were as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Interest on lease liabilities	\$ <u>5</u>	<u>6</u>	<u>11</u>	<u>10</u>
Expenses relating to short-term leases	\$ <u>180</u>	<u>125</u>	<u>357</u>	<u>365</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>287</u>	<u>41</u>	<u>898</u>	<u>142</u>

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

	For the six months ended June 30	
	2023	2022
Total cash outflow for leases	\$ <u>1,430</u>	<u>687</u>

(i) Real estate leases

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

(ii) Other leases

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

(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 June 30		For the six months ended June 30	
	2023	2022	2023	2022
Operating expense	\$ <u>254</u>	<u>3</u>	<u>497</u>	<u>6</u>

(Continued)

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

(ii) Defined contribution plans

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

	For the three months ended June 30		For the six months ended June 30	
	2023	2022	2023	2022
Operating costs	\$ 659	661	1,354	1,181
Operating expenses	<u>1,393</u>	<u>1,240</u>	<u>2,749</u>	<u>2,490</u>
Total	<u>\$ 2,052</u>	<u>1,901</u>	<u>4,103</u>	<u>3,671</u>

(o) Income tax

(i) The components of income tax for the three months and the six months ended June 30, 2023 and 2022 were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2023	2022	2023	2022
Current tax expenses				
Current periods	\$ 143,473	81,425	143,473	81,425
Previous year income tax over/under estimation	47,821	-	47,821	-
Taxes on undistributed surplus earnings	70,739	42	70,739	42
Deferred tax expenses				
Origination and reversal of temporary differences	<u>(147,126)</u>	<u>94,011</u>	<u>(139,501)</u>	<u>220,072</u>
Income tax expenses	<u>\$ 114,907</u>	<u>175,478</u>	<u>122,532</u>	<u>301,539</u>
	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 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.

On March 30, 2023, the Company's Board of Directors resolved to issue 20,000 thousand ordinary shares, at a par value of \$10 per share. The cash capital increase was approved by the Securities and Futures Bureau of the FSC on May 12, 2023, with an issuance price of \$18 per share.

(ii) Capital surplus

The components of the capital surplus were as follows:

	June 30, 2023	December 31, 2022	June 30, 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	433,903	372,267	372,267
Employee stock options	12,226	12,226	9,377
Other	69,358	69,358	69,358
	<u>\$ 3,107,206</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 June 30, 2023, the special earnings reserve was amounted \$43,174 thousand.

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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>173,692</u>
Balance on June 30, 2023	<u>\$ 130,518</u>
Balance on January 1, 2022	\$ (1,143,073)
Exchange differences on foreign operations	<u>758,380</u>
Balance on June 30, 2022	<u>\$ (384,693)</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		For the six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Profit (Loss) attributable to ordinary shareholders of the company	\$ <u>(241,384)</u>	<u>698,834</u>	<u>(426,551)</u>	<u>1,202,898</u>
Weighted-average number of ordinary shares (shares in thousands)	<u>369,267</u>	<u>329,267</u>	<u>369,267</u>	<u>329,267</u>
	<u>\$ (0.65)</u>	<u>2.12</u>	<u>(1.16)</u>	<u>3.65</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		For the six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Profit (Loss) attributable to ordinary shareholders of the company	<u>\$ (241,384)</u>	<u>698,834</u>	<u>(426,551)</u>	<u>1,202,898</u>
Weighted-average number of ordinary shares (shares in thousands)	369,267	329,267	369,267	329,267
Employee stock bonus (Note)	-	981	-	1,323
Weighted-average number of ordinary shares (diluted)	<u>369,267</u>	<u>330,248</u>	<u>369,267</u>	<u>330,590</u>
	<u>\$ (0.65)</u>	<u>2.12</u>	<u>(1.16)</u>	<u>3.64</u>

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 June 30, 2023		
	Shipping segment	Tourism segment	Total
Primary geographical markets:			
Taiwan	\$ 4,247	55,698	59,945
Asia	723,988	-	723,988
Europe	114,778	-	114,778
Other	2,349	-	2,349
	<u>\$ 845,362</u>	<u>55,698</u>	<u>901,060</u>
Major products/services lines:			
Rental income	\$ 845,362	42	845,404
Other operating income	-	55,656	55,656
	<u>\$ 845,362</u>	<u>55,698</u>	<u>901,060</u>

(Continued)

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

	For the three months ended June 30, 2022		
	Shipping segment	Tourism segment	Total
Primary geographical markets:			
Taiwan	\$ 12,729	41,658	54,387
Asia	1,605,954	-	1,605,954
Europe	244,293	-	244,293
Other	(703)	-	(703)
	<u>\$ 1,862,273</u>	<u>41,658</u>	<u>1,903,931</u>
Major products/services lines:			
Rental income	\$ 1,862,273	43	1,862,316
Other operating income	-	41,615	41,615
	<u>\$ 1,862,273</u>	<u>41,658</u>	<u>1,903,931</u>
	For the six months ended June 30, 2023		
	Shipping segment	Tourism segment	Total
Primary geographical markets:			
Taiwan	\$ 6,768	118,887	125,655
Asia	1,434,085	-	1,434,085
Europe	199,444	-	199,444
Other	4,769	-	4,769
	<u>\$ 1,645,066</u>	<u>118,887</u>	<u>1,763,953</u>
Major products/services lines:			
Rental income	\$ 1,645,066	100	1,645,166
Other operating income	-	118,787	118,787
	<u>\$ 1,645,066</u>	<u>118,887</u>	<u>1,763,953</u>
	For the six months ended June 30, 2022		
	Shipping segment	Tourism segment	Total
Primary geographical markets:			
Taiwan	\$ 23,277	96,607	119,884
Asia	2,862,305	-	2,862,305
Europe	495,866	-	495,866
Other	30,563	-	30,563
	<u>\$ 3,412,011</u>	<u>96,607</u>	<u>3,508,618</u>

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

	For the six months ended June 30, 2022		
	Shipping segment	Tourism segment	Total
Major products/services lines:			
Rental income	\$ 3,412,011	250	3,412,261
Other operating income	-	96,357	96,357
	\$ 3,412,011	96,607	3,508,618

(s) Remunerations to employees and directors

The Company did not estimate its employees' and directors' remuneration for the six months ended June 30, 2023 since it incurred net loss after tax. For the three months and six months ended June 30, 2022, the Company estimated its employees' remuneration amounting to \$17,900 thousand and \$30,840 thousand, and directors' remuneration amounting to \$2,520 thousand and \$5,040 thousand, respectively. 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.

(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 19 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.

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

2) Concentration of credit risk

As of June 30, 2023, December 31 and June 30, 2022, the accounts receivable amounted to \$17,551 thousand, \$50,281 thousand and \$34,162 thousand, constituting 0.08%、0.20% and 0.14%, respectively, of the consolidated total assets. Most of the customers of the Group have good reputation, hence, there is no significant credit risk.

3) Accounts receivable of credit risk

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

(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>within 6 months</u>	<u>6-12months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>More than 5 years</u>
June 30, 2023							
Non-derivative financial liabilities							
Secured bank loans	\$10,970,346	11,932,958	1,963,282	4,940,711	2,442,568	2,578,364	8,033
Short-term notes and bills payable	80,000	80,000	80,000	-	-	-	-
Non-interest bearing liabilities	1,099,588	1,099,588	1,099,588	-	-	-	-
Lease liabilities	1,034	1,052	351	351	350	-	-
	<u>\$12,150,968</u>	<u>13,113,598</u>	<u>3,143,221</u>	<u>4,941,062</u>	<u>2,442,918</u>	<u>2,578,364</u>	<u>8,033</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	1,198	1,270	526	613	131	-	-
	<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>
June 30, 2022							
Non-derivative financial liabilities							
Secured bank loans	\$13,907,381	14,571,686	1,633,031	2,630,281	6,431,222	3,865,935	11,217
Notes and accounts payable	39,967	40,000	40,000	-	-	-	-
Non-interest bearing liabilities	1,537,476	1,537,476	1,436,131	101,345	-	-	-
Lease liabilities	1,275	1,314	88	175	613	438	-
	<u>\$15,486,099</u>	<u>16,150,476</u>	<u>3,109,250</u>	<u>2,731,801</u>	<u>6,431,835</u>	<u>3,866,373</u>	<u>11,217</u>

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

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:

	June 30, 2023			December 31, 2022			June 30, 2022		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>									
<u>Monetary items</u>									
USD:NTD	\$ 6,703	31.1400	208,742	1,534	30.7100	47,109	2,518	29.7200	74,836
JPY:USD	45,473	0.0069	9,777	23,342	0.0076	5,425	24,592	0.0073	5,366
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD:NTD	39,996	31.1400	1,245,482	54,944	30.7100	1,288,921	30,496	29.7200	906,347
USD:JPY	41,198	0.0069	8,857	58,001	0.0076	13,479	34,418	0.0073	7,816

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.

A strengthening (weakening) of 1% of the NTD against the USD for the six months ended June 30, 2023 and 2022, would have increased (decreased) the net profit after tax by \$8,287 thousand and \$6,671 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 six months ended June 30, 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 and six months ended June 30, 2023 and 2022, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$(43,579) thousand, \$(70,173) thousand, \$(28,314)thousand and \$(138,362) 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.

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
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If the interest rate had increased or decreased by 0.5% basis points, the Group's net income would have increased or decreased by \$21,941 thousand and \$27,815 thousand for the six months ended June 30, 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 six months ended June 30, 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:

<u>Prices of securities at the reporting date</u>	For the six months ended June 30			
	2023		2022	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 5%	\$ -	<u>1,199</u>	-	<u>634</u>
Decreasing 5%	\$ -	<u>(1,199)</u>	-	<u>(634)</u>

(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:

Financial assets at fair value through profit or loss	June 30, 2023				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Non derivative financial assets mandatorily measured at fair value through profit or loss	\$ 23,980	23,480	-	500	23,980

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

		June 30, 2023			
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 5,021,836	-	-	-	-
Accounts receivable	17,551	-	-	-	-
Other financial assets-current and non-current	256,995	-	-	-	-
Subtotal	<u>\$ 5,296,382</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at amortized cost					
Bank loans	\$ 10,970,346	-	-	-	-
Short-term notes and bills payable	80,000	-	-	-	-
Notes payable and accounts payable	143,552	-	-	-	-
Other payables (include related parties)	956,036	-	-	-	-
Lease liabilities	1,034	-	-	-	-
Subtotal	<u>\$ 12,150,968</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		December 31, 2022			
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
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	<u>\$ 5,703,424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
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		December 31, 2022			
		Fair Value			
Book Value	Level 1	Level 2	Level 3	Total	
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	<u>\$ 13,632,231</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		June 30, 2022			
		Fair Value			
Book Value	Level 1	Level 2	Level 3	Total	
Financial assets at fair value through profit or loss					
Non derivative financial assets mandatorily measured at fair value through profit or loss	\$ 12,687	12,687	-	-	12,687
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 5,081,405	-	-	-	-
Accounts receivable	34,162	-	-	-	-
Other financial assets-current and non-current	208,364	-	-	-	-
Subtotal	<u>\$ 5,323,931</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at amortized cost					
Bank loans	\$ 13,907,381	-	-	-	-
Short-term notes and bills payable	39,967	-	-	-	-
Notes payable and accounts payable	168,539	-	-	-	-
Other payables (include related parties)	1,368,937	-	-	-	-
Lease liabilities	1,275	-	-	-	-
Subtotal	<u>\$ 15,486,099</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

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

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.

3) Valuation techniques for financial instruments measured at fair value

3.1) Non-derivative financial instruments

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

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

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

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

3.2) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of forward currency is usually determined by the forward currency exchange rate. Measurement of structured derivatives is based on option pricing models (i.e. Black-Scholes model) or other valuation methods (i.e. Monte Carlo simulation).

(Continued)

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

- 4) There were no transfers from each level for the six months ended June 30, 2023 and 2022.
- 5) Reconciliation of Level 3 fair values

	Non-derivative mandatorily measured at fair value through profit or loss
Opening balance, January 1, 2023	\$ -
Total gains and losses	
Issued	600
Evaluation	(100)
Ending Balance, June 30, 2023	\$ 500

For the six months ended June 30, 2023 and 2022, the total gains and losses that were included in “other gains and losses” were as follows:

	For the three months ended June 30 2023	For the six months ended June 30 2023
Total gains and losses recognized		
In profit or loss, and presented in “gains and losses on financial assets at fair value through profit or loss”	\$ (100)	(100)

- 6) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group’s financial instruments that use Level 3 inputs to measure fair value include “financial assets measured at fair value through profit or loss – debt investments” and “fair value through other comprehensive income – equity investments”.

Most of the Group’s financial instruments that use Level 3 inputs have only one significant unobservable input. Only equity investment with no-active markets have multiple significant unobservable inputs. The significant unobservable inputs of the equity investments with no-active markets are independent, therefore, there is no correlation between them.

(Continued)

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

Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Redemption rights of convertible bonds	Binomial Tree convertible bonds pricing model	Volatility: 38.58%	The estimated fair value would increase if the volatility was higher.

(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 six months ended June 30, 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.

(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.	"
Genius Star Management Consulting Co., Ltd.	"
Pei Lin Investment Corp.	"
Luo Pan Investment Corp.	"
Liang Yu Investment Corp.	"
Fei Yuan Investment Corp.	"
Wisdom Shipping Agency Co., Ltd.	"
Huo Da Investment Corp.	"
Oceanlance Maritime S.A. Panama	"

(Continued)

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

<u>Name of related party</u>	<u>Relationship with the Group</u>
Dancewood Manor Co., Ltd.	Entities controlled by the Company's chairman or his/her family
Da Si Management Consulting Co., Ltd.	"
Kun Lun Construction Co., Ltd.	"
King Chou Investment, Ltd.	"
Kei Jai Investment, Ltd.	"
Chung Ai Investment, Ltd.	"

(b) Significant transactions with related parties

(i) Operating revenue

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

<u>Account</u>	<u>Relationship</u>	<u>For the three months ended</u>		<u>For the six months ended</u>	
		<u>June 30</u>		<u>June 30</u>	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Other operating income	Entities controlled by the Company's chairman or his/her family	\$ <u>64</u>	<u>22</u>	<u>132</u>	<u>340</u>

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

(ii) Operating cost

<u>Relationship</u>	<u>For the three months ended</u>		<u>For the six months ended</u>	
	<u>June 30</u>		<u>June 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Entities controlled by the Company's chairman or his/her family	\$ <u>2,604</u>	<u>1,853</u>	<u>3,480</u>	<u>2,690</u>

(iii) Receivables from related parties

<u>Account</u>	<u>Relationship</u>	<u>June 30,</u>	<u>December 31,</u>	<u>June 30,</u>
		<u>2023</u>	<u>2022</u>	<u>2022</u>
Account receivable	Entities controlled by the Company's chairman or his/her family	\$ <u>15</u>	<u>7</u>	<u>6</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>1</u>

(Continued)

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

(iv) Payables to related parties

<u>Account</u>	<u>Relationship</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Account payable	Entities controlled by the Company's chairman or his/her family	\$ <u>179</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>

(v) Loans from related parties

<u>Related party name</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Pei Lin Investment Corp.	\$ 33,333	180,133	180,133
Huo Da Investment Corp.	<u>128,000</u>	<u>128,000</u>	<u>128,000</u>
	<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 \$536 thousand as of June 30, 2023, December 31 and June 30, 2022, respectively. and the related interest expenses were \$1,984 thousand and \$3,591 thousand for the six months ended June 30, 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>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Benefit Transport S.A.			
Not later than one year	\$ <u>-</u>	<u>-</u>	<u>101,345</u>

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

In order to dispose six of the above vessels, the Group entered into an agreement with Benefit Transport S.A., who was requested by the Group to sell the vessels to different designated third parties on behalf of the Group in 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.

(Continued)

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

(vii) Other transactions with related parties

<u>Relationship</u>	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Entities controlled by the Company's chairman or his/her family	\$ <u>17</u>	<u>17</u>	<u>34</u>	<u>34</u>

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

(c) Key management personnel compensation

Key management personnel compensation comprised:

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$ 1,697	7,010	4,759	13,091
Post-employment benefits	<u>58</u>	<u>50</u>	<u>116</u>	<u>101</u>
	<u>\$ 1,755</u>	<u>7,060</u>	<u>4,875</u>	<u>13,192</u>

(8) Assets pledged as security:

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

<u>Assets pledged as security</u>	<u>Liabilities secured by pledge</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Other financial assets-current and non-current	Bank loans	\$ 182,059	204,282	208,364
Other financial assets	Fixed deposit pledge	74,936	74,042	-
Other assets-non-current	Loans from related parties and deposits	-	-	107,795
Property, plant and equipment	Bank loans	16,266,821	16,098,872	17,094,031
Property, plant and equipment	Bonds payable	<u>92,299</u>	<u>-</u>	<u>-</u>
		<u>\$ 16,616,115</u>	<u>16,377,196</u>	<u>17,410,190</u>

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

(9) Significant commitments and contingencies

- (a) The Group's subsidiary, Forever Pescadores S.A. Panama, was investigated by the International Transport Workers' Federation (ITF) in March 2019, wherein ITF believed that some of the crew members' salaries were lower than the standard wage. In October 2020, the Group's subsidiary had reached a settlement with ITF and signed a non-disclosure agreement. Furthermore, certain subsidiaries of the Group were also randomly investigated by ITF, and the investigation is still in progress. The Group recognized the related provisions as of June 30, 2023 due to a possible obligation that may require an outflow of resources of economic benefits. Please refer to Note 6(l).
- (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 June 30					
		2023			2022		
		Cost of sale	Operating expense	Total	Cost of sale	Operating expense	Total
Employee benefits							
Salary		221,136	30,951	252,087	247,881	46,875	294,756
Labor and health insurance		1,451	2,718	4,169	1,303	2,257	3,560
Pension		659	1,647	2,306	661	1,243	1,904
Others		26,838	1,803	28,641	27,080	1,204	28,284
Depreciation		351,334	1,102	352,436	323,227	1,073	324,300
Depletion		-	-	-	-	-	-
Amortization		-	374	374	-	420	420

(Continued)

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

		For the six months ended June 30					
By function		2023			2022		
By item		Cost of sale	Operating expense	Total	Cost of sale	Operating expense	Total
Employee benefits							
Salary		467,266	61,885	529,151	506,651	89,359	596,010
Labor and health insurance		2,985	5,966	8,951	2,519	5,170	7,689
Pension		1,354	3,246	4,600	1,181	2,496	3,677
Others		54,671	3,379	58,050	58,272	3,314	61,586
Depreciation		717,969	2,299	720,268	662,514	2,081	664,595
Depletion		-	-	-	-	-	-
Amortization		-	747	747	-	477	477

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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	24,912	24,912	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,755,655	11,755,655
1	DONG LIEN MARITIME S.A. PANAMA	ETERNITY PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	24,912	24,912	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,755,655	11,755,655
1	DONG LIEN MARITIME S.A. PANAMA	VALOR PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	15,570	15,570	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,755,655	11,755,655
1	DONG LIEN MARITIME S.A. PANAMA	WISE PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	15,570	15,570	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,755,655	11,755,655
1	DONG LIEN MARITIME S.A. PANAMA	VIGOR PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	24,912	24,912	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,755,655	11,755,655
1	DONG LIEN MARITIME S.A. PANAMA	MOON BRIGHT SHIPPING CORPORATION	Other receivables from related parties	Yes	31,140	31,140	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,755,655	11,755,655
1	DONG LIEN MARITIME S.A. PANAMA	FEDERAL PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	46,710	46,710	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,755,655	11,755,655
1	DONG LIEN MARITIME S.A. PANAMA	MODEST PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	46,710	46,710	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,755,655	11,755,655
1	DONG LIEN MARITIME S.A. PANAMA	PENGHU PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	46,710	46,710	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,755,655	11,755,655
1	DONG LIEN MARITIME S.A. PANAMA	SKYHIGH PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	15,570	15,570	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,755,655	11,755,655
1	DONG LIEN MARITIME S.A. PANAMA	DANCEWOOD PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	15,570	15,570	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,755,655	11,755,655
1	DONG LIEN MARITIME S.A. PANAMA	DANCEFLORA PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	31,140	-	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,755,655	11,755,655
1	DONG LIEN MARITIME S.A. PANAMA	STAMINA PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	24,912	-	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,755,655	11,755,655

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SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES
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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	15,570	15,570	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,755,655	11,755,655
1	DONG LIEN MARITIME S.A. PANAMA	GENIUS PESCADORES S.A. (PANAMA)	Other receivables from related parties	Yes	24,912	24,912	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,755,655	11,755,655
1	DONG LIEN MARITIME S.A. PANAMA	SPINNAKER PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	24,912	24,912	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,755,655	11,755,655
1	DONG LIEN MARITIME S.A. PANAMA	ENDURANCE PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	24,912	24,912	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,755,655	11,755,655
1	DONG LIEN MARITIME S.A. PANAMA	SUMMIT PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	24,912	24,912	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,755,655	11,755,655
1	DONG LIEN MARITIME S.A. PANAMA	INDIGO PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	24,912	24,912	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,755,655	11,755,655
1	DONG LIEN MARITIME S.A. PANAMA	AUDREY PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	15,570	15,570	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,755,655	11,755,655
1	DONG LIEN MARITIME S.A. PANAMA	WONDERFUL PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	15,570	15,570	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,755,655	11,755,655
1	DONG LIEN MARITIME S.A. PANAMA	HUGE PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	24,912	24,912	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,755,655	11,755,655
1	DONG LIEN MARITIME S.A. PANAMA	ELEGANT PESCADORES S.A. (PANAMA)	Other receivables from related parties	Yes	31,140	31,140	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,755,655	11,755,655
1	DONG LIEN MARITIME S.A. PANAMA	FORTUNATE MARITIME S.A. PANAMA	Other receivables from related parties	Yes	31,140	31,140	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,755,655	11,755,655
1	DONG LIEN MARITIME S.A. PANAMA	The company	Other receivables from related parties	Yes	1,245,600	1,058,760	1,027,502	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	11,755,655	11,755,655
1	DONG LIEN MARITIME S.A. PANAMA	Dancewoods Hotel & Resort	Other receivables from related parties	Yes	311,400	217,980	217,980	2.38	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	3,526,697	4,702,262

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

Note 2: Limitation of financing was based on 40% of the lending company's net equity on June 30, 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 June 30, 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	9,381,518	990,696	950,345	763,505	-	10.13 %	56,289,108	Yes	No	No
0	The company	ELEGANT PESCADORES S.A. (PANAMA)	1	9,381,518	438,356	400,577	400,577	-	4.27 %	56,289,108	Yes	No	No
0	The company	BRAVE PESCADORES S.A.	1	9,381,518	207,828	180,737	180,737	4,181	1.93 %	56,289,108	Yes	No	No
0	The company	GENIUS PESCADORES S.A. (PANAMA)	1	9,381,518	653,759	623,861	623,861	4,613	6.65 %	56,289,108	Yes	No	No
0	The company	MOON BRIGHT SHIPPING CORPORATION	1	9,381,518	566,329	529,537	529,537	-	5.64 %	56,289,108	Yes	No	No
0	The company	VALOR PESCADORES S.A. PANAMA	1	9,381,518	78,723	62,981	62,981	-	0.67 %	56,289,108	Yes	No	No
0	The company	VIGOR PESCADORES S.A. PANAMA	1	9,381,518	168,711	142,048	142,048	-	1.51 %	56,289,108	Yes	No	No
0	The company	HUGE PESCADORES S.A. PANAMA	1	9,381,518	157,168	-	-	-	- %	56,289,108	Yes	No	No
0	The company	FOREVER PESCADORES S.A. PANAMA	1	9,381,518	383,659	351,039	351,039	-	3.74 %	56,289,108	Yes	No	No
0	The company	ETERNITY PESCADORES S.A. PANAMA	1	9,381,518	286,667	267,507	267,507	-	2.85 %	56,289,108	Yes	No	No
0	The company	FEDERAL PESCADORES S.A. PANAMA	1	9,381,518	599,012	382,999	382,999	-	4.08 %	56,289,108	Yes	No	No
0	The company	WISE PESCADORES S.A. PANAMA	1	9,381,518	93,612	69,392	69,392	-	0.74 %	56,289,108	Yes	No	No
0	The company	MODEST PESCADORES S.A. PANAMA	1	9,381,518	795,263	748,417	748,417	-	7.98 %	56,289,108	Yes	No	No
0	The company	PENGHU PESCADORES S.A. PANAMA	1	9,381,518	808,468	758,768	758,768	-	8.09 %	56,289,108	Yes	No	No
0	The company	SKYHIGH PESCADORES S.A. PANAMA	1	9,381,518	190,780	168,330	168,330	-	1.79 %	56,289,108	Yes	No	No
0	The company	DANCEWOOD PESCADORES S.A. PANAMA	1	9,381,518	435,155	412,029	412,029	7,116	4.39 %	56,289,108	Yes	No	No
0	The company	DANCEFLORA PESCADORES S.A. PANAMA	1	9,381,518	204,346	-	-	-	- %	56,289,108	Yes	No	No
0	The company	STAMINA PESCADORES S.A. PANAMA	1	9,381,518	251,596	-	-	-	- %	56,289,108	Yes	No	No
0	The company	SPINNAKER PESCADORES S.A. PANAMA	1	9,381,518	352,449	332,232	332,232	-	3.54 %	56,289,108	Yes	No	No
0	The company	ENDURANCE PESCADORES S.A. PANAMA	1	9,381,518	604,599	577,507	577,507	8,338	6.16 %	56,289,108	Yes	No	No
0	The company	INDIGO PESCADORES S.A. PANAMA	1	9,381,518	457,524	436,505	436,505	-	4.65 %	56,289,108	Yes	No	No
0	The company	SUMMIT PESCADORES S.A. PANAMA	1	9,381,518	306,016	260,551	260,551	-	2.78 %	56,289,108	Yes	No	No
0	The company	AUDREY PESCADORES S.A. PANAMA	1	9,381,518	408,066	387,981	387,981	3,100	4.14 %	56,289,108	Yes	No	No
0	The company	WONDERFUL PESCADORES S.A. PANAMA	1	9,381,518	418,109	398,023	398,023	6,188	4.24 %	56,289,108	Yes	No	No
0	The company	Dancewoods Hotel & Resort	1	9,381,518	2,469,215	2,331,472	2,311,472	-	24.85 %	56,289,108	Yes	No	No

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

(Continued)

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 June 30, 2023.

Note 3: Limit on endorsement/guarantee given to a single entity was 600% of the net equity on June 30, 2023.

(iii) Securities held as of June 30, 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 (%)	
The company	Convertible bond of Taiwan Kolin Co., Ltd	-	Financial assets at fair value through profit or loss - current	40	-	- %	-
The company	Convertible bond of Yulon Motor Co., Ltd.		"	50,000	5,515	- %	5,515
The company	Wisdom Marine International Inc.	-	"	90,000	4,392	- %	4,392
The company	Evergreen Marine Co.	-	"	4,000	374	- %	374
The company	I-Chiun Precision Industry Co., Ltd.	-	"	109	5	- %	5
The company	Yulon Motor Co., Ltd.	-	"	50,000	4,130	- %	4,130
The company	Taiwan Business Bank, Ltd.	-	"	250,000	3,562	- %	3,562
The company	Formosa Laboratories, Inc.		"	30,000	2,772	- %	2,772
The company	Energenesis Biomedical Co., Ltd.		"	10,000	780	- %	780
Dancewoods Hotel & Resort	Dancewoods Suao Co., Ltd	-	"	1,140,000	-	19.00 %	-
Dancewoods Hotel & Resort	Chang Hwa Commercial Bank, Ltd.	-	"	500	-	- %	-
Dancewoods Hotel & Resort	Energenesis Biomedical Co., Ltd.	-	"	25,000	1,950	- %	1,950

- (iv) Individual securities acquired or disposed with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None
- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None
- (ix) Trading in derivative instruments: None

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

(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The company	Dong Lien Maritime S.A. Panama and subsidiaries	1	Operating revenue	99,335	Receive in net 30-90 days	6%
0	The company	Dong Lien Maritime S.A. Panama and subsidiaries	1	Other revenue	9,265	Receive in net 30-90 days	-%
0	The company	Dancewoods Hotel & Resort	2	Operating revenue	30	Receive in net 30-90 days	-%
0	The company	Dancewoods Hotel & Resort	2	Other payable to related parties	385	Receive in net 30-90 days	-%
0	The company	Dancewoods Hotel & Resort	2	Other revenue	2,560	Receive in net 30-90 days	-%
0	The company	Fortunate Maritime S.A. Panama	2	Operating revenue	3,232	Receive in net 30-90 days	-%
1	Dancewoods Hotel & Resort	The company	2	Operating revenue	62	Receive in net 30-90 days	-%
2	Dong Lien Maritime S.A. Panama and subsidiaries	The company	1	Other payable to related parties	1,027,502	Receive in accordance with the agreements	4.00%
2	Dong Lien Maritime S.A. Panama and subsidiaries	Dancewoods Hotel & Resort	3	Interest revenue	1,778	Receive in net 30-90 days	-%
2	Dong Lien Maritime S.A. Panama and subsidiaries	Dancewoods Hotel & Resort	3	Other payable to related parties	217,980	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 six months ended June 30, 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 June 30, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 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	3,669,624	2,653,129	117,842,775	100.00 %	11,755,655	(267,555)	(267,555)	Subsidiary (Note 1 and 2)
The company	Fortunate Maritime S.A. Panama	Panama	"	617,351	608,826	198,250	100.00 %	853,214	2,222	2,222	"
The company	Dancewoods Hotel & Resort	Taiwan	Resort hotels service and recreational grounds and facilities	925,457	772,257	46,501,030	51.37 %	178,667	(104,668)	(53,767)	"
The company	Thermolysis Co., Ltd	Taiwan	Pollution prevention equipment manufacturing and retail	30,000	30,000	2,000,000	6.06 %	24,180	(37,461)	(3,536)	Related Party (Note 3)
Dong Lien Maritime S.A. Panama	Audrey Pescadores S.A. Panama	Panama	Cargo shipping services and shipping agency	155,700	153,550	50,000	100.00 %	153,262	(764)	(764)	Exempt from disclosure (Note 3) Sub-subsidiary (Note 1 and 2)
Dong Lien Maritime S.A. Panama	Brave Pescadores S.A.	Panama	"	358,110	107,485	115,000	100.00 %	373,559	15,697	"	"
Dong Lien Maritime S.A. Panama	Bright Pescadores S.A. Panama	Panama	"	62,280	61,420	20,000	100.00 %	62,176	(102)	"	"

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

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	Carrying value			
Dong Lien Maritime S.A. Panama	Brilliant Pescadores S.A.	Panama	Cargo shipping services and shipping agency	31,140	30,710	10,000	100.00 %	31,041	(97)	Exempt from disclosure (Note 3)	Sub-subsidiary (Note 1 and 2)
Dong Lien Maritime S.A. Panama	Danceflora Pescadores S.A. Panama	Panama	"	342,540	337,810	110,000	100.00 %	380,557	4,588	"	"
Dong Lien Maritime S.A. Panama	Dancewood Pescadores S.A. Panama	Panama	"	249,120	245,680	8,000,000	100.00 %	247,216	(3,817)	"	"
Dong Lien Maritime S.A. Panama	Elegant Pescadores S.A. (Panama)	Panama	"	467,100	337,810	150,000	100.00 %	458,068	(5,193)	"	"
Dong Lien Maritime S.A. Panama	Endurance Pescadores S.A. Panama	Panama	"	155,700	153,550	50,000	100.00 %	168,136	916	"	"
Dong Lien Maritime S.A. Panama	Eternity Pescadores S.A. Panama	Panama	"	389,250	230,325	125,000	100.00 %	375,903	(18,262)	"	"
Dong Lien Maritime S.A. Panama	Excellent Pescadores S.A. (Panama)	Panama	"	62,280	61,420	20,000	100.00 %	62,174	(104)	"	"
Dong Lien Maritime S.A. Panama	Fair Pescadores S.A. Panama	Panama	"	280,092	276,224	89,946	100.00 %	292,717	11,488	"	"
Dong Lien Maritime S.A. Panama	Federal Pescadores S.A. Panama	Panama	"	435,960	245,680	140,000	100.00 %	394,234	(22,626)	"	"
Dong Lien Maritime S.A. Panama	Forever Pescadores S.A. Panama	Panama	"	311,400	307,100	100,000	100.00 %	296,436	(3,111)	"	"
Dong Lien Maritime S.A. Panama	Fourseas Pescadores S.A. Panama	Panama	"	311,400	307,100	100,000	100.00 %	426,095	(16,306)	"	"
Dong Lien Maritime S.A. Panama	Gallant Pescadores S.A.	Panama	"	257,668	254,110	82,745	100.00 %	246,531	(27,335)	"	"
Dong Lien Maritime S.A. Panama	Genius Pescadores S.A. (Panama)	Panama	"	311	307	10	100.00 %	143,739	17	"	"
Dong Lien Maritime S.A. Panama	Glaring Pescadores S.A. Panama	Panama	"	171,270	168,905	55,000	100.00 %	104,405	(83)	"	"
Dong Lien Maritime S.A. Panama	Grand Pescadores S.A. (Panama)	Panama	"	311	307	100	100.00 %	294	(17)	"	"
Dong Lien Maritime S.A. Panama	Honor Pescadores S.A. Panama	Panama	"	62,280	61,420	20,000	100.00 %	62,161	(116)	"	"
Dong Lien Maritime S.A. Panama	Huge Pescadores S.A. Panama	Panama	"	93,420	92,130	30,000	100.00 %	97,555	1,275	"	"
Dong Lien Maritime S.A. Panama	Indigo Pescadores S.A. Panama	Panama	"	62,280	61,420	20,000	100.00 %	154,124	(3,210)	"	"
Dong Lien Maritime S.A. Panama	Leader Pescadores S.A. Panama	Panama	"	93,420	92,130	30,000	100.00 %	93,335	(83)	"	"
Dong Lien Maritime S.A. Panama	Modest Pescadores S.A. Panama	Panama	"	264,690	261,035	85,000	100.00 %	197,190	(31,248)	"	"
Dong Lien Maritime S.A. Panama	Moon Bright Shipping Corporation	Panama	"	264,690	261,035	85,000	100.00 %	183,059	(20,158)	"	"
Dong Lien Maritime S.A. Panama	Patriot Pescadores S.A. Panama	Panama	"	468,623	462,152	150,489	100.00 %	238,559	(31,373)	"	"
Dong Lien Maritime S.A. Panama	Penghu Pescadores S.A. Panama	Panama	"	342,540	337,810	110,000	100.00 %	258,233	(707)	"	"
Dong Lien Maritime S.A. Panama	Pharos Pescadores S.A. Panama	Panama	"	124,560	122,840	40,000	100.00 %	124,560	-	"	"
Dong Lien Maritime S.A. Panama	Poseidon Pescadores S.A. Panama	Panama	"	124,560	122,840	40,000	100.00 %	124,714	(17)	"	"

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

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	Carrying value			
Dong Lien Maritime S.A. Panama	Shining Pescadores S.A. (Panama)	Panama	Cargo shipping services and shipping agency	311	307	100	100.00 %	271	(39)	Exempt from disclosure (Note 3)	Sub-subsidiary (Note 1 and 2)
Dong Lien Maritime S.A. Panama	Skyhigh Pescadores S.A. Panama	Panama	"	342,540	184,260	110,000	100.00 %	241,003	(16,268)	"	"
Dong Lien Maritime S.A. Panama	Spinnaker Pescadores S.A. Panama	Panama	"	217,980	214,970	70,000	100.00 %	221,396	667	"	"
Dong Lien Maritime S.A. Panama	Stamina Pescadores S.A. Panama	Panama	"	295,830	291,745	95,000	100.00 %	191,377	(7,839)	"	"
Dong Lien Maritime S.A. Panama	Summit Pescadores S.A. Panama	Panama	"	93,420	92,130	30,000	100.00 %	409,225	11,539	"	"
Dong Lien Maritime S.A. Panama	Superior Pescadores S.A. Panama	Panama	"	77,850	76,775	25,000	100.00 %	77,765	(83)	"	"
Dong Lien Maritime S.A. Panama	Trump Pescadores S.A. Panama	Panama	"	186,840	184,260	60,000	100.00 %	196,355	(67,887)	"	"
Dong Lien Maritime S.A. Panama	Unicorn Brilliant S.A. Panama	Panama	"	908,721	896,173	291,818	100.00 %	917,563	7,256	"	"
Dong Lien Maritime S.A. Panama	Valor Pescadores S.A. Panama	Panama	"	93,420	92,130	30,000	100.00 %	224,817	(24,040)	"	"
Dong Lien Maritime S.A. Panama	Vigor Pescadores S.A. Panama	Panama	"	169,713	61,420	54,500	100.00 %	311,591	10,428	"	"
Dong Lien Maritime S.A. Panama	Well Pescadores S.A. Panama	Panama	"	93,420	92,130	30,000	100.00 %	93,420	-	"	"
Dong Lien Maritime S.A. Panama	Wise Pescadores S.A. Panama	Panama	"	342,235	337,509	109,902	100.00 %	201,947	(17,711)	"	"
Dong Lien Maritime S.A. Panama	Wonderful Pescadores S.A. Panama	Panama	"	155,700	153,550	50,000	100.00 %	156,646	(1,054)	"	"

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.

Note 3: The profit or loss of the investee company is already included in its investment company and will not be expressed separately herein for the avoidance of confusion.

(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 %

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

(14) Segment information:

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

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

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

For the Three Months Ended June 30,2023	Shipping segment	Tourism segment	Adjustment and eliminations	Total
Revenue:				
Revenue from external customers	\$ 845,362	55,698	-	901,060
Intersegment revenues	15	34	(49)	-
Total revenue	\$ 845,377	55,732	(49)	901,060
Reportable segment profit or loss	\$ (124,808)	(31,304)	-	(156,112)
For the Three Months Ended June 30,2022				
Revenue:				
Revenue from external customers	\$ 1,862,273	41,658	-	1,903,931
Intersegment revenues	15	45	(60)	-
Total revenue	\$ 1,862,288	41,703	(60)	1,903,931
Reportable segment profit or loss	\$ 876,333	(34,282)	-	842,051
For the Six Months Ended June 30,2023				
Revenue:				
Revenue from external customers	\$ 1,645,066	118,887	-	1,763,953
Intersegment revenues	30	62	(92)	-
Total revenue	\$ 1,645,096	118,949	(92)	1,763,953
Reportable segment profit or loss	\$ (301,153)	(53,767)	-	(354,920)
For the Six Months Ended June 30,2022				
Revenue:				
Revenue from external customers	\$ 3,412,011	96,607	-	3,508,618
Intersegment revenues	30	129	(159)	-
Total revenue	\$ 3,412,041	96,736	(159)	3,508,618
Reportable segment profit or loss	\$ 1,507,933	(59,261)	-	1,448,672