

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

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2023 and 2022**

Address: 16F, No.167, Fuxing N. Rd., Songshan Dist., Taipei City 105403, Taiwan
(R.O.C)

Telephone:(02)8712-1888

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.

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statements of Comprehensive Income	5
6. Consolidated Statements of Changes in Equity	6
7. Consolidated Statements of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the consolidated financial statements	8
(3) New standards, amendments and interpretations adopted	8~9
(4) Summary of significant accounting policies	9~11
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	11
(6) Explanation of significant accounts	12~37
(7) Related-party transactions	37~39
(8) Assets pledged as security	40
(9) Significant commitments and contingencies	40
(10) Losses due to major disasters	40
(11) Subsequent events	40
(12) Other	40~41
(13) Other disclosures	
(a) Information on significant transactions	42~47
(b) Information on investees	47~48
(c) Information on investment in mainland China	49
(d) Major shareholders	49
(14) Segment information	49~50



安侯建業聯合會計師事務所

KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666
傳真 Fax + 886 2 8101 6667
網址 Web kpmg.com/tw

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 September 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2023 and 2022, as well as the changes in equity and cash flows for the nine months ended September 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 September 30, 2023 and 2022, and of its consolidated financial performance for the three months and nine months ended September 30, 2023 and 2022 as well as its consolidated cash flows for the nine months ended September 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)
November 2, 2023

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

SHIH WEI NAVIGATION CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2023, December 31, 2022, and September 30, 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets		September 30, 2023		December 31, 2022		September 30, 2022		Liabilities and Equity		September 30, 2023		December 31, 2022		September 30, 2022	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (Note 6(a) and Note 6(t))	\$ 3,671,031	17	5,374,819	22	5,571,997	21	2100	Short-term borrowings (Note 6(h) and Note 6(t))	\$ 776,000	3	714,000	3	642,675	3
1110	Current financial assets at fair value through profit or loss (Note 6(b) and Note 6(t))	25,274	-	10,361	-	9,234	-	2110	Short-term notes and bills payable (Note 6(j) and Note 6(t))	99,707	-	59,952	-	39,911	-
1170	Accounts receivable, net (Note 6(t))	31,750	-	50,281	-	58,180	-	2130	Current contract liabilities (Note 6(j) and Note 6(t))	106,628	-	151,851	1	223,782	1
130X	Inventories	132,697	1	196,994	1	255,554	1	2170	Accounts payable (Note 6(t) and Note 7)	130,187	1	208,763	1	185,133	1
1476	Other current financial assets (Note 6(c), 6(t) and Note 8)	311,170	1	218,799	1	215,619	1	2200	Other payables (Note 6(t) and Note 7)	229,892	1	301,440	1	291,424	1
1479	Other current assets	244,116	1	229,374	1	245,934	1	2220	Other payables to related parties (Note 6(t) and Note 7)	161,663	1	308,748	1	308,669	1
		<u>4,416,038</u>	<u>20</u>	<u>6,080,628</u>	<u>25</u>	<u>6,356,518</u>	<u>24</u>	2230	Current tax liabilities	229,932	1	123,571	-	111,323	-
Non-current assets:								2250	Current provisions (Note 6(l) and Note 9)	51,632	-	49,136	-	50,800	-
1510	Non-current financial assets at fair value through profit or loss (Note 6(b) and Note 6(t))	51,000	-	-	-	-	-	2280	Current lease liabilities (Note 6(m) and Note 6(t))	602	-	502	-	366	-
1550	Investments accounted for using equity method (Note 6(d))	42,617	-	27,749	-	28,641	-	2322	Long-term borrowings, current portion (Note 6(i) and Note 6(t))	4,863,739	22	4,288,433	17	4,133,666	16
1600	Property, plant and equipment (Note 6(f) and Note 8)	17,746,519	80	18,846,015	75	19,589,777	76	2399	Other current liabilities, others	22,740	-	56,925	-	3,399	-
1755	Right-of-use assets (Note 6(g))	927	-	1,403	-	1,561	-		<u>6,672,722</u>	<u>29</u>	<u>6,263,321</u>	<u>24</u>	<u>5,991,148</u>	<u>23</u>	
1840	Deferred tax assets	18,157	-	9,709	-	18,243	-	2530	Non-Current liabilities:						
1915	Prepayments for equipment	1,390	-	9,288	-	4,612	-	2540	Bonds payable (Note 6(k) and Note 6(t))	475,907	2	-	-	-	-
1980	Other non-current financial assets (Note 6(c), 6(t) and Note 8)	91,892	-	59,525	-	36,538	-	2570	Long-term borrowings (Note 6(i) and Note 6(t))	4,385,403	20	7,749,697	31	9,579,625	37
1990	Other non-current assets, others (Note 7 and Note 8)	48,075	-	48,714	-	45,988	-	2580	Deferred tax liabilities	712,502	3	869,436	4	851,813	3
		<u>18,000,577</u>	<u>80</u>	<u>19,002,403</u>	<u>75</u>	<u>19,725,360</u>	<u>76</u>	2640	Non-current lease liabilities (Note 6(m) and Note 6(t))	218	-	696	-	827	-
									Net defined benefit liabilities, non-current	-	-	-	-	1,059	-
										<u>5,574,030</u>	<u>25</u>	<u>8,619,829</u>	<u>35</u>	<u>10,433,324</u>	<u>40</u>
									Total liabilities	<u>12,246,752</u>	<u>54</u>	<u>14,883,150</u>	<u>59</u>	<u>16,424,472</u>	<u>63</u>
									Equity attributable to owners of parent (Note 6(p)):						
								3110	Ordinary shares	3,892,671	17	3,692,671	15	3,292,671	13
								3200	Capital surplus	3,268,717	15	3,044,890	12	2,642,041	10
									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	4
								3350	Unappropriated retained earnings (accumulated deficit)	1,777,298	8	2,031,323	8	1,807,004	7
										<u>2,280,700</u>	<u>10</u>	<u>3,431,575</u>	<u>14</u>	<u>3,207,256</u>	<u>12</u>
								3400	Other equity interests	585,720	3	(43,174)	-	420,328	2
									Total equity attributable to owners of parent:	<u>10,027,808</u>	<u>45</u>	<u>10,125,962</u>	<u>41</u>	<u>9,562,296</u>	<u>37</u>
								36XX	Non-controlling interests (Note 6(e))	142,055	1	73,919	-	95,110	-
									Total equity	<u>10,169,863</u>	<u>46</u>	<u>10,199,881</u>	<u>41</u>	<u>9,657,406</u>	<u>37</u>
Total assets		<u>\$ 22,416,615</u>	<u>100</u>	<u>25,083,031</u>	<u>100</u>	<u>26,081,878</u>	<u>100</u>		Total liabilities and equity	<u>\$ 22,416,615</u>	<u>100</u>	<u>25,083,031</u>	<u>100</u>	<u>26,081,878</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 nine months ended September 30, 2023 and 2022

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

	For the three months ended September 30				For the nine months ended September 30				
	2023		2022		2023		2022		
	Amount	%	Amount	%	Amount	%	Amount	%	
Operating Revenues (Note 6(r) and Note 7):									
4300	Rental revenue	\$ 803,818	93	1,824,078	96	2,448,984	93	5,236,339	97
4800	Other operating revenue	64,405	7	83,952	4	183,192	7	180,309	3
	Operating revenue, net	<u>868,223</u>	<u>100</u>	<u>1,908,030</u>	<u>100</u>	<u>2,632,176</u>	<u>100</u>	<u>5,416,648</u>	<u>100</u>
5000	Operating costs (Note 6(n) and Note 7)	<u>825,540</u>	<u>95</u>	<u>945,220</u>	<u>50</u>	<u>2,565,257</u>	<u>97</u>	<u>2,609,526</u>	<u>48</u>
	Gross (loss) profit from operations	42,683	5	962,810	50	66,919	3	2,807,122	52
6200	Administrative expenses (Note 6(n) and Note 6(s))	<u>75,581</u>	<u>9</u>	<u>81,883</u>	<u>4</u>	<u>220,989</u>	<u>8</u>	<u>246,648</u>	<u>5</u>
	Net operating (loss) income	<u>(32,898)</u>	<u>(4)</u>	<u>880,927</u>	<u>46</u>	<u>(154,070)</u>	<u>(5)</u>	<u>2,560,474</u>	<u>47</u>
Non-operating income and expenses (Note 6(f)):									
7100	Interest income	49,985	6	16,197	1	129,878	4	21,343	-
7190	Other income	20,870	2	26,400	1	67,550	3	74,042	1
7225	Gains on disposals of investments	714	-	395	-	354	-	545	-
7230	Foreign exchange losses	(65,069)	(7)	(132,280)	(7)	(93,383)	(4)	(270,642)	(5)
7235	Losses on financial assets at fair value through profit or loss	(1,712)	-	(1,267)	-	(345)	-	(4,244)	-
7370	Shares of loss of associates and joint ventures accounted for using equity method	(1,731)	-	(258)	-	(5,267)	-	(1,359)	-
7510	Interest expense	(159,399)	(17)	(116,734)	(6)	(467,629)	(18)	(254,435)	(5)
7590	Other expenses	(3,113)	-	(2,615)	-	(12,253)	-	(5,396)	-
7610	Losses (gains) on disposals of property, plant and equipment	(34)	-	72,299	4	(2,272)	-	71,408	1
7673	Impairment loss recognised in profit or loss, property, plant and equipment	(122)	-	-	-	(9,992)	-	-	-
	Total non-operating income and expenses	<u>(159,611)</u>	<u>(16)</u>	<u>(137,863)</u>	<u>(7)</u>	<u>(393,359)</u>	<u>(15)</u>	<u>(368,738)</u>	<u>(8)</u>
	Profit (loss) from continuing operations before tax	(192,509)	(20)	743,064	39	(547,429)	(20)	2,191,736	39
7950	Less: Income tax expenses (Note 6(o))	<u>(9,886)</u>	<u>(1)</u>	<u>157,513</u>	<u>8</u>	<u>112,646</u>	<u>4</u>	<u>459,052</u>	<u>7</u>
	Profit (loss)	<u>(182,623)</u>	<u>(19)</u>	<u>585,551</u>	<u>31</u>	<u>(660,075)</u>	<u>(24)</u>	<u>1,732,684</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	455,203	52	805,021	42	628,894	24	1,563,401	29
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>455,203</u>	<u>52</u>	<u>805,021</u>	<u>42</u>	<u>628,894</u>	<u>24</u>	<u>1,563,401</u>	<u>29</u>
8300	Other comprehensive income	<u>455,203</u>	<u>52</u>	<u>805,021</u>	<u>42</u>	<u>628,894</u>	<u>24</u>	<u>1,563,401</u>	<u>29</u>
	Total comprehensive income	<u>\$ 272,580</u>	<u>33</u>	<u>1,390,572</u>	<u>73</u>	<u>(31,181)</u>	<u>-</u>	<u>3,296,085</u>	<u>61</u>
	Profit (loss), attributable to:								
8610	Owners of parent	\$ (155,540)	(16)	603,265	32	(582,091)	(21)	1,806,163	33
8620	Non-controlling interests	(27,083)	(3)	(17,714)	(1)	(77,984)	(3)	(73,479)	(1)
		<u>\$ (182,623)</u>	<u>(19)</u>	<u>585,551</u>	<u>31</u>	<u>(660,075)</u>	<u>(24)</u>	<u>1,732,684</u>	<u>32</u>
	Comprehensive income (loss) attributable to:								
8710	Owners of parent	\$ 299,663	36	1,408,286	74	46,803	3	3,369,564	62
8720	Non-controlling interests	(27,083)	(3)	(17,714)	(1)	(77,984)	(3)	(73,479)	(1)
		<u>\$ 272,580</u>	<u>33</u>	<u>1,390,572</u>	<u>73</u>	<u>(31,181)</u>	<u>-</u>	<u>3,296,085</u>	<u>61</u>
	Basic (loss) earnings per share (Note 6(q))	<u>\$ (0.41)</u>		<u>1.83</u>		<u>(1.56)</u>		<u>5.49</u>	
	Diluted (loss) earnings per share (Note 6(q))	<u>\$ (0.41)</u>		<u>1.82</u>		<u>(1.56)</u>		<u>5.45</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 nine months ended September 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)	-	-	-	-	1,806,163	1,806,163	-	1,806,163	(73,479)	1,732,684
Other comprehensive income	-	-	-	-	-	-	1,563,401	1,563,401	-	1,563,401
Total comprehensive income	-	-	-	-	1,806,163	1,806,163	1,563,401	3,369,564	(73,479)	3,296,085
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 September 30, 2022	\$ 3,292,671	2,642,041	257,180	1,143,072	1,807,004	3,207,256	420,328	9,562,296	95,110	9,657,406
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)	-	-	-	-	(582,091)	(582,091)	-	(582,091)	(77,984)	(660,075)
Other comprehensive income	-	-	-	-	-	-	628,894	628,894	-	628,894
Total comprehensive income	-	-	-	-	(582,091)	(582,091)	628,894	46,803	(77,984)	(31,181)
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	-	-	-	-	-
Other changes in capital surplus:										
Due to recognition of equity component of convertible bonds (preference share) issued	-	61,636	-	-	-	-	-	61,636	-	61,636
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	(14,883)	(14,883)	-	(14,883)	-	(14,883)
Issue of shares	200,000	160,000	-	-	-	-	-	360,000	-	360,000
Changes in ownership interests in subsidiaries	-	680	-	-	-	-	-	680	(680)	-
Share-based payments	-	1,511	-	-	-	-	-	1,511	-	1,511
Changes in non-controlling interests	-	-	-	-	-	-	-	-	146,800	146,800
Balance at September 30, 2023	\$ 3,892,671	3,268,717	460,228	43,174	1,777,298	2,280,700	585,720	10,027,808	142,055	10,169,863

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 nine months ended September 30, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2023	2022
Cash flows from (used in) operating activities:		
(Loss) profit before tax	\$ (547,429)	2,191,736
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expenses	1,066,942	1,014,360
Amortization expenses	1,121	715
Net losses on financial assets or liabilities at fair value through profit or loss	354	4,244
Interest expenses	467,629	254,435
Interest income	(129,878)	(21,343)
Share-based payments	1,511	-
Shares of losses of associates and joint ventures accounted for using equity method	5,267	1,359
Losses (gains) on disposal of property, plant and equipment	2,272	(71,408)
Impairment loss on non-financial assets	9,992	-
Total adjustments to reconcile profit	1,425,210	1,182,362
Changes in operating assets and liabilities:		
Net gains on financial assets or liabilities at fair value through profit or loss	(65,667)	(3,829)
Decrease (increase) in accounts receivable	20,079	(3,095)
Decrease (increase) in inventories	71,062	(63,139)
Increase in other current assets	(4,679)	(81,650)
Increase (decrease) in contract liabilities	(48,917)	61,598
Increase (decrease) in accounts payable	(84,995)	8,120
Decrease in other payables	(72,277)	(235)
Decrease in other current liabilities	(35,453)	(4,305)
Decrease in net defined benefit liabilities	-	(708)
Total adjustments	1,204,363	1,095,119
Cash inflow generated from operations	656,934	3,286,855
Interest received	129,878	21,749
Interest paid	(473,096)	(224,337)
Income taxes paid	(171,664)	(7)
Net cash flows from operating activities	142,052	3,084,260
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(35,018)	(30,000)
Acquisition of property, plant and equipment	(168,342)	(202,051)
Proceeds from disposal of property, plant and equipment	920,980	204,175
Decrease (increase) in refundable deposits	(560)	113,722
Decrease (Increase) in other financial assets	(124,266)	49,169
Decrease (increase) in prepayments equipment	6,889	(4,721)
Net cash flows from investing activities	599,683	130,294
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	62,000	(286,604)
Increase in short-term notes and bills payable	40,000	120,000
Decrease in short-term notes and bills payable	-	(80,000)
Proceeds from issuing bonds	534,550	-
Proceeds from long-term debt	275,000	280,010
Repayments of long-term debt	(3,428,242)	(2,991,019)
Increase (decrease) in other payables to related parties	(146,829)	177,975
Payments of lease liabilities	(378)	(473)
Cash dividends paid	(553,901)	(658,534)
Proceeds from issuing shares	360,000	-
Change in non-controlling interests	146,800	-
Net cash flows used in financing activities	(2,711,000)	(3,438,645)
Effects of exchange rate changes on cash and cash equivalents	265,477	713,919
Net (decrease) increase in cash and cash equivalents	(1,703,788)	489,828
Cash and cash equivalents at beginning of period	5,374,819	5,082,169
Cash and cash equivalents at end of period	\$ 3,671,031	5,571,997

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

September 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 November 2, 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”

The Group has initially adopted the new amendment, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 “International Tax Reform—Pillar Two Model Rules”

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(Continued)

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

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(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
			September 30, 2023	December 31, 2022	September 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 %	

(Continued)

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

Name investor	Name of investee	Scope of business	Percentage of ownership			Notes
			September 30, 2023	December 31, 2022	September 30, 2022	
Dong Lien Maritime S.A. Panama	Excellent Pescadores S.A. (Panama)	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Fair Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Federal Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Forever Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Fourseas Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Gallant Pescadores S.A.	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Genius Pescadores S.A. (Panama)	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Glaring Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Grand Pescadores S.A. (Panama)	Cargo shipping services and shipping agency	- %	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 %	
Dong Lien Maritime S.A. Panama	Poseidon Pescadores S.A. Panama	Cargo shipping services and shipping agency	- %	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 %	
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 %	

(Continued)

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

Name investor	Name of investee	Scope of business	Percentage of ownership			Notes
			September 30, 2023	December 31, 2022	September 30, 2022	
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 %	
Dong Lien Maritime S.A. Panama	Wise Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	
Dong Lien Maritime S.A. Panama	Wonderful Pescadores S.A. Panama	Cargo shipping services and shipping agency	100.00 %	100.00 %	100.00 %	

Note: The subsidiaries completed their liquidation and dissolution in September 2023.

(c) **Income taxes**

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

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

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

(d) **Employee benefits**

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

(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.

(Continued)

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

(6) Explanation of significant accounts:

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

(a) Cash and cash equivalents

	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>
Cash on hand	\$ 44,420	57,900	53,128
Bank deposits	1,090,834	1,116,405	1,136,416
Cash equivalents	<u>2,535,777</u>	<u>4,200,514</u>	<u>4,382,453</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 3,671,031</u>	<u>5,374,819</u>	<u>5,571,997</u>

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

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

	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>
Current:			
Convertible bonds	\$ 3,426	-	1,332
Shares of exchange-listed and OTC-listed companies	21,498	10,361	6,968
Embedded derivatives-redemption rights (Note 6(k))	350	-	-
	<u>-</u>	<u>-</u>	<u>934</u>
	<u>\$ 25,274</u>	<u>10,361</u>	<u>9,234</u>
Non-current :	-	-	-
Unlisted common shares	<u>\$ 51,000</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 76,274</u>	<u>10,361</u>	<u>9,234</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.

(Continued)

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

(c) Other financial assets

Other financial assets were as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Current:			
Restricted assets	\$ <u>311,170</u>	<u>218,799</u>	<u>215,619</u>
Non-current:			
Restricted assets	\$ <u>91,892</u>	<u>59,525</u>	<u>36,538</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>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Related party	\$ <u>42,617</u>	<u>27,749</u>	<u>28,641</u>

(i) Related party

The Group's subscription of 1,945 thousand ordinary shares, amounting to \$35,018 thousand, during the cash capital increase of Thermolysis Co., Ltd. conducted in July 2023 was not in proportion to its shareholding ratio, resulting in the Group's ownership percentage in Thermolysis Co., Ltd. to increase from 6.06% to 9.18% and a change in the net equity value of associate using the equity method. Moreover, the above transaction amount had been offset against the retained earnings of \$14,883 thousand due to the absence of capital surplus generated by the same type of transactions.

(ii) Pledge

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

(Continued)

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

(e) Subsidiaries that have material non-controlling interest

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

<u>Subsidiaries</u>	<u>Country of registration</u>	<u>Percentage of non-controlling interests</u>		
		<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 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>September 30,</u>	<u>December 31,</u>	<u>September 30,</u>
	<u>2023</u>	<u>2022</u>	<u>2022</u>
Current assets	\$ 102,643	121,225	103,005
Non-current assets	2,910,654	2,992,886	3,096,432
Current liabilities	(2,587,641)	(2,678,630)	(1,173,782)
Non-current liabilities	(204,802)	(78,265)	(1,829,472)
Net assets	<u>\$ 220,854</u>	<u>357,216</u>	<u>196,183</u>
Non-controlling interest	<u>\$ 142,055</u>	<u>73,919</u>	<u>95,110</u>

	<u>For the three months ended</u>		<u>For the nine months ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Operating revenue	<u>\$ 64,735</u>	<u>84,443</u>	<u>183,684</u>	<u>181,179</u>
Profit (loss) from continuing operations	\$ (55,694)	(36,540)	(160,362)	(151,566)
Other comprehensive income	-	-	-	-
Comprehensive income	<u>\$ (55,694)</u>	<u>(36,540)</u>	<u>(160,362)</u>	<u>(151,566)</u>
Net income attribute to non-controlling interest	<u>\$ (27,083)</u>	<u>(17,714)</u>	<u>(77,984)</u>	<u>(73,479)</u>
Comprehensive income attribute to non-controlling interest	<u>\$ (27,083)</u>	<u>(17,714)</u>	<u>(77,984)</u>	<u>(73,479)</u>

(Continued)

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

	For the nine months ended	
	September 30	
	2023	2022
Net cash flows from operating activities	\$ (82,537)	(13,811)
Net cash flows from investing activities	(19,511)	(6,503)
Net cash flows from financing activities	105,240	36,859
Net increase in cash and cash equivalents	\$ 3,192	16,545

(f) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group, for the nine months ended September 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	-	11,648	148,933	-	7,761	-	168,342
Disposals and retirements	-	(1,985)	(1,975,460)	-	(3,657)	(578,386)	(2,559,488)
Prepayments for equipment (reclassification)	-	851	-	-	-	-	851
Reclassified as non-current assets held for sale	-	-	(578,386)	-	-	578,386	-
Effect of change in foreign exchange rates	-	-	1,400,047	-	-	-	1,400,047
Balance on September 30, 2023	\$ 684,976	2,516,863	28,148,817	-	686,147	-	32,036,803
Balance on January 1, 2022	\$ 684,976	2,501,692	26,035,562	393,047	668,156	-	30,283,433
Additions	-	3,194	186,040	-	12,817	-	202,051
Disposals and retirements	-	-	(65,937)	(415,838)	(4,899)	-	(486,674)
Reclassifications	-	1,905	1,599	-	1,389	-	4,893
	-	-	286	-	(286)	-	-
Effect of change in foreign exchange rates	-	-	3,833,745	22,791	-	-	3,856,536
Balance on September 30, 2022	\$ 684,976	2,506,791	29,991,295	-	677,177	-	33,860,239
Depreciation and impairment loss:							
Balance on January 1, 2023	\$ -	305,793	13,444,729	-	430,514	-	14,181,036
Depreciation for the period	-	41,266	970,475	-	54,725	-	1,066,466
Disposals and retirements	-	(350)	(1,254,211)	-	(2,488)	(379,187)	(1,636,236)
Reclassified as non-current assets held for sale	-	-	(381,669)	-	-	381,669	-
Impairment loss (reversal)	-	-	12,474	-	-	(2,482)	9,992
Effect of change in foreign exchange rates	-	-	669,026	-	-	-	669,026
Balance on September 30, 2023	\$ -	346,709	13,460,824	-	482,751	-	14,290,284
Balance on January 1, 2022	\$ -	252,170	11,037,580	257,910	358,934	-	11,906,594
Depreciation for the period	-	41,046	902,530	13,928	56,472	-	1,013,976
Disposals and retirements	-	-	(63,671)	(286,794)	(3,442)	-	(353,907)
Effect of change in foreign exchange rates	-	-	1,688,843	14,956	-	-	1,703,799
Balance on September 30, 2022	\$ -	293,216	13,565,282	-	411,964	-	14,270,462

(Continued)

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 September 30, 2023	\$ 684,976	2,170,154	14,687,993	-	203,396	-	17,746,519
Balance on January 1, 2022	\$ 684,976	2,249,522	14,997,982	135,137	309,222	-	18,376,839
Balance on September 30, 2022	\$ 684,976	2,213,575	16,426,013	-	265,213	-	19,589,777

(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 \$209,193 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 \$9,992 thousand was recognized under other gains and losses in the consolidated statement of comprehensive income.

(iii) As of September 30, 2023, December 31 and September 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 September 30, 2023	\$ 150	-	777	927
Balance on January 1, 2022	\$ 300	-	-	300
Balance on September 30, 2022	\$ 236	-	1,325	1,561

There were no significant additions, disposal, or recognition and reversal of impairment losses of right-of-use assets for the nine months ended September 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>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Secured bank loans	\$ 776,000	714,000	642,675
Unused short-term credit lines	\$ 193,620	92,130	221,550
Range of interest rate	2%~2.97%	1.33%~4.15%	1.33%~4.15%

(Continued)

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

(i) Borrowing and repayment

For the nine months ended September 30, 2023 and 2022, the Group borrowed the amounts of \$650,000 thousand and \$300,000 thousand. In addition, the Group repaid the amounts of \$588,000 thousand and \$586,604 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:

	September 30, 2023	December 31, 2022	September 30, 2022
Secured bank loans	\$ 9,249,142	12,038,130	13,713,291
Less: current portion	<u>(4,863,739)</u>	<u>(4,288,433)</u>	<u>(4,133,666)</u>
Total	<u>\$ 4,385,403</u>	<u>7,749,697</u>	<u>9,579,625</u>
Unused long-term credit lines	<u>\$ -</u>	<u>-</u>	<u>-</u>
Range of interest rate	<u>2.28%~7.29%</u>	<u>1.48%~6.49%</u>	<u>1.48%~4.37%</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 September 30, 2023, the amount of \$2,282,080 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.

(Continued)

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

As of September 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 \$1,715,350 thousand to current liabilities (classified as current portion of long-term borrowings).

(ii) Borrowing and repayment

For the nine months ended September 30, 2023 and 2022, the Group borrowed the amounts of \$275,000 thousand and \$280,010 thousand, with maturities set in April 2027 and March 2024, respectively. In addition, the Group repaid \$3,428,242 thousand and \$2,991,019 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

September 30, 2023			
	Guarantee or acceptance institution	Range of interest rates(%)	Amount
Commercial paper payable	Mega Bills	2.20~2.58%	\$ 100,000
Less: Discount on short-term notes and bills payable			(293)
Total			\$ 99,707
December 31, 2022			
	Guarantee or acceptance institution	Range of interest rates(%)	Amount
Commercial paper payable	Mega Bills	2.20~2.54%	\$ 60,000
Less: Discount on short-term notes and bills payable			(48)
Total			\$ 59,952
September 30, 2022			
	Guarantee or acceptance institution	Range of interest rates(%)	Amount
Commercial paper payable	Mega Bills	2.54%	\$ 40,000
Less: Discount on short-term notes and bills payable			(89)
Tota			\$ 39,911

(Continued)

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

For the three months ended September 30, 2023 and 2022, the Group borrowed the amount of \$40,000 thousand and \$120,000 thousand, with an interest rate of 2.58% and 2.54% maturing in July 2023 and July 2022, respectively.

(k) Bonds Payable

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

	September 30, 2023
Total amount of secured convertible bonds issued	\$ 500,000
Unamortized balance of discount on bonds payable	<u>(24,093)</u>
Balance of bonds payable at the end of the period	<u>\$ 475,907</u>
Embedded derivatives-redemption rights (listed in financial assets at fair value through profit or loss)	<u>\$ 350</u>
Equity component-conversion rights (listed in capital surplus-stock options)	<u>\$ 61,636</u>
Interest expense	<u>\$ 2,392</u>

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

	September 30, 2023	December 31, 2022	September 30, 2022
Litigation provision	<u>\$ 51,632</u>	<u>49,136</u>	<u>50,800</u>

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

(Continued)

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

(m) Lease liabilities

The Group's lease liabilities were as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Current	\$ <u>602</u>	<u>502</u>	<u>366</u>
Non-current	\$ <u>218</u>	<u>696</u>	<u>827</u>

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

The amounts recognized in profit or loss were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Interest on lease liabilities	\$ <u>5</u>	<u>6</u>	<u>16</u>	<u>16</u>
Expenses relating to short-term leases	\$ <u>180</u>	<u>325</u>	<u>537</u>	<u>690</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>806</u>	<u>102</u>	<u>1,704</u>	<u>244</u>

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

	For the nine months ended September 30	
	2023	2022
Total cash outflow for leases	\$ <u>2,635</u>	<u>1,423</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.

(Continued)

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

(n) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim was measured and disclosed according to the actuarial report as of December 31, 2022 and 2021.

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

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Operating expense	\$ <u>3</u>	<u>3</u>	<u>16</u>	<u>9</u>

(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 September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Operating costs	\$ 634	636	1,988	1,817
Operating expenses	<u>1,673</u>	<u>1,283</u>	<u>4,906</u>	<u>3,773</u>
Total	<u>\$ 2,307</u>	<u>1,919</u>	<u>6,894</u>	<u>5,590</u>

(o) Income tax

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

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Current tax expenses				
Current periods	\$ 16,740	29,863	160,213	111,288
Previous year income tax over/under estimation	-	-	47,821	-
Taxes on undistributed surplus earnings	<u>(745)</u>	<u>-</u>	<u>69,994</u>	<u>42</u>
	<u>15,995</u>	<u>29,863</u>	<u>278,028</u>	<u>111,330</u>

(Continued)

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

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2023	2022	2023	2022
Deferred tax expenses				
Origination and reversal of temporary differences	(25,881)	127,650	(165,382)	347,722
Income tax expenses	\$ (9,886)	157,513	112,646	459,052
	Company		Approved year	
The Company			2020	
Dancewoods Hotel & Resort			2021	

(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 amendment of the registration of the issuance of new ordinary shares had been approved on September 1, 2023 by the Ministry of Economic Affairs, resulting in the fully paid share capital to increase to \$3,892,671 thousand.

(Continued)

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

(ii) Capital surplus

The components of the capital surplus were as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Share capital	\$ 2,742,374	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	13,737	12,226	9,377
Other	<u>69,358</u>	<u>69,358</u>	<u>69,358</u>
	<u>\$ 3,268,717</u>	<u>3,044,890</u>	<u>2,642,041</u>

(iii) Retained earnings

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

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

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

(Continued)

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

1) Legal reserve

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

2) Special reserve

In accordance with the rule issued by the FSC, a portion of the current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. The amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions. As of September 30, 2023, the special earnings reserve was amounted \$43,174 thousand.

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>628,894</u>
Balance on September 30, 2023	\$ <u>585,720</u>
Balance on January 1, 2022	\$ (1,143,073)
Exchange differences on foreign operations	<u>1,563,401</u>
Balance on September 30, 2022	\$ <u>420,328</u>

(Continued)

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

(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 September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Profit (Loss) attributable to ordinary shareholders of the company	\$ <u>(155,540)</u>	<u>603,265</u>	<u>(582,091)</u>	<u>1,806,163</u>
Weighted-average number of ordinary shares (shares in thousands)	<u>381,022</u>	<u>329,267</u>	<u>373,223</u>	<u>329,267</u>
	<u>\$ (0.41)</u>	<u>1.83</u>	<u>(1.56)</u>	<u>5.49</u>

(ii) Diluted earnings per share (NT dollars)

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Profit (Loss) attributable to the company	\$ (155,540)	603,265	(582,091)	1,806,163
After-tax effect on interest expense and other gains and losses of the convertible bonds	-	-	-	-
Profit (Loss) attributable to ordinary shareholders of the company (diluted)	<u>\$ (155,540)</u>	<u>603,265</u>	<u>(582,091)</u>	<u>1,806,163</u>
Weighted-average number of ordinary shares (shares in thousands)	381,022	329,267	373,223	329,267
Employee stock bonus (Note)	-	1,899	-	2,121
Weighted-average number of ordinary shares (diluted)	<u>381,022</u>	<u>331,166</u>	<u>373,223</u>	<u>331,388</u>
	<u>\$ (0.41)</u>	<u>1.82</u>	<u>(1.56)</u>	<u>5.45</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.

(Continued)

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

(r) Revenue from contracts with customers

	For the three months ended September 30, 2023		
	Shipping segment	Tourism segment	Total
Primary geographical markets:			
Taiwan	\$ (144)	64,601	64,457
Asia	662,084	-	662,084
Europe	141,476	-	141,476
Other	206	-	206
	<u>\$ 803,622</u>	<u>64,601</u>	<u>868,223</u>
Major products/services lines:			
Rental income	\$ 803,622	196	803,818
Other operating income	-	64,405	64,405
	<u>\$ 803,622</u>	<u>64,601</u>	<u>868,223</u>
	For the three months ended September 30, 2022		
	Shipping segment	Tourism segment	Total
Primary geographical markets:			
Taiwan	\$ 454	84,206	84,660
Asia	1,569,681	-	1,569,681
Europe	240,626	-	240,626
Other	13,063	-	13,063
	<u>\$ 1,823,824</u>	<u>84,206</u>	<u>1,908,030</u>
Major products/services lines:			
Rental income	\$ 1,823,824	254	1,824,078
Other operating income	-	83,952	83,952
	<u>\$ 1,823,824</u>	<u>84,206</u>	<u>1,908,030</u>
	For the nine months ended September 30, 2023		
	Shipping segment	Tourism segment	Total
Primary geographical markets:			
Taiwan	\$ 6,624	183,488	190,112
Asia	2,096,169	-	2,096,169
Europe	340,920	-	340,920
Other	4,975	-	4,975
	<u>\$ 2,448,688</u>	<u>183,488</u>	<u>2,632,176</u>

(Continued)

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

	For the nine months ended September 30, 2023		
	Shipping segment	Tourism segment	Total
Major products/services lines:			
Rental income	\$ 2,448,688	296	2,448,984
Other operating income	-	183,192	183,192
	<u>\$ 2,448,688</u>	<u>183,488</u>	<u>2,632,176</u>
	For the nine months ended September 30, 2022		
	Shipping segment	Tourism segment	Total
Primary geographical markets:			
Taiwan	\$ 23,731	180,813	204,544
Asia	4,431,986	-	4,431,986
Europe	736,492	-	736,492
Other	43,626	-	43,626
	<u>\$ 5,235,835</u>	<u>180,813</u>	<u>5,416,648</u>
Major products/services lines:			
Rental income	\$ 5,235,835	504	5,236,339
Other operating income	-	180,309	180,309
	<u>\$ 5,235,835</u>	<u>180,813</u>	<u>5,416,648</u>

(s) Remunerations to employees and directors

The Company did not estimate its employees' and directors' remuneration for the nine months ended September 30, 2023 since it incurred net loss after tax. For the three months and nine months ended September 30, 2022, the Company estimated its employees' remuneration amounting to \$15,600 thousand and \$46,440 thousand, and directors' remuneration amounting to \$2,520 thousand and \$7,560 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.

(Continued)

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

(t) Financial instruments

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

2) Concentration of credit risk

As of September 30, 2023, December 31 and September 30, 2022, the accounts receivable amounted to \$31,750 thousand, \$50,281 thousand and \$58,180 thousand, constituting 0.14%、0.20% and 0.22%, 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>
September 30, 2023							
Non-derivative financial liabilities							
Secured bank loans	\$10,025,142	10,867,062	1,651,984	4,443,810	2,483,692	2,280,356	7,220
Short-term notes and bills payable	99,707	100,000	100,000	-	-	-	-
Non-interest bearing liabilities	521,742	521,742	521,742	-	-	-	-
Lease liabilities	820	833	263	351	219	-	-
Bonds payable	475,907	500,000	-	-	-	500,000	-
	<u>\$11,123,318</u>	<u>11,989,637</u>	<u>2,273,989</u>	<u>4,444,161</u>	<u>2,483,911</u>	<u>2,780,356</u>	<u>7,220</u>

(Continued)

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>within 6 months</u>	<u>6-12months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>More than 5 years</u>
December 31, 2022							
Non-derivative financial liabilities							
Secured bank loans	\$12,752,130	13,019,991	2,014,751	1,908,589	6,310,496	2,776,526	9,629
Short-term notes and bills payable	59,952	60,000	60,000	-	-	-	-
Non-interest bearing liabilities	818,951	818,951	818,951	-	-	-	-
Lease liabilities	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>
September 30, 2022							
Non-derivative financial liabilities							
Secured bank loans	\$14,355,966	15,260,459	2,579,989	2,639,831	6,602,364	3,427,871	10,404
Notes and accounts payable	39,911	40,000	40,000	-	-	-	-
Non-interest bearing liabilities	785,226	785,226	785,226	-	-	-	-
Lease liabilities	1,193	1,315	44	351	613	307	-
	<u>\$15,182,296</u>	<u>16,087,000</u>	<u>3,405,259</u>	<u>2,640,182</u>	<u>6,602,977</u>	<u>3,428,178</u>	<u>10,404</u>

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

(iii) Market risk

1) Currency risk

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

	<u>September 30, 2023</u>			<u>December 31, 2022</u>			<u>September 30, 2022</u>			
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	
<u>Financial assets</u>										
<u>Monetary items</u>										
USD:NTD	\$	8,400	32.2700	271,053	1,534	30.7100	47,109	1,800	31.7500	57,154
JPY:USD		111,103	0.0067	24,020	23,342	0.0076	5,425	33,866	0.0069	7,454
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD:NTD		54,996	32.2700	1,774,728	39,583	30.7100	1,288,921	33,496	31.7500	1,011,879
USD:JPY		38,861	0.0067	8,402	58,001	0.0076	13,479	41,384	0.0069	9,109

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 nine months ended September 30, 2023 and 2022, would have increased (decreased) the net profit after tax by \$11,904 thousand and \$7,651 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

(Continued)

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

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 nine months ended September 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 nine months ended September 30, 2023 and 2022, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$(65,069) thousand, \$(132,280) thousand, \$(93,383) thousand and \$(270,642) thousand, respectively.

2) Interest rate analysis

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

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

If the interest rate had increased or decreased by 0.5% basis points, the Group's net income would have increased or decreased by \$30,075 thousand and \$43,068 thousand for the nine months ended September 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 nine months ended September 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:

	For the nine months ended September 30			
	2023		2022	
Prices of securities at the reporting date	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 5%	\$ -	3,796	-	462
Decreasing 5%	\$ -	(3,796)	-	(462)

(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.

(Continued)

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

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:

	September 30, 2023				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non derivative financial assets mandatorily measured at fair value through profit or loss	\$ 76,274	24,924	-	51,350	76,274
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 3,671,031	-	-	-	-
Accounts receivable	31,750	-	-	-	-
Other financial assets-current and non-current	403,152	-	-	-	-
Subtotal	<u>\$ 4,105,933</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at amortized cost					
Bank loans	\$ 10,025,142	-	-	-	-
Short-term notes and bills payable	99,707	-	-	-	-
Notes payable and accounts payable	130,187	-	-	-	-
Other payables (include related parties)	391,555	-	-	-	-
Lease liabilities	820	-	-	-	-
Bonds payable	<u>475,907</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>\$ 11,123,318</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

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

	December 31, 2022				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non derivative financial assets mandatorily measured at fair value through profit or loss	\$ 10,361	10,361	-	-	10,361
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 5,374,819	-	-	-	-
Accounts receivable	50,281	-	-	-	-
Other financial assets-current and non-current	278,324	-	-	-	-
Subtotal	<u>\$ 5,703,424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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 and dividends payable)	610,188	-	-	-	-
Lease liabilities	1,198	-	-	-	-
Subtotal	<u>\$ 13,632,231</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

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

	September 30, 2022				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non derivative financial assets mandatorily measured at fair value through profit or loss	\$ 9,234	9,234	-	-	9,234
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 5,571,997	-	-	-	-
Accounts receivable	58,180	-	-	-	-
Other financial assets-current and non-current	252,157	-	-	-	-
Subtotal	<u>\$ 5,882,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at amortized cost					
Bank loans	\$ 14,355,966	-	-	-	-
Short-term notes and bills payable	39,911	-	-	-	-
Notes payable and accounts payable	185,133	-	-	-	-
Other payables (include related parties and dividends payable)	600,093	-	-	-	-
Lease liabilities	<u>1,193</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>\$ 15,182,296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

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

2.1) Financial assets and financial liabilities measured at amortized cost

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

(Continued)

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

3) Valuation techniques for financial instruments measured at fair value

3.1) Non-derivative financial instruments

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

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

The 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).

4) There were no transfers from each level for the nine months ended September 30, 2023 and 2022.

(Continued)

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

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	
Purchase	51,000
Issued	600
Evaluation	(250)
Ending Balance, September 30, 2023	\$ 51,350

For the six months ended September 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 September 30	For the nine months ended September 30
	2023	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”	\$ (150)	(250)

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.
Financial assets at fair value through profit or loss – equity investment without an active market	Market approach	<ul style="list-style-type: none"> ·The multiplier of price-to-book ratio (September 30, 2023, was 0.80) ·Market illiquidity discount (September 30, 2023, was 20%) 	<ul style="list-style-type: none"> The estimated fair value would decrease (increase) if: ·The multiplier and the market illiquidity discount were higher (lower)

- 7) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group's measurement on the fair value of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income

	<u>Inputs</u>	<u>Fluctuation in inputs</u>	<u>Profit or loss</u>		<u>Other comprehensive income</u>	
			<u>Favorable</u>	<u>Unfavorable</u>	<u>Favorable</u>	<u>Unfavorable</u>
September 30, 2023						
Financial assets at fair value through profit or loss						
	Equity investments without an active market	Multiplier of price-to-book ratio	5%	2,550	(2,550)	-

- (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.

(Continued)

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

(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 nine months ended September 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.	Other related party
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.	"
Dancewood Manor Co., Ltd.	"
Da Si Management Consulting Co., Ltd.	"
Kun Lun Construction Co., Ltd.	"
King Chou Investment, Ltd.	"
Kei Jai Investment, Ltd.	"
Chung Ai Investment, Ltd.	"
Run Ze Investment Corp.	"
Chen Yun Investment Corp.	Other related party
Cian Feng Investment Corp.	"
Thermolysis Co., Ltd.	Associates that the Group had significant influence over

(Continued)

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

(b) Significant transactions with related parties

(i) Operating revenue

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

<u>Account</u>	<u>Relationship</u>	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Other operating income	Other related party	\$ <u>113</u>	<u>96</u>	<u>245</u>	<u>436</u>

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

(ii) Operating cost

<u>Relationship</u>	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Other related party	\$ <u>1,501</u>	<u>6,821</u>	<u>4,981</u>	<u>9,511</u>

(iii) Receivables from related parties

<u>Account</u>	<u>Relationship</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Account receivable	Other related party	\$ <u>3</u>	<u>7</u>	<u>4</u>
Other receivables (classified as other current assets)	"	\$ <u>-</u>	<u>100</u>	<u>3</u>

(iv) Payables to related parties

<u>Account</u>	<u>Relationship</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Account payable	Other related party	\$ <u>88</u>	<u>95</u>	<u>135</u>
Other payables-related parties	Other related party	\$ <u>50</u>	<u>-</u>	<u>-</u>

(v) Other

<u>Account</u>	<u>Relationship</u>	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Rental Expense	Other related party	\$ <u>180</u>	<u>200</u>	<u>596</u>	<u>560</u>
Service fee	Other related party	\$ <u>143</u>	<u>476</u>	<u>429</u>	<u>476</u>

(Continued)

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

(vi) Loans from related parties

<u>Related party name</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Pei Lin Investment Corp.	\$ 33,333	180,133	180,133
Huo Da Investment Corp.	128,000	128,000	128,000
	<u>\$ 161,333</u>	<u>308,133</u>	<u>308,133</u>

The interests payable on loans from related parties (classified as other payables to related parties) were \$280 thousand, \$615 thousand and \$536 thousand as of September 30, 2023, December 31 and September 30, 2022, respectively. and the related interest expenses were \$2,940 thousand and \$5,416 thousand for the nine months ended September 30, 2023 and 2022, respectively.

(vii) Equity

The Group did not subscribe in proportion to its shareholding ratio during the cash capital increase of its associate conducted in July 2023. Please refer to note 6(d) for more details.

(viii) Other transactions with related parties

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

<u>Relationship</u>	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	Other related party	<u>\$ 17</u>	<u>17</u>	<u>51</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 September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	Short-term employee benefits	\$ 1,162	6,721	5,921
Post-employment benefits	66	56	182	154
	<u>\$ 1,228</u>	<u>6,777</u>	<u>6,103</u>	<u>19,966</u>

(Continued)

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

(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>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Other financial assets-current and non-current	Bank loans	\$ 133,025	204,282	252,157
Other financial assets	Fixed deposit pledge	270,037	74,042	-
Property, plant and equipment	Bank loans	16,526,515	16,098,872	18,316,338
Property, plant and equipment	Bonds payable	92,117	-	-
		<u>\$ 17,021,694</u>	<u>16,377,196</u>	<u>18,568,495</u>

(9) Significant commitments and contingencies

- (a) The Group's subsidiary, Forever Pescadores S.A. Panama, was investigated by the International Transport Workers' Federation (ITF) in March 2019, wherein ITF believed that some of the crew members' salaries were lower than the standard wage. In October 2020, the Group's subsidiary had reached a settlement with ITF and signed a non-disclosure agreement. Furthermore, certain subsidiaries of the Group were also randomly investigated by ITF, and the investigation is still in progress. The Group recognized the related provisions as of September 30, 2023 due to a possible obligation that may require an outflow of resources of economic benefits. Please refer to Note 6(1).

(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 September 30					
		2023			2022		
		Cost of sale	Operating expense	Total	Cost of sale	Operating expense	Total
Employee benefits							
Salary		210,316	34,624	244,940	255,054	45,612	300,666
Labor and health insurance		1,380	3,429	4,809	1,361	2,563	3,924
Pension		634	1,676	2,310	636	1,286	1,922
Others		26,899	1,030	27,929	13,451	1,216	14,667
Depreciation		345,548	1,126	346,674	348,563	1,203	349,766
Depletion		-	-	-	-	-	-
Amortization		-	374	374	-	238	238

(Continued)

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

		For the nine months ended September 30					
		2023			2022		
By item	By function	Cost of sale	Operating expense	Total	Cost of sale	Operating expense	Total
Employee benefits							
	Salary	677,582	96,509	774,091	761,705	134,971	896,676
	Labor and health insurance	4,365	9,395	13,760	3,880	7,733	11,613
	Pension	1,988	4,922	6,910	1,817	3,782	5,599
	Others	81,570	4,409	85,979	46,627	4,530	51,157
Depreciation							
		1,063,517	3,425	1,066,942	1,011,076	3,284	1,014,360
Depletion							
		-	-	-	-	-	-
Amortization							
		-	1,121	1,121	-	715	715

(b) Seasonality of operation

The Group's operations were not affected by seasonality or cyclicity factors.

(Continued)

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

(13) Other disclosures:

(a) Information on significant transactions:

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

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	DONG LIEN MARITIME S.A. PANAMA	FOREVER PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	25,816	25,816	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	12,868,548	12,868,548
1	DONG LIEN MARITIME S.A. PANAMA	ETERNITY PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	25,816	25,816	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	12,868,548	12,868,548
1	DONG LIEN MARITIME S.A. PANAMA	VALOR PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	16,135	16,135	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	12,868,548	12,868,548
1	DONG LIEN MARITIME S.A. PANAMA	WISE PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	16,135	16,135	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	12,868,548	12,868,548
1	DONG LIEN MARITIME S.A. PANAMA	VIGOR PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	25,816	25,816	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	12,868,548	12,868,548
1	DONG LIEN MARITIME S.A. PANAMA	MOON BRIGHT SHIPPING CORPORATION	Other receivables from related parties	Yes	32,270	32,270	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	12,868,548	12,868,548
1	DONG LIEN MARITIME S.A. PANAMA	FEDERAL PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	48,405	48,405	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	12,868,548	12,868,548
1	DONG LIEN MARITIME S.A. PANAMA	MODEST PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	48,405	48,405	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	12,868,548	12,868,548
1	DONG LIEN MARITIME S.A. PANAMA	PENGHU PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	48,405	48,405	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	12,868,548	12,868,548
1	DONG LIEN MARITIME S.A. PANAMA	SKYHIGH PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	16,135	16,135	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	12,868,548	12,868,548
1	DONG LIEN MARITIME S.A. PANAMA	DANCEWOOD PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	16,135	16,135	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	12,868,548	12,868,548
1	DONG LIEN MARITIME S.A. PANAMA	DANCEFLORA PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	32,270	-	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	12,868,548	12,868,548
1	DONG LIEN MARITIME S.A. PANAMA	STAMINA PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	25,816	-	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	12,868,548	12,868,548

(Continued)

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

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	DONG LIEN MARITIME S.A. PANAMA	BRAVE PESCADORES S.A.	Other receivables from related parties	Yes	16,135	16,135	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	12,868,548	12,868,548
1	DONG LIEN MARITIME S.A. PANAMA	GENIUS PESCADORES S.A. (PANAMA)	Other receivables from related parties	Yes	25,816	25,816	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	12,868,548	12,868,548
1	DONG LIEN MARITIME S.A. PANAMA	SPINNAKER PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	25,816	25,816	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	12,868,548	12,868,548
1	DONG LIEN MARITIME S.A. PANAMA	ENDURANCE PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	25,816	25,816	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	12,868,548	12,868,548
1	DONG LIEN MARITIME S.A. PANAMA	SUMMIT PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	25,816	25,816	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	12,868,548	12,868,548
1	DONG LIEN MARITIME S.A. PANAMA	INDIGO PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	25,816	25,816	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	12,868,548	12,868,548
1	DONG LIEN MARITIME S.A. PANAMA	AUDREY PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	16,135	16,135	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	12,868,548	12,868,548
1	DONG LIEN MARITIME S.A. PANAMA	WONDERFUL PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	16,135	16,135	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	12,868,548	12,868,548
1	DONG LIEN MARITIME S.A. PANAMA	HUGE PESCADORES S.A. PANAMA	Other receivables from related parties	Yes	25,816	25,816	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	12,868,548	12,868,548
1	DONG LIEN MARITIME S.A. PANAMA	ELEGANT PESCADORES S.A. (PANAMA)	Other receivables from related parties	Yes	32,270	32,270	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	12,868,548	12,868,548
1	DONG LIEN MARITIME S.A. PANAMA	FORTUNATE MARITIME S.A. PANAMA	Other receivables from related parties	Yes	32,270	32,270	-	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	12,868,548	12,868,548
1	DONG LIEN MARITIME S.A. PANAMA	The Company	Other receivables from related parties	Yes	1,581,230	1,581,230	1,484,298	-	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	12,868,548	12,868,548
1	DONG LIEN MARITIME S.A. PANAMA	Dancewoods Hotel & Resort	Other receivables from related parties	Yes	354,970	354,970	290,430	2.38 %	Short-term financing	-	Repayments of borrowing and operating capital	-	-	-	3,860,564	5,147,419

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

Note 2: Limitation of financing was based on 40% of the lending company's net equity on September 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 September 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.

(Continued)

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	10,027,808	1,026,647	963,923	770,303	-	9.61 %	60,166,848	Yes	No	No
0	The company	ELEGANT PESCADORES S.A. (PANAMA)	1	10,027,808	454,263	415,113	415,113	-	4.14 %	60,166,848	Yes	No	No
0	The company	BRAVE PESCADORES S.A.	1	10,027,808	215,370	173,258	173,258	4,365	1.73 %	60,166,848	Yes	No	No
0	The company	GENIUS PESCADORES S.A. (PANAMA)	1	10,027,808	677,482	631,009	631,009	4,817	6.29 %	60,166,848	Yes	No	No
0	The company	MOON BRIGHT SHIPPING CORPORATION	1	10,027,808	586,880	336,069	336,069	-	3.35 %	60,166,848	Yes	No	No
0	The company	VALOR PESCADORES S.A. PANAMA	1	10,027,808	81,580	57,109	57,109	-	0.57 %	60,166,848	Yes	No	No
0	The company	VIGOR PESCADORES S.A. PANAMA	1	10,027,808	174,833	134,093	134,093	-	1.34 %	60,166,848	Yes	No	No
0	The company	HUGE PESCADORES S.A. PANAMA	1	10,027,808	162,872	-	-	-	- %	60,166,848	Yes	No	No
0	The company	FOREVER PESCADORES S.A. PANAMA	1	10,027,808	397,581	286,531	286,531	-	2.86 %	60,166,848	Yes	No	No
0	The company	ETERNITY PESCADORES S.A. PANAMA	1	10,027,808	297,070	257,359	257,359	-	2.57 %	60,166,848	Yes	No	No
0	The company	FEDERAL PESCADORES S.A. PANAMA	1	10,027,808	620,748	369,894	369,894	-	3.69 %	60,166,848	Yes	No	No
0	The company	WISE PESCADORES S.A. PANAMA	1	10,027,808	97,009	-	-	-	- %	60,166,848	Yes	No	No
0	The company	MODEST PESCADORES S.A. PANAMA	1	10,027,808	824,121	622,222	622,222	-	6.20 %	60,166,848	Yes	No	No
0	The company	PENGHU PESCADORES S.A. PANAMA	1	10,027,808	837,805	470,120	470,120	-	4.69 %	60,166,848	Yes	No	No
0	The company	SKYHIGH PESCADORES S.A. PANAMA	1	10,027,808	197,703	-	-	-	- %	60,166,848	Yes	No	No
0	The company	DANCEWOOD PESCADORES S.A. PANAMA	1	10,027,808	450,945	414,997	414,997	7,431	4.14 %	60,166,848	Yes	No	No
0	The company	DANCEFLORA PESCADORES S.A. PANAMA	1	10,027,808	211,761	-	-	-	- %	60,166,848	Yes	No	No
0	The company	STAMINA PESCADORES S.A. PANAMA	1	10,027,808	260,725	-	-	-	- %	60,166,848	Yes	No	No
0	The company	SPINNAKER PESCADORES S.A. PANAMA	1	10,027,808	365,238	333,813	333,813	-	3.33 %	60,166,848	Yes	No	No
0	The company	ENDURANCE PESCADORES S.A. PANAMA	1	10,027,808	626,538	584,426	584,426	8,707	5.83 %	60,166,848	Yes	No	No
0	The company	INDIGO PESCADORES S.A. PANAMA	1	10,027,808	474,127	441,454	441,454	-	4.40 %	60,166,848	Yes	No	No
0	The company	SUMMIT PESCADORES S.A. PANAMA	1	10,027,808	317,120	39,598	39,598	-	0.39 %	60,166,848	Yes	No	No
0	The company	AUDREY PESCADORES S.A. PANAMA	1	10,027,808	422,874	391,653	391,653	3,237	3.91 %	60,166,848	Yes	No	No
0	The company	WONDERFUL PESCADORES S.A. PANAMA	1	10,027,808	433,281	402,060	402,060	6,461	4.01 %	60,166,848	Yes	No	No
0	The company	Dancewoods Hotel & Resort	1	10,027,808	2,469,215	2,251,469	2,251,469	-	22.45 %	60,166,848	Yes	No	No

(Continued)

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

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

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

Note 2:Limit on endorsement/guarantee given to a single entity was 100% of the net equity on September 30, 2023.

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

(iii) Securities held as of September 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 (%)		Fair value
The company	Convertible bond of Taiwan Kolin Co., Ltd.	-	Financial assets at fair value through profit or loss - current	40	-	- %	-	
The company	Convertible bond of Yulon Motor Co., Ltd.		"	30,000	3,426	- %	3,426	
The company	Wisdom Marine International Inc.	-	"	90,000	4,361	- %	4,361	
The company	Evergreen Marine Co.	-	"	4,000	464	- %	464	
The company	Yulon Motor Co., Ltd.	-	"	70,800	5,876	- %	5,876	
The company	Taiwan Business Bank, Ltd.	-	"	300,000	3,960	- %	3,960	
The company	Energenesis Biomedical Co., Ltd.	-	"	50,000	3,000	- %	3,000	
The company	Sunny Bank Ltd.	-	Financial assets at fair value through profit or loss - non-current	5,100,000	51,000	0.15 %	51,000	
Dancewoods Hotel & Resort	Dancewoods Suao Co., Ltd	-	Financial assets at fair value through profit or loss - current	1,140,000	-	19.00 %	-	
Dancewoods Hotel & Resort	Chang Hwa Commercial Bank, Ltd.	-	"	512	9	- %	9	
Dancewoods Hotel & Resort	Energenesis Biomedical Co., Ltd.	-	"	25,000	1,500	0.03 %	1,500	
Dancewoods Hotel & Resort	Getac Technology Corporation	-	"	30,000	2,328	0.02 %	2,328	

(Continued)

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

- (iv) Individual securities acquired or disposed with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
The Company	Dong Lien Maritime S.A. Panama	Investments accounted for using equity method	Dong Lien Maritime S.A. Panama	Parent-Subsidiary	86,392,775	2,787,902 (USD86,393)	31,450,000	965,001 (USD31,450)	-	-	-	-	117,842,775	3,802,786 (USD117,843)
The Company	Dong Lien Maritime S.A. Panama	Prepayment for investment	Dong Lien Maritime S.A. Panama	Parent-Subsidiary	-	- (USD-)	26,870,000	860,505 (USD26,870)	-	-	-	-	26,870,000	860,505 (USD26,870)

- (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:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Dong Lien Maritime S.A. Panama and subsidiaries	Subsidiary	Sale	(132,395)	(97) %	Net 30-90 days	-	-	-	-%	
Dong Lien Maritime S.A. Panama and subsidiaries	The Company	Parent Company	Purchase	132,395	5 %	Net 30-90 days	-	-	-	-%	

Note: The amount of the transaction and the ending balance had been offset in the consolidated financial statements.

- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None
- (ix) Trading in derivative instruments: None
- (x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The company	Dong Lien Maritime S.A. Panama and subsidiaries	1	Operating revenue	132,395	Receive in net 30-90 days	5%
0	The company	Dong Lien Maritime S.A. Panama and subsidiaries	1	Other revenue	13,173	Receive in net 30-90 days	1%
0	The company	Dancewoods Hotel & Resort	2	Operating revenue	45	Receive in net 30-90 days	-%
0	The company	Dancewoods Hotel & Resort	2	Other receivable to related parties	375	Receive in net 30-90 days	-%
0	The company	Dancewoods Hotel & Resort	2	Other revenue	3,694	Receive in net 30-90 days	-%
0	The company	Fortunate Maritime S.A. Panama	2	Operating revenue	4,431	Receive in net 30-90 days	-%
1	Dancewoods Hotel & Resort	The company	2	Operating revenue	196	Receive in net 30-90 days	-%
2	Dong Lien Maritime S.A. Panama and subsidiaries	The company	1	Other receivable to related parties	1,484,298	Receive in accordance with the agreements	7%
2	Dong Lien Maritime S.A. Panama and subsidiaries	Dancewoods Hotel & Resort	3	Interest revenue	3,364	Receive in net 30-90 days	-%

(Continued)

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

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
2	Dong Lien Maritime S.A. Panama and subsidiaries	Dancewoods Hotel & Resort	3	Other receivable to related parties	290,430	Receive in accordance with the agreements	1%

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 nine months ended September 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 September 30, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 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	3,802,786	2,653,129	117,842,775	100.00 %	12,868,548	(351,351)	(351,351)	Subsidiary (Note 1 and 2)
The company	Fortunate Maritime S.A. Panama	Panama	"	284,783	608,826	88,250	100.00 %	541,325	13,866	13,866	"
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	(160,362)	(82,378)	"
The company	Thermolysis Co., Ltd	Taiwan	Pollution prevention equipment manufacturing and retail	65,018	30,000	3,945,454	9.18 %	46,217	(79,508)	(5,267)	Related Party (Note 3)
Dong Lien Maritime S.A. Panama	Audrey Pescadores S.A. Panama	Panama	Cargo shipping services and shipping agency	161,350	153,550	50,000	100.00 %	158,442	(1,139)	Exempt from disclosure (Note 3)	Sub-subsidiary (Note 1 and 2)
Dong Lien Maritime S.A. Panama	Brave Pescadores S.A. Panama	Panama	"	371,105	107,485	115,000	100.00 %	403,651	31,740	"	"
Dong Lien Maritime S.A. Panama	Bright Pescadores S.A. Panama	Panama	"	64,540	61,420	20,000	100.00 %	64,432	(103)	"	"
Dong Lien Maritime S.A. Panama	Brilliant Pescadores S.A. Panama	Panama	Cargo shipping services and shipping agency	32,270	30,710	10,000	100.00 %	32,167	(98)	Exempt from disclosure (Note 3)	Sub-subsidiary (Note 1 and 2)
Dong Lien Maritime S.A. Panama	Danceflora Pescadores S.A. Panama	Panama	"	354,970	337,810	110,000	100.00 %	394,014	4,307	"	"
Dong Lien Maritime S.A. Panama	Dancewood Pescadores S.A. Panama	Panama	"	258,160	245,680	8,000,000	100.00 %	246,708	(12,948)	"	"
Dong Lien Maritime S.A. Panama	Elegant Pescadores S.A. (Panama)	Panama	"	484,050	337,810	150,000	100.00 %	457,858	(21,389)	"	"
Dong Lien Maritime S.A. Panama	Endurance Pescadores S.A. Panama	Panama	"	161,350	153,550	50,000	100.00 %	180,417	6,851	"	"
Dong Lien Maritime S.A. Panama	Eternity Pescadores S.A. Panama	Panama	"	403,375	230,325	125,000	100.00 %	394,350	(13,883)	"	"
Dong Lien Maritime S.A. Panama	Excellent Pescadores S.A. (Panama)	Panama	"	64,540	61,420	20,000	100.00 %	64,959	(401)	"	"
Dong Lien Maritime S.A. Panama	Fair Pescadores S.A. Panama	Panama	"	290,256	276,224	89,946	100.00 %	302,289	10,624	"	"
Dong Lien Maritime S.A. Panama	Federal Pescadores S.A. Panama	Panama	"	451,780	245,680	140,000	100.00 %	416,209	(15,556)	"	"
Dong Lien Maritime S.A. Panama	Forever Pescadores S.A. Panama	Panama	"	322,700	307,100	100,000	100.00 %	310,083	(379)	"	"
Dong Lien Maritime S.A. Panama	Fourseas Pescadores S.A. Panama	Panama	"	322,700	307,100	100,000	100.00 %	421,662	(35,576)	"	"
Dong Lien Maritime S.A. Panama	Gallant Pescadores S.A. Panama	Panama	"	267,018	254,110	82,745	100.00 %	238,814	(43,644)	"	"
Dong Lien Maritime S.A. Panama	Genius Pescadores S.A. (Panama)	Panama	"	323	307	10	100.00 %	138,851	(9,667)	"	"

(Continued)

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 September 30, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	Carrying value			
Dong Lien Maritime S.A. Panama	Glaring Pescadores S.A. Panama	Panama	"	177,485	168,905	55,000	100.00 %	108,194	(84)	"	"
Dong Lien Maritime S.A. Panama	Grand Pescadores S.A. (Panama)	Panama	"	-	307	-	- %	-	(54)	"	"
Dong Lien Maritime S.A. Panama	Honor Pescadores S.A. Panama	Panama	"	64,540	61,420	20,000	100.00 %	64,417	(118)	"	"
Dong Lien Maritime S.A. Panama	Huge Pescadores S.A. Panama	Panama	"	96,810	92,130	30,000	100.00 %	100,778	986	"	"
Dong Lien Maritime S.A. Panama	Indigo Pescadores S.A. Panama	Panama	"	64,540	61,420	20,000	100.00 %	156,718	(6,124)	"	"
Dong Lien Maritime S.A. Panama	Leader Pescadores S.A. Panama	Panama	"	96,810	92,130	30,000	100.00 %	96,962	145	"	"
Dong Lien Maritime S.A. Panama	Modest Pescadores S.A. Panama	Panama	"	274,295	261,035	85,000	100.00 %	184,195	(50,947)	"	"
Dong Lien Maritime S.A. Panama	Moon Bright Shipping Corporation	Panama	"	274,295	261,035	85,000	100.00 %	181,383	(28,380)	"	"
Dong Lien Maritime S.A. Panama	Patriot Pescadores S.A. Panama	Panama	"	485,628	462,152	150,489	100.00 %	245,422	(33,480)	"	"
Dong Lien Maritime S.A. Panama	Penghu Pescadores S.A. Panama	Panama	"	354,970	337,810	110,000	100.00 %	266,479	(1,793)	"	"
Dong Lien Maritime S.A. Panama	Pharos Pescadores S.A. Panama	Panama	"	-	122,840	-	- %	-	(37)	"	"
Dong Lien Maritime S.A. Panama	Poseidon Pescadores S.A. Panama	Panama	"	-	122,840	-	- %	-	(54)	"	"
Dong Lien Maritime S.A. Panama	Shining Pescadores S.A. (Panama)	Panama	Cargo shipping services and shipping agency	-	307	-	- %	-	(40)	Exempt from disclosure (Note 3)	Sub-subsidiary (Note 1 and 2)
Dong Lien Maritime S.A. Panama	Skyhigh Pescadores S.A. Panama	Panama	"	354,970	184,260	110,000	100.00 %	243,840	(22,132)	"	"
Dong Lien Maritime S.A. Panama	Spinnaker Pescadores S.A. Panama	Panama	"	225,890	214,970	70,000	100.00 %	230,644	1,838	"	"
Dong Lien Maritime S.A. Panama	Stamina Pescadores S.A. Panama	Panama	"	306,565	291,745	95,000	100.00 %	195,339	(10,794)	"	"
Dong Lien Maritime S.A. Panama	Summit Pescadores S.A. Panama	Panama	"	96,810	92,130	30,000	100.00 %	429,635	17,011	"	"
Dong Lien Maritime S.A. Panama	Superior Pescadores S.A. Panama	Panama	"	80,675	76,775	25,000	100.00 %	80,587	(84)	"	"
Dong Lien Maritime S.A. Panama	Trump Pescadores S.A. Panama	Panama	"	193,620	184,260	60,000	100.00 %	203,310	(68,891)	"	"
Dong Lien Maritime S.A. Panama	Unicorn Brilliant S.A. Panama	Panama	"	941,697	896,173	291,818	100.00 %	955,401	11,700	"	"
Dong Lien Maritime S.A. Panama	Valor Pescadores S.A. Panama	Panama	"	96,810	92,130	30,000	100.00 %	223,365	(33,548)	"	"
Dong Lien Maritime S.A. Panama	Vigor Pescadores S.A. Panama	Panama	"	175,872	61,420	54,500	100.00 %	317,708	5,583	"	"
Dong Lien Maritime S.A. Panama	Well Pescadores S.A. Panama	Panama	"	-	92,130	-	- %	-	(37)	"	"
Dong Lien Maritime S.A. Panama	Wise Pescadores S.A. Panama	Panama	"	354,654	337,509	109,902	100.00 %	199,956	(26,862)	"	"
Dong Lien Maritime S.A. Panama	Wonderful Pescadores S.A. Panama	Panama	"	161,350	153,550	50,000	100.00 %	166,008	(2,458)	"	"

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.

(Continued)

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

(c) Information on investment in mainland China: None

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Luo Pan Investment Corp.		32,910,027	8.45 %

(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 September 30, 2023	Shipping segment	Tourism segment	Adjustment and eliminations	Total
Revenue:				
Revenue from external customers	\$ 803,622	64,601	-	868,223
Intersegment revenues	15	134	(149)	-
Total revenue	<u>\$ 803,637</u>	<u>64,735</u>	<u>(149)</u>	<u>868,223</u>
Reportable segment profit or loss	<u>\$ (163,898)</u>	<u>(28,611)</u>	<u>-</u>	<u>(192,509)</u>
For the Three Months Ended September 30, 2022				
Revenue:				
Revenue from external customers	\$ 1,823,824	84,206	-	1,908,030
Intersegment revenues	15	237	(252)	-
Total revenue	<u>\$ 1,823,839</u>	<u>84,443</u>	<u>(252)</u>	<u>1,908,030</u>
Reportable segment profit or loss	<u>\$ 761,890</u>	<u>(18,826)</u>	<u>-</u>	<u>743,064</u>
For the Nine Months Ended September 30, 2023				
Revenue:				
Revenue from external customers	\$ 2,448,688	183,488	-	2,632,176
Intersegment revenues	45	196	(241)	-
Total revenue	<u>\$ 2,448,733</u>	<u>183,684</u>	<u>(241)</u>	<u>2,632,176</u>
Reportable segment profit or loss	<u>\$ (465,051)</u>	<u>(82,378)</u>	<u>-</u>	<u>(547,429)</u>

(Continued)

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

<u>For the Three Months Ended September 30, 2023</u>	<u>Shipping segment</u>	<u>Tourism segment</u>	<u>Adjustment and eliminations</u>	<u>Total</u>
<u>For the Nine Months Ended September 30, 2022</u>				
Revenue:				
Revenue from external customers	\$ 5,235,835	180,813	-	5,416,648
Intersegment revenues	<u>45</u>	<u>366</u>	<u>(411)</u>	<u>-</u>
Total revenue	<u>\$ 5,235,880</u>	<u>181,179</u>	<u>(411)</u>	<u>5,416,648</u>
Reportable segment profit or loss	<u>\$ 2,269,823</u>	<u>(78,087)</u>	<u>-</u>	<u>2,191,736</u>