SINCERE NAVIGATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT ACCOUNTANTS

DECEMBER 31, 2014 AND 2013

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of Sincere Navigation Corporation

We have audited the accompanying consolidated balance sheets of Sincere Navigation Corporation and subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

資誠聯合會計師事務所 *PricewaterhouseCoopers, Taiwan*
11012 臺北市信義區基隆路一段333號27樓 / 27F, 333, Keelung Road, Sec. 1, Xinyi Dist., Taipei City 11012, Taiwan
T: +886 (2) 2729 6666, F:+ 886 (2) 2757 6371, www.pwc.com/tw

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In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Sincere Navigation Corporation and subsidiaries as of December 31, 2014 and 2013, and their financial performance and cash flows for the years then ended in conformity with the "Rules Governing the Preparations of Financial Statements by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

We have also audited the parent company only financial statements of Sincere Navigation Corporation (not presented herein) as of and for the years ended December 31, 2014 and 2013, on which we have expressed an unqualified opinion on these non-consolidated financial statements.

PricewaterhouseCoopers, Taiwan

March 27, 2015

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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T: +886 (2) 2729 6666, F:+ 886 (2) 2757 6371, www.pwc.com/tw

SINCERE NAVIGATION CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		December 31, 2014			December 31, 2013		
Assets	Notes		AMOUNT	%		AMOUNT	%
Current assets							
Cash and cash equivalents	6(1)	$	5,306,344	18	$	4,633,022	17
Accounts receivable			489,872	2		573,842	2
Other receivables	9(1)		364,150	1		149,549	1
Other receivables - related party	7(1)		2,607	-		7,651	-
Bunker inventories			102,914	-		81,577	-
Prepayments			68,626	-		52,702	-
Non-current assets held for sale - net	6(3)		603,247	2		-	-
Other current assets	8		423,362	2		391,777	1
Current assets			7,361,122	25		5,890,120	21
Non-current assets							
Property, plant and equipment - net	6(2)(5), 7(1) and 8		21,747,401	75		21,815,193	79
Deferred income tax assets	6(17)		17,803	-		4,445	-
Other non-current assets			7,459	-		7,403	-
Non-current assets			21,772,663	75		21,827,041	79
Total assets		$	29,133,785	100	$	27,717,161	100

(Continued)

SINCERE NAVIGATION CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and equity	Notes	December 31, 2014 AMOUNT	%	December 31, 2013 AMOUNT	%
Current liabilities					
Short-term borrowings	6(4) and 8	$ 740,000	3	$ 730,000	2
Other payables		285,617	1	216,819	1
Other payables - related party	7(1)	202	-	2,870	-
Current income tax liabilities		108,996	-	189,524	1
Other current liabilities	6(5), 7(1) and 8	2,185,373	8	1,954,450	7
Current liabilities		3,320,188	12	3,093,663	11
Non-current liabilities					
Long-term borrowings	6(5) and 8	7,273,571	25	7,731,758	28
Deferred income tax liabilities	6(17)	96,849	-	60,812	-
Other non-current liabilities	6(6)	24,922	-	23,522	-
Non-current liabilities		7,395,342	25	7,816,092	28
Total liabilities		10,715,530	37	10,909,755	39
Equity attributable to owners of parent					
Share capital	6(7)				
Share capital - common stock		5,683,042	19	5,683,042	21
Capital surplus	6(8)				
Capital surplus		39,243	-	39,243	-
Retained earnings	6(9)(17)				
Legal reserve		2,865,398	10	2,755,475	10
Special reserve		1,376,319	5	1,807,384	7
Unappropriated retained earnings		6,469,543	22	5,915,949	21
Other equity interest	6(10)				
Other equity interest		(365,770)	(1)	(1,376,319)	(5)
Equity attributable to owners of the parent		16,067,775	55	14,824,774	54
Non-controlling interest		2,350,480	8	1,982,632	7
Total equity		18,418,255	63	16,807,406	61
Significant contingent liabilities and unrecognized contractual commitments	9				
Significant events after balance sheet date	6(9) and 11				
Total liabilities and equity		$ 29,133,785	100	$ 27,717,161	100

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

SINCERE NAVIGATION CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE)

		Year ended December 31			
		2014		2013	
Items	Notes	AMOUNT	%	AMOUNT	%
Operating revenue	6(11) and 7(1)	$ 4,468,377	100	$ 4,140,003	100
Operating costs	6(15)(16) and 7(1)	(2,832,412)	(64)	(2,527,709)	(61)
Net operating margin		1,635,965	36	1,612,294	39
Operating expenses	6(15)(16) and 7(1)				
General & administrative expenses		(192,477)	(4)	(177,358)	(4)
Operating profit		1,443,488	32	1,434,936	35
Non-operating income and expenses					
Other income	6(12)	37,704	1	58,308	2
Other gains and losses	6(13)	(86,296)	(2)	(35,757)	(1)
Finance costs	6(14)	(128,822)	(3)	(156,872)	(4)
Total non-operating income and expenses		(177,414)	(4)	(134,321)	(3)
Profit before income tax		1,266,074	28	1,300,615	32
Income tax expense	6(17)	(131,874)	(3)	(74,667)	(2)
Profit for the year from continuing operations		1,134,200	25	1,225,948	30
Profit for the year from discontinued operations	6(3)	155,982	4	475,282	11
Profit for the year		$ 1,290,182	29	$ 1,701,230	41
Other comprehensive income					
Financial statements translation differences of foreign operations		$ 1,081,743	24	$ 472,139	12
Actuarial (loss) gain on defined benefit plan	6(6)	(1,072)	-	34	-
Income tax relating to the components of other comprehensive income	6(17)	183	-	(6)	-
Total comprehensive income for the year		$ 2,371,036	53	$ 2,173,397	53
Profit, attributable to:					
Owners of the parent		$ 858,476	19	$ 1,099,224	27
Non-controlling interest		431,706	10	602,006	14
		$ 1,290,182	29	$ 1,701,230	41
Comprehensive income attributable to:					
Owners of the parent		$ 1,868,136	42	$ 1,516,922	37
Non-controlling interest		502,900	11	656,475	16
		$ 2,371,036	53	$ 2,173,397	53
Basic earnings per share	6(18)				
Basic earnings per share from continuing operations		$	1.24	$	1.30
Basic earnings per share from discontinued operations			0.27		0.63
Total basic earnings per share		$	1.51	$	1.93
Diluted earnings per share	6(18)				
Diluted earnings per share from continuing operations		$	1.24	$	1.30
Diluted earnings per share from discontinued operations			0.27		0.63
Total diluted earnings per share		$	1.51	$	1.93

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

SINCERE NAVIGATION CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Equity attributable to owners of the parent								
				Retained Earnings						
	Notes	Share capital - common stock	Capital surplus - treasury stock transactions	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Total	Non-controlling interest	Total equity
For the year ended December 31, 2013										
Balance at January 1, 2013		$ 5,683,042	$ 39,243	$ 2,592,950	$ 1,193,150	$ 6,303,836	($ 1,793,989)	$ 14,018,232	$ 2,059,882	$ 16,078,114
Appropriation of 2012 earnings:	6(9)									
Legal reserve		-	-	162,525	-	(162,525)	-	-	-	-
Special reserve		-	-	-	614,234	(614,234)	-	-	-	-
Cash dividends		-	-	-	-	(710,380)	-	(710,380)	-	(710,380)
Profit for the year		-	-	-	-	1,099,224	-	1,099,224	602,006	1,701,230
Other comprehensive income for the year	6(10)	-	-	-	-	28	417,670	417,698	54,469	472,167
Change in non-controlling interest		-	-	-	-	-	-	-	(733,725)	(733,725)
Balance at December 31, 2013		$ 5,683,042	$ 39,243	$ 2,755,475	$ 1,807,384	$ 5,915,949	($ 1,376,319)	$ 14,824,774	$ 1,982,632	$ 16,807,406
For the year ended December 31, 2014										
Balance at January 1, 2014		$ 5,683,042	$ 39,243	$ 2,755,475	$ 1,807,384	$ 5,915,949	($ 1,376,319)	$ 14,824,774	$ 1,982,632	$ 16,807,406
Appropriation of 2013 earnings:	6(9)									
Reversal of special reserve		-	-	-	(431,065)	431,065	-	-	-	-
Legal reserve		-	-	109,923	-	(109,923)	-	-	-	-
Cash dividends		-	-	-	-	(625,135)	-	(625,135)	-	(625,135)
Profit for the year		-	-	-	-	858,476	-	858,476	431,706	1,290,182
Other comprehensive income for the year	6(10)	-	-	-	-	(889)	1,010,549	1,009,660	71,194	1,080,854
Change in non-controlling interest		-	-	-	-	-	-	-	(135,052)	(135,052)
Balance at December 31, 2014		$ 5,683,042	$ 39,243	$ 2,865,398	$ 1,376,319	$ 6,469,543	($ 365,770)	$ 16,067,775	$ 2,350,480	$ 18,418,255

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

SINCERE NAVIGATION CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	For the years ended December 31, 2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax for the year from continuing operations		$ 1,266,074	$ 1,300,615
Profit before tax for the year from discontinued operations	6(3)	155,982	475,282
Consolidated profit before tax for the year		1,422,056	1,775,897
Adjustments to reconcile profit before tax to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Depreciation	6(2)(15)	1,319,462	1,355,726
Interest income	6(12)	(14,117)	(18,630)
Interest expense	6(14)	128,822	157,614
(Gain) loss on disposal of non-current assets held for sale	6(3)	(49,010)	2,516
Loss on disposal of property, plant and equipment	6(13)	73	10
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Accounts receivable		83,970	(154,345)
Other receivables		(212,589)	(110,942)
Other receivables - related party		5,044	7,965
Bunker inventories		(75,896)	(44,574)
Prepayments		(15,924)	30,971
Other current assets		-	2,003
Net changes in liabilities relating to operating activities			
Other payables		30,352	(31,155)
Other payables - related party		(2,668)	(1,165)
Advance collections		(77,335)	(9,074)
Accrued pension liabilities		328	534
Cash generated from operations		2,542,568	2,963,351
Cash receipt of interest		12,255	19,254
Cash payment of income tax		(189,540)	(307,510)
Net cash provided by operating activities		2,365,283	2,675,095
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in other financial assets		(31,585)	(21,728)
Acquisition of property, plant and equipment	6(2)	(1,746,418)	(667,659)
Proceeds from disposal of non-current assets held for sale		1,297,269	606,676
Increase in refundable deposits		(56)	(45)
Net cash used in investing activities		(480,790)	(82,756)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term loans		10,000	(64,000)
Proceeds from long-term borrowings		1,145,718	-
Repayment of long-term borrowings		(1,854,122)	(2,002,055)
Cash payment of interest		(130,038)	(172,913)
Cash dividends paid	6(9)	(625,135)	(710,380)
Change in non-controlling interests		(135,052)	(733,725)
Net cash used in financing activities		(1,588,629)	(3,683,073)
Effect of changes in foreign exchange rate		377,458	195,915
Increase (decrease) in cash and cash equivalents		673,322	(894,819)
Cash and cash equivalents at beginning of year		4,633,022	5,527,841
Cash and cash equivalents at end of year		$ 5,306,344	$ 4,633,022

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

SINCERE NAVIGATION CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANIZATION

Sincere Navigation Corporation (the "Company") was incorporated in 1968 with an original capital of $1,000. On December 31, 1988, the Company was the surviving company in the merger with Karson and Tai Hsing Navigation Corporation to meet operating demands and further improve capital structure. The Company's shares have been listed on the Taiwan Stock Exchange since December 8, 1989. The Company and its subsidiaries (collectively referred herein as the "Group") are engaged in bulk shipping, tug and barge services, and operating a shipping agency.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on March 27, 2015.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND NTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

None.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

According to Financial-Supervisory-Securities-Auditing No. 1030010325 issued on April 3, 2014, commencing 2015, companies with shares listed on the TWSE or traded on the Taiwan Taipei Exchange or Emerging Stock Market shall adopt the 2013 version of IFRS (not including IFRS 9, 'Financial instruments') as endorsed by the FSC and the "Regulations Governing the Preparation of Financial Reports by Securities Issuers " effective January 1, 2015 (collectively referred herein as the "2013 version of IFRSs") in preparing the consolidated financial statements. The related new standards, interpretations and amendments are listed below:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Limited exemption from comparative IFRS 7 disclosures for first-time adopters (amendments to IFRS 1)	July 1, 2010
Severe hyperinflation and removal of fixed dates for first-time adopters (amendments to IFRS 1)	July 1, 2011
Government loans (amendments to IFRS 1)	January 1, 2013
Disclosures－Transfers of financial assets (amendments to IFRS 7)	July 1, 2011
Disclosures－Offsetting financial assets and financial liabilities (amendments to IFRS 7)	January 1, 2013
IFRS 10, 'Consolidated financial statements'	January 1, 2013 (Investment entities: January 1, 2014)
IFRS 11, 'Joint arrangements'	January 1, 2013
IFRS 12, 'Disclosure of interests in other entities'	January 1, 2013
IFRS 13, 'Fair value measurement'	January 1, 2013
Presentation of items of other comprehensive income (amendments to IAS 1)	July 1, 2012
Deferred tax: recovery of underlying assets (amendments to IAS 12)	January 1, 2012
IAS 19 (revised), 'Employee benefits'	January 1, 2013
IAS 27, 'Separate financial statements' (as amended in 2011)	January 1, 2013
IAS 28, 'Investments in associates and joint ventures' (as amended in 2011)	January 1, 2013
Offsetting financial assets and financial liabilities (amendments to IAS 32)	January 1, 2014
IFRIC 20, 'Stripping costs in the production phase of a surface mine'	January 1, 2013
Improvements to IFRSs 2010	January 1, 2011
Improvements to IFRSs 2009－2011	January 1, 2013

Based on the Group’s assessment, the adoption of the 2013 version of IFRS has no significant impact on the consolidated financial statements of the Group, except the following:

A. IAS 19 (revised), ‘Employee benefits’

Based on the Group’s assessment, the Group will disclose additional information about defined benefit plans.

B. IAS 1, 'Presentation of financial statements'

The amendment requires entities to separate items presented in OCI classified by nature into two groups on the basis of whether they are potentially reclassifiable to profit or loss subsequently when specific conditions are met. If the items are presented before tax then the tax related to each of the two groups of OCI items (those that might be reclassified and those that will not be reclassified) must be shown separately. Accordingly, the Group will adjust its presentation of the statement of comprehensive income.

C. IFRS 12, 'Disclosure of interests in other entities'

The standard integrates the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. Also, the Group will disclose additional information about its interests in consolidated entities and unconsolidated entities accordingly.

D. IFRS 13, 'Fair value measurement'

The standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard sets out a framework for measuring fair value using the assumptions that market participants would use when pricing the asset or liability; for non-financial assets, fair value is determined based on the highest and best use of the asset. Also, the standard requires disclosures about fair value measurements. Based on the Group's assessment, the adoption of the standard has no significant impact on its consolidated financial statements, and the Group will disclose additional information about fair value measurements accordingly.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the 2013 version of IFRS as endorsed by the FSC:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
IFRS 9, 'Financial instruments'	January 1, 2018
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	January 1, 2016
Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	January 1, 2016
Accounting for acquisition of interests in joint operations (amendments to IFRS 11)	January 1, 2016
IFRS 14, 'Regulatory deferral accounts'	January 1, 2016
IFRS 15, 'Revenue from contracts with customers'	January 1, 2017
Disclosure Initiative (amendments to IAS 1)	January 1, 2016
Clarification of acceptable methods of depreciation and amortization (amendments to IAS 16 and IAS 38)	January 1, 2016
Agriculture: bearer plants (amendments to IAS 16 and IAS 41)	January 1, 2016
Defined benefit plans: employee contributions (amendments to IAS 19R)	July 1, 2014
Equity method in separate financial statements (amendments to IAS 27)	January 1, 2016
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	January 1, 2014
IFRIC 21, 'Levies'	January 1, 2014
Improvements to IFRSs 2010-2012	July 1, 2014
Improvements to IFRSs 2011-2013	July 1, 2014
Improvements to IFRSs 2012-2014	January 1, 2016

The Group is assessing the potential impact of the new standards, interpretations and amendments above. The impact on the consolidated financial statements will be disclosed when the assessment is complete.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) <u>Compliance statement</u>

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) <u>Basis of preparation</u>

A. Except for the following item, the consolidated financial statements have been prepared under the historical cost convention:

Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) <u>Basis of consolidation</u>

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies. In general, control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. The existence and effect of potential voting rights that are currently exercisable or convertible have been considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

B. Subsidiaries included in the consolidated financial statements:

(a) Norley Corporation Inc. (Norley)

Norley, a wholly-owned subsidiary of Sincere Navigation Corporation, is engaged in investment holdings. The following are the subsidiaries of Norley:

Name of investor	Name of subsidiary	Main business activities	Ownership(%) December 31, 2014	Ownership(%) December 31, 2013	Description
Norley	Poseidon Marine Ltd.	Shipping	100%	100%	
"	Kenmore Shipping Inc.	Oil tanker	100%	100%	
"	Maxson Shipping Inc.	Shipping	100%	100%	
"	Ocean Wise Limited	Shipping	51%	51%	
"	Confidence Navigation Ltd.	Oil tanker	100%	100%	
"	Valentine Holdings Ltd. (Valentine)	Investment holdings	60%	60%	
"	Kingswood Co., Ltd. (Kingswood)	Investment holdings	50%	50%	Note 1
"	Welluck Co., Ltd. (Welluck)	Investment holdings	-	50%	Notes 1 and
"	Winnington Limited (Winnington)	Investment holdings	50%	50%	Note 1
"	Jetwall Co., Ltd. (Jetwall)	Investment holdings	80%	80%	
"	Victory Navigation Inc. (Victory)	Investment holdings	55%	55%	
"	Pacifica Maritime Limited	Holding in shipbuilding	100%	100%	
"	Dynasty Navigation Limited	Holding in shipbuilding	100%	100%	
"	Sky Sea Maritime Limited. (Sky Sea)	Investment holdings	55%	-	
Valentine	Gemini Investment Company Ltd.	Shipping	100%	100%	
"	Millennia Investment Co., Ltd.	Shipping	100%	100%	
Kingswood	Seven Seas Shipping Ltd.	Oil tanker	100%	100%	
Welluck	Meko Shipping Inc.	Shipping	-	100%	Note 2
Winnington	Peg Shipping Company Ltd.	Shipping	100%	100%	
Jetwall	Everwin Maritime Limited	Oil tanker	100%	100%	
Victory	Everprime Shipping Limited	Shipping	100%	100%	
Sky Sea	Ocean Grace Limited	Holding in shipbuilding	100%	-	

Note 1: Although the shareholding ratio of the Company's directly or indirectly held shares is less than 50%, as the Company has control over the investees, the investees are included in the consolidated entities.

Note 2: Welluck Co., Ltd. and Meko Shipping Inc. were dissolved on April 30, 2013.

(b) Heywood Limited (Heywood)

Heywood, a wholly-owned subsidiary of Sincere Navigation Corporation, is engaged in investment holdings. The following are the subsidiaries of Heywood:

Name of investor	Name of subsidiary	Main business activities	Ownership(%) December 31, 2014	Ownership(%) December 31, 2013	Description
Heywood	Newton Navigation Limited	Shipping	100%	100%	
"	Clifford Navigation Corporation	Shipping	100%	100%	
"	Brighton Shipping Inc.	Shipping	100%	100%	
"	Rockwell Shipping Limited	Shipping	100%	100%	
"	Howells Shipping Inc.	Shipping	100%	100%	
"	Crimson Marine Company	Shipping	100%	100%	
"	Helmsman Navigation Co. Ltd.	Shipping	100%	100%	
"	Keystone Shipping Co. Ltd.	Shipping	100%	100%	
"	Honco Shipping Limtied	Investment holdings	100%	100%	
"	Century Shipping Limited (Centutry)	Investment holdings	100%	100%	
Century	Haihu Maritime Service (Shanghai) Co., Ltd.	Maritime service	100%	100%	

C. Subsidiaries not included in the consolidated financial statements:

None.

D. Adjustments for subsidiaries with different balance sheet dates:

None.

E. Nature and extent of the restrictions on fund remittance from subsidiaries to the parent company:

None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in New Taiwan Dollars, which is the Company’s functional and the Group’s presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within ‘other gains and losses‘.

B. Translation of foreign operations

The operating results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b) Income and expenses for each statement of comprehensive income are translated at average exchange rate of that period; and

(c) All resulting exchange differences are recognized in other comprehensive income.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realized within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be paid off within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be paid off within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Accounts receivable

Accounts receivable are receivables originated by the entity. They are created by the entity by providing services to customers in the ordinary course of business. Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. However, short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(8) Impairment of financial assets

A. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event‘) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

B. The criteria that the Group uses to determine whether there is objective evidence of an impairment loss is as follows:

(a) Significant financial difficulty of the issuer or debtor;

(b) A breach of contract, such as a default or delinquency in interest or principal payments;

(c) The Group, for economic or legal reasons relating to the borrower’s financial difficulty, granted the borrower a concession that a lender would not otherwise consider; or

(d) It becomes probable that the borrower will enter bankruptcy or other financial reorganization.

C. When the Group assesses that there has been objective evidence of impairment and an impairment loss has occurred, accounting for impairment is made as follows according to the category of financial assets:

Financial assets measured at amortized cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate, and is recognized in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortized cost that would have been at the date of reversal had the impairment loss not been recognized previously. Impairment loss is recognized and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(9) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(10) Bunker inventories

Bunker inventories are stated at cost. Cost is determined using the first-in, first-out (FIFO) method.

(11) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(12) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized. The cost of vessel acquired on installment payment plan is stated based on the aggregate amount of installment payments as indicated in the acquisition contract with the vessel seller.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Building	42 years
Vessels and equipment	2.5 to 20 years
Office equipment	3 to 7 years

(13) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(14) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(15) Accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. However, short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as effect of discounting is immaterial.

(16) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(17) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized past service costs. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date).

ii. Actuarial gains and losses arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise.

C. Employees' bonus and directors' and supervisors' remuneration

Employees' bonus and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. However, if the accrued amounts for employees' bonus and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the stockholders at their stockholders' meeting subsequently, the differences should be recognized based on the accounting for changes in estimates. The Group calculates the number of shares of employees' stock bonus based on the fair value per share at the previous day of the stockholders' meeting held in the year following the financial reporting year, and after taking into account the effects of ex-rights and ex-dividends.

(18) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.

(19) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(20) Dividends

Dividends are recorded in the Company’s financial statements in the period in which they are approved by the Company’s shareholders. Cash dividends are recorded as liabilities.

(21) Revenue recognition

The Group recognizes the revenue, when it is probable that any future economic benefits associated with the transaction will flow to the entity; and the amount of revenue can be measured reliably. Voyage charterer: revenue is recognized according to the percentage of completion of services rendered; time charter: revenue is recognised by straight-line method over the charter agreement term; and maritime management revenue is recognized by contract during the service period.

(22) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

Impairment assessment of tangible assets

The Group assesses impairment based on its subjective judgement and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilized and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Group strategy might cause material impairment on assets in the future.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2014	December 31, 2013
Checking accounts and demand deposits	$ 1,945,557	$ 2,245,392
Time deposits	3,360,787	2,387,630
Total	$ 5,306,344	$ 4,633,022

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote. The Group's maximum exposure to credit risk at balance sheet date is the carrying amount of all cash and cash equivalents.

B. The Group has no cash and cash equivalents pledged to others.

(2) Property, plant and equipment

	Land	Buildings	Vessels and equipment	Office equipment	Prepayment for vessels contruction	Total
At January 1, 2014						
Cost	$ 90,215	$ 28,191	$ 29,805,386	$ 3,120	$ 705,379	$ 30,632,291
Accumulated depreciation	-	(12,675)	(8,561,854)	(2,106)	-	(8,576,635)
Accumulated impairment	-	-	(240,463)	-	-	(240,463)
	$ 90,215	$ 15,516	$ 21,003,069	$ 1,014	$ 705,379	$ 21,815,193
Year ended December 31, 2014						
Opening net book amount	$ 90,215	$ 15,516	$ 21,003,069	$ 1,014	$ 705,379	$ 21,815,193
Transfer	-	-	1,123,136	-	(1,726,383)	(603,247)
Additions	-	-	148,387	126	1,597,905	1,746,418
Disposals	-	-	(1,156,164)	(30)	-	(1,156,194)
Retirement - cost	-	-	(97,790)	-	-	(97,790)
Retirement - accumulated depreciation	-	-	97,790	-	-	97,790
Depreciation	-	(656)	(1,318,464)	(342)	-	(1,319,462)
Net exchange differences	-	-	1,226,826	9	37,858	1,264,693
Closing net book amount	$ 90,215	$ 14,860	$ 21,026,790	$ 777	$ 614,759	$ 21,747,401
At December 31, 2014						
Cost	$ 90,215	$ 28,191	$ 29,815,870	$ 3,125	$ 614,759	$ 30,552,160
Accumulated depreciation	-	(13,331)	(8,533,775)	(2,348)	-	(8,549,454)
Accumulated impairment	-	-	(255,305)	-	-	(255,305)
	$ 90,215	$ 14,860	$ 21,026,790	$ 777	$ 614,759	$ 21,747,401

	Land	Buildings	Vessels and equipment	Office equipment	Prepayment for vessels contruction	Total
At January 1, 2013						
Cost	$ 90,215	$ 28,191	$ 30,079,524	$ 2,863	$ 165,582	$ 30,366,375
Accumulated depreciation	-	(12,019)	(7,609,440)	(1,871)	-	(7,623,330)
Accumulated impairment	-	-	(234,252)	-	-	(234,252)
	$ 90,215	$ 16,172	$ 22,235,832	$ 992	$ 165,582	$ 22,508,793
Year ended December 31, 2013						
Opening net book amount	$ 90,215	$ 16,172	$ 22,235,832	$ 992	$ 165,582	$ 22,508,793
Additions	-	-	134,104	304	533,251	667,659
Disposals	-	-	(573,551)	(10)	-	(573,561)
Retirement - cost	-	-	(59,477)	-	-	(59,477)
Retirement - accumulated depreciation	-	-	59,477	-	-	59,477
Depreciation	-	(656)	(1,354,789)	(281)	-	(1,355,726)
Net exchange differences	-	-	561,473	9	6,546	568,028
Closing net book amount	$ 90,215	$ 15,516	$ 21,003,069	$ 1,014	$ 705,379	$ 21,815,193
At December 31, 2013						
Cost	$ 90,215	$ 28,191	$ 29,805,386	$ 3,120	$ 705,379	$ 30,632,291
Accumulated depreciation	-	(12,675)	(8,561,854)	(2,106)	-	(8,576,635)
Accumulated impairment	-	-	(240,463)	-	-	(240,463)
	$ 90,215	$ 15,516	$ 21,003,069	$ 1,014	$ 705,379	$ 21,815,193

A. The estimated useful lives of the Group's significant components of vessels and equipment are as follows:

(a) Vessel	20 years
(b) Repairs and dry-dock inspection of vessel	2.5 years

B. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(3) Non-current assets held for sale and discontinued operation

A. On November 28, 2014, the Board of Directors approved and authorized the Chairman to sell the vessel named "WahShan" on behalf of the Company and entered into a sale agreement with the buyer – Choloe Maritime S.A.. On December 30, 2014, the vessel disposal meets the criteria in IFRSs No.5 "Non-current Assets Held for Sale and Discontinued Operations" and is classified as a discontinued operation. On January 7, 2015, the vessel was sold and the transaction was settled. The selling price amounting to US$21,200 thousand was collected and the gain on disposal of the vessel was approximately US$1,695 thousand.

(a) The cash flow information of the discontinued operation is as follows:

	For the years ended December 31,	
	2014	2013
Operating cash flows	$ 87,343	$ 257,886
Investing cash flows	-	(19,450)
Financing cash flows	-	-
Total cash flows	$ 87,343	$ 238,436

(b) Assets of disposal group classified as held for sale:

	December 31, 2014	December 31, 2013
Vessels and equipment	$ 603,247	$ -

(c) Analysis of the result of discontinued operation, and the result recognized on the remeasurement of assets or disposal group, is as follows:

	For the years ended December 31,	
	2014	2013
Revenue	$ 342,186	$ 433,907
Cost	(288,753)	(236,656)
Net operating margin from discontinued operation	53,433	197,251
Expenses	(1,205)	(1,283)
Other gains - net (Note)	-	71,209
Profit from discontinued operation	52,228	267,177
Other income	809	863
Other gains and losses	3	(764)
Profit for the years from discontinued operation	$ 53,040	$ 267,276
Profit from discontinued operation, attributable to:		
Owners of the parent	$ 53,040	$ 267,276
Non-controlling interest	-	-
	$ 53,040	$ 267,276

Note: The vessel charter agreement between the subsidiary – Newton Navigation Limited and Nippon Yusen Kaisha was terminated on June 27, 2013. For the year ended December 31, 2013, the Group recognized net compensation income (claims less related cost) amounting to $71,209 (USD 2,398 thousand). As of July 19, 2013, the compensation has been collected.

B. On May 15, 2014, the Board of Directors approved and authorized the Chairman to sell the vessel named "Charles Eddie" on behalf of the Company and entered into a sale agreement with the buyer – Kimolos Shipping Corporation. On July 16, 2014, the vessel disposal met the definition of non-current assets held for sale and discontinued operations and is classified as a discontinued operation. On July 21, 2014, the vessel was sold and the transaction was settled.

(a) The cash flow information of the discontinued operations is as follows:

	For the years ended December 31,	
	2014	2013
Operating cash flows	$ 164,094	$ 50,820
Investing cash flows	1,297,269	332
Financing cash flows	-	-
Total cash flows	$ 1,461,363	$ 51,152

(b) Analysis of the result of discontinued operation, and the result recognized on the remeasurement of assets or disposal group, is as follows:

	For the years ended December 31,	
	2014	2013
Revenue	$ 152,615	$ 189,743
Cost	(106,892)	(211,569)
Net operating margin (loss) from discontinued operation	45,723	(21,826)
Expenses	(4,849)	(6,492)
Profit (loss) from discontinued operation	40,874	(28,318)
Other income	13,058	3
Profit (loss) for the years from discontinued operation	$ 53,932	($ 28,315)
Gain on disposal of the property, plant and equipment from discontinued operations	$ 49,010	$ -
Total profit (loss) for the years from discontinued operation	$ 102,942	($ 28,315)
Profit (loss) from discontinued operation, attributable to:		
Owners of the parent	$ 102,942	($ 28,315)
Non-controlling interest	-	-
	$ 102,942	($ 28,315)

C. On June 21, 2013, the Board of Directors approved and authorized the Chairman to sell the vessel named “Mineral Sines” on behalf of the Company and entered into a sale agreement with the buyer – Augustea Bunge Maritime Ltd.. On August 26, 2013, the vessel disposal met the definition of non-current assets held for sale and discontinued operations and is classified as a discontinued operation. On August 28, 2013, the vessel was sold and the transaction was settled.

(a) The cash flow information of the discontinued operation is as follows:

	For the year ended December 31, 2013
Operating cash flows	$ 229,366
Investing cash flows	615,782
Financing cash flows	(188,383)
Total cash flows	$ 656,765

(b) Analysis of the result of discontinued operation, and the result recognized on the remeasurement of assets or disposal group, is as follows:

	For the year ended December 31, 2013
Revenue	$ 301,982
Cost	(59,534)
Net operating margin from discontinued operation	242,448
Expenses	(3,218)
Profit from discontinued operation	239,230
Other income	349
Finance costs	(742)
Profit for the year from discontinued operation	$ 238,837
Loss on disposal of the property, plant and equipment from discontinued operations	($ 2,516)
Total profit for the year from discontinued operation	$ 236,321
Profit from discontinued operation, attributable to:	
Owners of the parent	$ 118,161
Non-controlling interest	118,160
	$ 236,321

D. Profit from continuing and discontinued operation attributable to owners of the parent and earnings per share: Please refer to Note 6(18).

(4) Short-term borrowings

Type of borrowings	December 31, 2014	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 60,000	1.60%	Buildings, land and promissory notes
Unsecured borrowings	680,000	1.27%～1.33%	
	$ 740,000		

Type of borrowings	December 31, 2013	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 50,000	1.32%	Buildings, land and promissory notes
Unsecured borrowings	680,000	1.27%～1.29%	
	$ 730,000		

As of December 31, 2014 and 2013, the Company's Chairman, Fred Tsai, guaranteed for the credit lines of $ 1,074,000; the Company also issued notes payable as guarantee for credit lines amounting to $ 774,000, wherein joint – guaranteed amount was $574,000.

(5) Long-term borrowings

Bank	Collateral	December 31, 2014	December 31, 2013
Mega Bank (and syndicate)	Maxim	$ 1,552,041	$ 1,687,097
		(USD 49,049 thousand)	(USD 56,595 thousand)
BNP Paribas (and syndicate)	Mineral	106,819	158,440
	Antwerpen	(USD 3,375 thousand)	(USD 5,315 thousand)
Mega Bank (and syndicate)	V. K. Eddie	342,872	452,115
		(USD 10,833 thousand)	(USD 15,167 thousand)
Mega Bank (and syndicate)	Chin Shan	152,129	214,927
		(USD 4,807 thousand)	(USD 7,210 thousand)
Mega Bank	Heng Shan	200,281	282,956
		(USD 6,328 thousand)	(USD 9,492 thousand)
Mega Bank	Chou Shan	228,368	286,789
		(USD 7,215 thousand)	(USD 9,621 thousand)
Mega Bank	Bao Shan	252,550	356,802
		(USD 7,979 thousand)	(USD 11,969 thousand)
Mega Bank	Madonna III	319,538	376,202
		(USD 10,096 thousand)	(USD 12,620 thousand)
Mega Bank (and syndicate)	Huang Shan	226,072	425,857
		(USD 7,143 thousand)	(USD 14,286 thousand)
Mega Bank (and syndicate)	Georgiana	494,246	581,891
		(USD 15,616 thousand)	(USD 19,520 thousand)
Mega Bank (and syndicate)	Yue Shan	1,044,450	1,180,476
		(USD 33,000 thousand)	(USD 39,600 thousand)
Mega Bank (and syndicate)	Kondor	1,761,323	1,880,117
		(USD 55,650 thousand)	(USD 63,070 thousand)
Mega Bank (and syndicate)	Mineral Oak	733,552	816,526
		(USD 23,177 thousand)	(USD 27,391 thousand)
Mega Bank (and syndicate)	Tai Shan	794,394	855,099
		(USD 25,099 housand)	(USD 28,685 thousand)
Mega Bank (and syndicate)	Oceana	598,185	-
		(USD 18,900 thousand)	(USD 0 thousand)
Mega Bank (and syndicate)	Palona	598,185	-
		(USD 18,900 thousand)	(USD 0 thousand)
		9,405,365	9,555,294
Less: current portion-due within one year (shown as other current liabilities)		(2,131,794)	(1,823,536)
		$ 7,273,571	$ 7,731,758
Interest rates		0.91% ~ 1.98%	0.97% ~ 1.74%

The collaterals were shown as “property, plant and equipment”. Please refer to Note 8.

(6) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.

(b) The amounts recognized in the balance sheet are determined as follows:

	December 31, 2014	December 31, 2013
Present value of funded defined benefit obligations	($ 69,075)	($ 65,306)
Fair value of plan assets	44,153	41,784
Net liability in the balance sheet	($ 24,922)	($ 23,522)

(c) Movements in present value of defined benefit obligations are as follows:

	2014	2013
At January 1	$ 65,306	$ 65,284
Current service cost	1,251	1,334
Interest cost	1,176	979
Actuarial profit (loss)	1,342	(146)
Benefits paid	-	(2,145)
At December 31	$ 69,075	$ 65,306

(d) Movements in fair value of plan assets:

	2014	2013
At January 1	$ 41,784	$ 42,262
Expected return on plan assets	752	634
Actuarial profit (loss)	270	(111)
Employer contributions	1,347	1,144
Benefits paid	-	(2,145)
At December 31	$ 44,153	$ 41,784

(e) Amounts of expenses recognized in comprehensive income statements:

	For the years ended December 31,	
	2014	2013
Current service cost	$ 1,251	$ 1,334
Interest cost	1,176	979
Expected return on plan assets	(752)	(634)
Current pension cost	$ 1,675	$ 1,679

Details of expenses recognized in comprehensive income statements are as follows:

	For the years ended December 31,	
	2014	2013
General and administrative expenses	$ 1,675	$ 1,679

(f) Amounts of actuarial gains or losses recognized under other comprehensive income are as follows:

	For the years ended December 31,	
	2014	2013
Recognition for current period	$ 1,072	($ 34)
Accumulated amount	$ 3,297	$ 2,225

(g) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. The constitution of fair value of plan assets as of December 31, 2014 and 2013 is given in the Annual Labor Retirement Fund Utilisation Report published by the government.

Expected return on plan assets was a projection of overall return for the obligations period, which was estimated based on historical returns and by reference to the status of Labor Retirement Fund utilisation by the Labor Pension Fund Supervisory Committee and taking into account the effect that the Fund's minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks.

For the years ended December 31, 2014 and 2013, the Company actual returns on plan assets was $1,022 and $522, respectively.

(h) The principal actuarial assumptions used were as follows:

	For the years ended December 31,	
	2014	2013
Discount rate	1.80%	1.80%
Future salary increases	3.25%	3.25%
Expected return on plan assets	1.80%	1.80%

Future mortality rate was estimated based on the Taiwan Standards Ordinary Experience Mortality Table of 2012.

(i) Historical information of experience adjustments was as follows:

	For the years ended December 31,		
	2014	2013	2012
Present value of defined benefit obligation	($ 69,075)	($ 65,306)	($ 65,284)
Fair value of plan assets	44,153	41,784	42,262
Deficit in the plan	($ 24,922)	($ 23,522)	($ 23,022)
Experience adjustments on plan liabilities	$ 1,342	$ 1,564	$ 890
Experience adjustments on plan assets	$ 270	($ 111)	($ 265)

(j) Expected contributions to the defined benefit pension plans of the Group within one year from December 31, 2014 amounts to $1,347.

B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2014 and 2013 were $2,537 and $2,323, respectively.

(b) The Company’s mainland subsidiary, Haihu Maritime Service (Shanghai) Co., Ltd. has a defined contribution retirement plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on the employees’ monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations. The pension costs for the years ended December 31, 2014 and 2013 were $1,611 and $1,344, respectively.

(7) Share capital

As of December 31, 2014 and 2013, the Company’s authorized capital was $7,000,000, consisting of 700,000 thousands shares of common stock, and the paid-in capital was $5,683,042, consisting of

568,304,171 common shares with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

(8) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(9) Retained earnings

A. Based on the Company's Articles of Incorporation, the Company's net income (less income taxes and prior years' losses, if any) is appropriated in the following order:

(a) 10% for legal reserve.

(b) Special reserve.

(c) Appropriation of remaining income according to the decision of the Board of Directors and Stockholders, which include the minimum of 1% as employees' bonus and maximum of 5% as directors' and supervisors' bonus.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

D. For the years ended December 31, 2014 and 2013, employees' bonus was accrued at $9,998 and $10,970, respectively; directors' and supervisors' remuneration was accrued at $9,998 and $10,970, respectively, based on a 1.7% of net income of the year after taking into account the legal reserve and other factors (as prescribed by the Company's Articles of Incorporation). Employees' bonus and directors' and supervisors' remuneration of 2013 as resolved by the stockholders' were in agreement with those amounts recognized in the 2013 financial statements.

Information about the appropriation of employees' bonus and directors' and supervisors' remuneration by the Company as proposed by the Board of Directors and resolved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

E. (a) The appropriation of 2013 and 2012 earnings had been resolved at the stockholder's meeting on June 27, 2014 and June 25, 2013, respectively. Details are summarized below:

	2013		2012	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 109,923		$ 162,525	
Special reserve	-		614,234	
Cash dividends	625,135	$ 1.10	710,380	$ 1.25
	$ 735,058		$ 1,487,139	
Reversal of special reserve	$ 431,065		$ -	

(b) Subsequent events: The appropriation of 2014 earnings had been proposed by the Board of Directors on March 27, 2015. Details are summarized below:

	2014	
	Amount	Dividends per share (in dollars)
Legal reserve	$ 85,848	
Cash dividends	568,304	$ 1.00
	$ 654,152	
Reversal of special reserve	$ 1,010,549	

(10) Other equity items

	Currency translation
At January 1, 2014	($ 1,376,319)
Currency translation differences	1,010,549
At December 31, 2014	($ 365,770)

	Currency translation
At January 1, 2013	($ 1,793,989)
Currency translation differences	417,670
At December 31, 2013	($ 1,376,319)

(11) Operating revenue

	For the years ended December 31,	
	2014	2013
Bulk carrier	$ 3,600,467	$ 3,563,449
Oil tanker	865,326	574,016
Management service	2,584	2,538
	$ 4,468,377	$ 4,140,003

(12) Other income

	For the years ended December 31,	
	2014	2013
Interest income	$ 13,414	$ 17,633
Overdue unclaimed dividends	1,769	1,635
Others	22,521	39,040
Total	$ 37,704	$ 58,308

(13) Other gains and losses

	For the years ended December 31,	
	2014	2013
Net currency exchange losses	($ 84,778)	($ 35,009)
Loss on disposal of property, plant and equipment	(73)	(10)
Others	(1,445)	(738)
Total	($ 86,296)	($ 35,757)

(14) Finance costs

	For the years ended December 31,	
	2014	2013
Interest expense:		
Bank borrowings	$ 128,822	$ 156,872
Finance costs	$ 128,822	$ 156,872

(15) Expenses by nature

	For the years ended December 31,					
	2014			2013		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense	$ 582,118	$ 79,957	$ 662,075	$ 593,660	$ 75,530	$ 669,190
Depreciation	1,318,464	998	1,319,462	1,354,789	937	1,355,726

Note: The above information includes related costs and expenses of discontinued operation.

(16) Employee benefit expense

	For the years ended December 31,					
	2014			2013		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Wages and salaries	$ 469,187	$ 69,934	$ 539,121	$ 478,246	$ 66,126	$ 544,372
Labor and health insurance fees	3,553	3,718	7,271	3,433	3,392	6,825
Pension costs	1,207	4,616	5,823	1,105	4,241	5,346
Other personnel expenses	108,171	1,689	109,860	110,876	1,771	112,647
Total	$ 582,118	$ 79,957	$ 662,075	$ 593,660	$ 75,530	$ 669,190

Note: The above information includes related costs and expenses of discontinued operation.

(17) Income tax

A. Income tax expense

Components of income tax expense:

	For the years ended December 31,	
	2014	2013
Current tax:		
Current tax on profits for the year	$ 29,485	$ 175,733
Tax on distributed earnings	79,526	13,811
Adjustments in respect of prior years	1	(1)
Total current tax	109,012	189,543
Deferred tax:		
Origination and reversal of temporary differences	22,862	(114,876)
Total deferred tax	22,862	(114,876)
Income tax expense	131,874	74,667
Income tax expense from discontinued operation	-	-
Income tax expense from continuing operations	$ 131,874	$ 74,667

B. The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	For the years ended December 31,	
	2014	2013
Actuarial gains/losses on defined benefit obligations	($ 183)	$ 6

C. Reconciliation between income tax expense and accounting profit

	For the years ended December 31,	
	2014	2013
Tax calculated based on profit before tax and statutory tax rate	$ 168,360	$ 199,562
Effects from items disallowed by tax regulation	(193)	(178)
Additional 10% tax on undistributed earnings	79,526	13,811
Adjustments in respect of prior years	1	(1)
Unrealized investment income	(115,820)	(138,527)
Income tax expense	131,874	74,667
Income tax expense from discontinued operation	-	-
Income tax expense from continuing operations	$ 131,874	$ 74,667

D. Amounts of deferred tax assets or liabilities as a result of temporary difference are as follows:

	Year ended December 31, 2014			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Temporary differences:				
－Deferred tax assets:				
Unrealised exchange loss	$ 139	$ 13,072	$ -	$ 13,211
Unfunded pension expense	3,959	95	183	4,237
Unused compensated absences	347	8	-	355
	$ 4,445	$ 13,175	$ 183	$ 17,803
－Deferred tax liabilities:				
Unrealized investment income	($ 60,812)	($ 36,037)	$ -	($ 96,849)
	($ 60,812)	($ 36,037)	$ -	($ 96,849)
Total	($ 56,367)	($ 22,862)	$ 183	($ 79,046)

	Year ended December 31, 2013			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Temporary differences:				
—Deferred tax assets:				
Unrealised exchange (gain) loss	($ 2,653)	$ 2,792	$ -	$ 139
Unfunded pension expense	3,873	92	(6)	3,959
Unused compensated absences	331	16	-	347
	$ 1,551	$ 2,900	($ 6)	$ 4,445
—Deferred tax liabilities:				
Unrealized investment income	($ 172,788)	$ 111,976	$ -	($ 60,812)
	($ 172,788)	$ 111,976	$ -	($ 60,812)
Total	($ 171,237)	$ 114,876	($ 6)	($ 56,367)

E. The Company has not recognized partial taxable temporary difference associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2014 and 2013, the controllable temporary difference were $17,091,408 and $15,399,800, respectively.

F. As of December 31, 2014, the Company's income tax returns through 2012 have been assessed and approved by the Tax Authority.

G. Unappropriated retained earnings:

	December 31, 2014	December 31, 2013
Earnings generated in and before 1997	$ 359,267	$ 359,267
Earnings generated in and after 1998	6,110,276	5,556,682
	$ 6,469,543	$ 5,915,949

H. As of December 31, 2014 and 2013, the balance of the imputation tax credit account were $865,846 and $729,483, respectively. The creditable tax rate was 16.48% for 2013 and is estimated to be 15.93% for 2014.

(18) Earnings per share

	For the year ended December 31, 2014		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit from continuing operations attributable to the parent	$ 702,494		$ 1.24
Profit from discontinued operation attributable to the parent	155,982		0.27
Profit attributable to ordinary shareholders of the parent	$ 858,476	568,304	$ 1.51
Diluted earnings per share			
Profit from continuing operation attributable to the parent	$ 702,494	568,304	$ 1.24
Profit from discontinued operation attributable to the parent	155,982		0.27
Assumed conversion of all dilutive potential ordinary shares - Employees' bonus	-	408	-
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 858,476	568,712	$ 1.51

	For the year ended December 31, 2013		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit from continuing operations attributable to the parent	$ 742,102		$ 1.30
Profit from discontinued operation attributable to the parent	357,122		0.63
Profit attributable to ordinary shareholders of the parent	$ 1,099,224	568,304	$ 1.93
Diluted earnings per share			
Profit from continuing operation attributable to the parent	$ 742,102	568,304	$ 1.30
Profit from discontinued operation attributable to the parent	357,122		0.63
Assumed conversion of all dilutive potential ordinary shares - Employees' bonus	-	402	-
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,099,224	568,706	$ 1.93

7. RELATED PARTY TRANSACTIONS

(1) Significant related party transactions and balances

A. Operating revenues

		For the years ended December 31,	
		2014	2013
Charter revenue – bulk carrier	Other related parties	$ 290,065	$ 544,762
Service revenues	Other related parties	2,584	2,538
Total		$ 292,649	$ 547,300

The term of the above charter revenue are processed with terms of general sales and fixed pricing. Service revenues are generated from the contract of maritime management service.

B. Advance collection – bulk carrier (shown as other current liabilities)

	December 31, 2014	December 31, 2013
Other related parties	$ 9,756	$ 26,834

C. Other receivables

Amounts prepaid on behalf of related parties and agents:

	December 31, 2014	December 31, 2013
Other related parties	$ 2,607	$ 7,651

D. Other payables

Advances from related parties and agency payable:

	December 31, 2014	December 31, 2013
Other related parties	$ 202	$ 2,870

E. Operating expenses

		For the years ended December 31,	
		2014	2013
Management fee	Other related parties	$ 46,890	$ 49,722

F. Operating costs

		For the years ended December 31,	
		2014	2013
Shipping agency fees	Other related parties	$ 289	$ 284
Technical management fee	Other related parties	8,911	9,550
		$ 9,200	$ 9,834

G. Supervision fee

		For the years ended December 31,	
		2014	2013
Supervision fee	Other related parties	$ 27,279	$ 13,361

The supervision fees for building the new vessels paid by the Group were capitalized as vessel costs.

H. Guarantee transactions

The other related party guarantees the building of new vessels provided to the Group as follows:

	December 31, 2014	December 31, 2013
Other related parties	USD 72,950 thousand	USD 21,420 thousand

I. Other guarantee transactions

Please refer to Note 6(4) for details.

(2) Key management compensation

	For the years ended December 31,			
	2014		2013	
Salaries and other short-term employee benefits	$	24,903	$	24,792
Post-employment benefits		324		351
Total	$	25,227	$	25,143

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

	Book value				
	December 31, 2014		December 31, 2013		Purpose
Time deposits (shown as other current assets-current)	$	423,362	$	391,777	Long-term loans
Vessels and equipment-net		20,516,970		18,685,054	Long-term loans
Land and building-net		103,090		103,658	Credit lines
	$	21,043,422	$	19,180,489	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

The Group's vessel named "Chou Shan" of the subsidiary – Rockwell Shipping Limited (Rockwell) collided with another vessel outside of Chang Jiang, Shanghai on March 19, 2013 and part of the hull and some machinery of the vessel was damaged. Owing to the incident, M/V Chou Shan should be repaired and off-hired. Shanghai Maritime Safety Administration demanded that the Company provide a security deposit to cover the public emergency response costs. Rockwell remitted the cash deposit amounting to RMB 25 million (shown as other receivables) to the Shanghai Maritime Safety Administration. Subsequently, M/V Chou Shan was released and resumed its voyage.

A lawsuit has been filed with the competent court in the People's Republic of China. The insurance company has been authorized to act for Rockwell during the judgment process.

Most of the loss from operation interruption, loss of hire and repair cost of machinery claims had been recovered from the insurance. The responsibility for the pollution and collision shall be determined by the final unappealable judgment and be recovered from the insurance company.

Therefore, there is no material effect on the Group's financial position.

The receivables arising from the incident were recognized as follows:

		December 31, 2014		December 31, 2013	
Other receivables	- security deposit	$	128,737	$	121,253
		(RMB	25 million)	(RMB	25 million)
	- insurance claim		12,317		19,744
		(USD	389 thousand)	(USD	662 thousand)
		$	141,054	$	140,997

(2) Commitments

A. The Group had the following outstanding vessel charter agreements as of December 31, 2014:

Contract Company	Contract period	Content
Bocimar International N.V.	March 2003 to October 2015	Mineral Antwerpen
Nippon Yusen Kaisha	January 2010 to January 2018	Heng Shan
Nippon Yusen Kaisha	September 2009 to September 2017	Yue Shan
Nippon Yusen Kaisha	August 2008 to August 2016	Huang Shan
RIO TINTO (Singapore)	September 2011 to September 2018	Tai Shan

Expected receivables arising from the outstanding vessel charter agreements were as follows:

(in USD thousands)

	December 31, 2014		December 31, 2013	
Not later than one year	$	61,910	$	80,744
Later than one year but not over five years		88,608		153,279
Over five years		-		-
	$	150,518	$	234,023

B. The Company issued notes payable as guarantee for credit lines. Please refer to Note 6(4) for details.

C. The Board of Directors authorized and approved that the Company issue a promissory note to Mega Bank as guarantee for the subsidiaries' loans. The subsidiary, Norley provide guarantees to BNP Paribas (and syndicates) for its holding companies. The information of guarantees provided by the Group is as follows:

(in USD thousands)

Subsidiaries	Purpose	Original credit amount	Endorsement balance as of the balance sheet date: December 31, 2014	Endorsement balance as of the balance sheet date: December 31, 2013
Brighton Shipping Inc.	Bank loans	$ 28,840	$ 4,807	$ 7,210
Rockwell Shipping Limited	Bank loans	28,862	7,215	9,621
Seven Seas Shipping Ltd.	Bank loans	52,000	10,833	15,166
Howells Shipping Inc.	Bank loans	39,920	7,980	11,969
Everprime Shipping Limited	Bank loans	31,640	6,328	9,492
Clifford Navigation Corporation	Bank loans	50,000	10,714	32,143
Crimson Marine Company	Bank loans	39,040	15,616	29,280
Poseidon Marine Ltd.	Bank loans	66,000	49,500	49,500
Ocean Wise Limited	Bank loans	42,140	31,605	31,605
Everwin Maritime Limited	Bank loans	75,460	56,595	56,595
Maxson Shipping Inc.	Bank loans	37,450	26,892	37,450
Kenmore Shipping Inc.	Bank loans	74,200	55,650	74,200
Peg Shipping Company Ltd.	Bank loans	28,000	3,375	5,315
Helmsman Navigation Co. Ltd.	Bank loans	18,900	18,900	18,900
Keystone Shipping Co. Ltd.	Bank loans	18,900	18,900	18,900
			$ 324,910	$ 407,346

D. The Company's subsidiaries have ship building agreements with several shipbuilding companies. Under these agreements, the total paid construction commitments are divided into four to five installments. 30% of the amount should be paid before the ships are delivered while the remaining amount should be paid upon delivery of the ships.

(in USD thousands)

	December 31, 2014	December 31, 2013
Total contract price	$ 157,400	$ 147,600
Amount paid	(18,930)	(22,860)
Outstanding balance amount	$ 138,470	$ 124,740

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

A. Details are provided in Note 6(3) A.

B. On January 26, 2015, the Board of Directors of the subsidiaries – Pacifica Maritime Limited and Dynasty Navigation Limited resolved to a change the resolution on May 8, 2013 of their two 180,000 DWT Capesize Newbuilding to one 300,000 DWT Crude Oil Tanker. The new contract price of the vessel is US$95,000 thousand, and divided into 4 installments.

C. The appropriation of 2014 earnings was proposed by the Board of Directors. Please refer to Note 6(9) E.

D. On March 27, 2015, the Board of Directors of the Company resolved to borrow from subsidiaries – Norley Corporation and Heywood Limited amounting to US$20,000 thousand and US$30,000 thousand for working capital purpose.

12. OTHERS

(1) Capital management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Fair value information of financial instruments

The Group’s financial instruments not measured at fair value (including cash and cash equivalents, accounts receivable, other receivables, other assets, short-term loans, other payables and long-term loans (including current portion)) are approximate to their fair values.

B. Financial risk management policies

(a) The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group’s financial position and financial performance.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group’s operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and JPY. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

ii. The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD; other certain subsidiaries' functional currency: USD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2014		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 3,576	31.65	$ 113,065
NTD:USD	6,789	0.03	6,799
JPY: USD	29,941	0.01	7,904
Financial liabilities			
Monetary items			
USD:NTD	$ 50,830	31.65	$ 1,608,782

	December 31, 2013		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 5,758	29.81	$ 171,372
NTD:USD	7,935	0.03	7,915
JPY: USD	37,524	0.01	10,642
Financial liabilities			
Monetary items			
USD:NTD	$ 34,090	29.81	$ 1,015,969

iii. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	For the year ended December 31, 2014		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 1,131	$ -
NTD:USD	1%	68	-
JPY: USD	1%	79	-
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 16,088	$ -

	For the year ended December 31, 2013		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 1,714	$ -
NTD:USD	1%	79	-
JPY: USD	1%	106	-
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 10,159	$ -

Interest rate risk

i. The Group’s interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During the years ended December 31, 2014 and 2013, the Group’s borrowings at variable rate were denominated in United States dollars.

ii. The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

iii. At December 31, 2014 and 2013, if interest rates on USD-denominated borrowings had been 1% higher/lower with all other variables held constant, pre-tax profit for the years ended December 31, 2014 and 2013 would have been $94,054 and $95,553 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and service terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to charterers, including outstanding receivables.

ii. No credit limits were exceeded during the reporting periods, and management does not expect any significant losses from non-performance by these counterparties.

iii. The ageing analysis of accounts receivable is as follows:

	December 31, 2014	December 31, 2013
Not past due nor impaired	$ 489,872	$ 573,826
Past due but not impaired	$ -	$ 16

The Group signed the charter agreements with well-known international charterers and oil carriers belong to the Tankers International Pool. The Group received and wrote-off accounts receivable based on contracts.

The Group assessed its accounts receivable that were past due but not impaired and determined that there were no significant changes in credit quality and the related accounts receivable could also be collected. Therefore, these receivables were not impaired.

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, external regulatory or legal requirements.

ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury.

iii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities: December 31, 2014	Up to 1 year	Between 1 year and 5 years	Over 5 years
Short-term borrowings	$ 740,000	$ -	$ -
Other payables	285,819	-	-
Long-term borrowings (including current portion)	2,274,062	5,689,310	1,881,187

Non-derivative financial liabilities: December 31, 2013	Up to 1 year	Between 1 year and 5 years	Over 5 years
Short-term borrowings	$ 730,000	$ -	$ -
Other payables	219,689	-	-
Long-term borrowings (including current portion)	1,962,012	5,956,499	2,078,739

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A.Loans to others:

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2014	Balance at December 31, 2014	Actual amount drawn down	Interest rate	Nature of loan (Note 3)	Amount of transactions with the borrower (Note 5)	Reason for shortterm financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 2)	Footnote
													Item	Value			
0	Sincere Navigation Corporation	None													$ 4,820,333	$ 6,427,110	
1	Norley Corporation Inc.	Confidence Navigation Ltd.	Advance to associated entity	Y	$ 273,500 (USD 9,026 thousand)	$ -	$ - (USD 0 thousand)	-	2	$ -	Working capital	$ -	-	$ -	12,441,197	12,441,197	
"	"	Sincere Navigation Corporation	Other receivables - related parties	Y	1,266,000 (USD 40,000 thousand)	1,266,000	1,266,000 (USD 40,000 thousand)	-	2	-	"	-	-	-	3,732,359	4,976,479	
2	Heywood Limited	"	"	Y	639,870 (USD 21,000 thousand)	-	- (USD 0 thousand)	-	2	-	"	-	-	-	1,585,523	2,114,030	
"	"	Howells Shipping Inc.	Advance to associated entity	Y	31,669 (USD 1,039 thousand)	-	- (USD 0 thousand)	-	2	-	"	-	-	-	5,285,076	5,285,076	
"	"	Century Shipping Limited	"	Y	609 (USD 20 thousand)	150	150 (USD 5 thousand)	-	2	-	"	-	-	-	5,285,076	5,285,076	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: In accordance with the financing procedures of the Company, for business transaction purposes, maximum financing to each subsidiary and total financing is limited to 30% and 40% of the Company’s net value, respectively. For short-term lending purpose, maximum financing to each subsidiary and total financing is limited 30% to 40% of the Company’s net value, respectively. The maximum financing between the subsidiaries which are directly or indirectly 100% owned by the Company is limited to 100% of the lender’s net value.

Note 3: Number 1 represents the business transaction.

Number 2 represents the necessity for short-term lending.

B.Provision of endorsements and guarantees to others:

No. (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2014	Outstanding endorsement/ guarantee amount at December 31, 2014	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 4)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 4)	Provision of endorsements/ guarantees to the party in Mainland China (Note 4)	Footnote (Note 5)
0	Sincere Navigation Corporation	Helmsman Navigation Co. Ltd.	3	$ 16,067,775	$ 598,185	$ 598,185	$ 598,185	$ -	63.34%	$ 40,169,438	Y	N	N	Refer to Note 9
"	"	Keystone Shipping Co. Inc.	3	16,067,775	598,185	598,185	598,185	-	63.34%	40,169,438	Y	N	N	"
"	"	Brighton Shipping Inc.	3	16,067,775	219,686	152,129	152,129	-	63.34%	40,169,438	Y	N	N	"
"	"	Everprime Shipping Limited	3	16,067,775	289,221	200,281	200,281	-	63.34%	40,169,438	Y	N	N	"
"	"	Rockwell Shipping Limited	3	16,067,775	286,789	228,368	228,368	-	63.34%	40,169,438	Y	N	N	"
"	"	Howells Shipping Inc.	3	16,067,775	362,666	252,550	252,550	-	63.34%	40,169,438	Y	N	N	"
"	"	Clifford Navigation Corporation	3	16,067,775	994,821	339,107	226,071	-	63.34%	40,169,438	Y	N	N	"
"	"	Seven Seas Shipping Ltd.	3	16,067,775	462,125	342,872	342,872	-	63.34%	40,169,438	Y	N	N	"
"	"	Crimson Marine Company	3	16,067,775	906,216	494,246	494,246	-	63.34%	40,169,438	Y	N	N	"
"	"	Ocean Wise Limited	3	16,067,775	1,000,298	1,000,298	733,552	-	63.34%	40,169,438	Y	N	N	"
"	"	Maxson Shipping Inc.	3	16,067,775	1,141,101	851,137	794,394	-	63.34%	40,169,438	Y	N	N	"
"	"	Poseidon Marine Ltd.	3	16,067,775	1,566,675	1,566,675	1,044,450	-	63.34%	40,169,438	Y	N	N	"
"	"	Everwin Maritime Limited	3	16,067,775	1,791,232	1,791,232	1,522,401	-	63.34%	40,169,438	Y	N	N	"
"	"	Kenmore Shipping Inc.	3	16,067,775	2,260,874	1,761,323	1,761,323	-	63.34%	40,169,438	Y	N	N	"
1	Norley Corporation Inc.	Peg Shipping Company Ltd.	3	12,441,197	161,045	106,819	106,819	-	1.29%	31,102,993	N	N	N	"

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1) The Company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories.

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

(4) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.

(5) Mutual guarantee of the trade as required by the construction contract.

(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

Note 3: In accordance with the guarantee procedures of the Company, the Company’s guarantee to others and total guarantee amount should not exceed 100% and 250% of the Company’s net value, respectively. The guarantee amount for business transaction purposes should not exceed the total transaction amount with the Company within the current year. The total guarantee amount of the Company and its subsidiaries together should not exceed 300% of the Company’s net value. The guarantee amount to a single enterprise should not exceed the Company’s net value.

Note 4: Fill in ‘Y’ for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Note 5:Guarantee balance is US Dollars, please refer to Note 9.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company’s paid-in capital:

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2014		Addition		Disposal				Balance as at December 31,2014	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
Heywood Limited	Ordinary shares with no par value	Investment accounted for using equity method	Howells Shipping Inc.	Subsidiary	500	USD 10 thousand	-	USD 12,000 thousand	None	-	-	-	500	USD 12,010 thousand

E. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more:

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of paymen	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other Counterparty commitments
							Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount			
Helmsman Navigation Co. Ltd.	Oceana	103.9.5	$ 899,186 (USD 28,410 thousand)	Paid	China Shipbuilding Trading Co., Ltd. & Shanghai Jiangnan-Changxing Shipbuilding Co., Ltd.	None	-	-	-	-	Cost of new ships acquired	Improve operation	-
Keystone Shipping Co. Inc.	Palona	103.11.6	$ 898,252 (USD 28,381 thousand)	Paid	China Shipbuilding Trading Co., Ltd. & Shanghai Jiangnan-Changxing Shipbuilding Co., Ltd.	None	-	-	-	-	Cost of new ships acquired	Improve operation	-

F. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more:

Real estate disposed by	Real estate	Date or date of the event	Date of acquisition	Book value	Disposal amount	Status of collection of proceeds	Gain (loss) on disposal	Counterparty	Relationship with the seller	Reason for disposal	Basis or reference used in setting the price	Other commitments
Confidence Navigation Ltd.	Charles Eddie	2014/7/21	2002/8/30	$ 1,156,124 (USD 38,143 thousand)	$1,242,710 (USD 41,000 thousand)	Collected	$ 49,011 (USD 1,617 thousand)	Kimolos Shipping Corporation	None	Group's overall operation	Sale agreement	-

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more:

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Peg Shipping Company Ltd.	Bocimar International N.V.	Parent company of majority shareholder of Winnington	Charter revenue	$ 290,065 (USD 9,570 thousand)	100%	None	The same as third parties	None	$ -	-	Advance collections of $9,756 (USD 308 thousand)

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more:

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2014	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Sincere Navigation Corporation	None							
Norley Corporation Inc. (Norley)	Confidence Navigation Ltd.	Norley's parent company	$ 1,266,000 (USD 40,000 thousand)	-	$ -	-	$ -	$ -

I. Derivative financial instruments undertaken during the year ended December 31, 2014: None.

J. Significant inter-company transactions during the year ended December 31, 2014:

For the year ended December 31, 2014:

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Sincere Navigation Corporation	Helmsman Navigation Co. Ltd.	1	Guarantees	$ 598,185	As per the Company's policy	2.05%
0	"	Keystone Shipping Co. Ltd.	1	"	598,185	"	2.05%
0	"	Seven Seas Shipping Ltd.	1	"	342,872	"	1.18%
0	"	Clifford Navigation Corporation	1	"	339,107	"	1.16%
0	"	Crimson Marine Company	1	"	494,246	"	1.70%
0	"	Poseidon Marine Ltd.	1	"	1,566,675	"	5.38%
0	"	Ocean Wise Limited	1	"	1,000,298	"	3.43%
0	"	Everwin Maritime Limited	1	"	1,791,232	"	6.15%
0	"	Maxson Shipping Inc.	1	"	851,137	"	2.92%
0	"	Kenmore Shipping Inc.	1	"	1,761,323	"	6.05%
1	Norley Corporation Inc.	Sincere Navigation Corporation	2	Other receivables related parties	1,266,000	"	4.35%

The inter-company transactions under 1% of consolidated assets or revenue are not disclosed.

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship with the transaction company:

(1) Parent company to subsidiary is numberd “1”.

(2) Subsidiary to parent company is numberd “2”.

(3) Subsidiary to subsidiary is numberd “3”.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the year to consolidated total operating revenues for income statement accounts.

(2)Information on investees (not including investees in Mainland China)

Investor	Investee	Location	Main business activities	Initial investment amount (Note 1)		Shares held as at December 31, 2014 (Note 2)			Net profit (loss) of the investee for the year ended December 31, 2014 (Note 2)	Investment income (loss) recognised by the Company for the year ended December 31, 2014	Footnote
				Balance as at December 31, 2014	Balance as at December 31, 2013	Number of shares	Ownership (%)	Book value	Amount	Amount	
Sincere Navigation Corporation	Norley Corporation Inc.	Republic of Liberia	Investment holdings	$ 31,650 (USD 1,000 thousand)	$ 29,810 (USD 1,000 thousand)	500	100	$ 12,441,197	$ 909,097	$ 909,097	Subsidiary
"	Heywood Limited	Marshall Islands	"	31,650 (USD 1,000 thousand)	29,810 (USD 1,000 thousand)	500	100	5,285,076	342,382	342,382	Subsidiary
Norley Corporation Inc.	Valentine Holdings Ltd.	Republic of Liberia	"	190 (USD 6 thousand)	179 (USD 6 thousand)	300	60	299,977	(35,508)	-	Indirectly owned subsidiary
"	Confidence Navigation Ltd.	Marshall Islands	Oil tanker	317 (USD 10 thousand)	298 (USD 10 thousand)	500	100	10,238	102,942	-	Indirectly owned subsidiary
"	Kenmore Shipping Inc.	"	"	1,696,757 (USD 53.610 thousand)	1,598,114 (USD 53.610 thousand)	500	100	1,567,280	6,277	-	Indirectly owned subsidiary
"	Welluck Co., Ltd.	"	Investment holdings	- (USD 0 thousand)	149 (USD 5 thousand)	-	-	-	47	-	Indirectly owned subsidiary
"	Winnington Limited	"	"	158 (USD 5 thousand)	149 (USD 5 thousand)	250	50	267,825	163,418	-	Indirectly owned subsidiary
"	Jetwall Co., Ltd.	"	"	$ 1,448,810 (USD 45,776 thousand)	$ 1,316,887 (USD 44,176 thousand)	400	80	1,286,408	33,910	-	Indirectly owned subsidiary

				Initial investment amount (Note 1)		Shares held as at December 31, 2014 (Note 2)			Net profit (loss) of the investee for the year ended December 31, 2014 (Note 2)	Investment income (loss) recognised by the Company for the year ended December 31, 2014	
Investor	Investee	Location	Main business activities	Balance as at December 31, 2014	Balance as at December 31, 2013	Number of shares	Ownership (%)	Book value	Amount	Amount	Footnote
Norley Corporation Inc.	Victory Navigation Inc.	Marshall Islands	Investment holdings	$ 190 (USD 6 thousand)	$ 179 (USD 6 thousand)	275	55	$ 417,047	$ 283,126	$ -	Indirectly owned subsidiary
"	Kingswood Co., Ltd.	"	"	165,909 (USD 5,242 thousand)	186,074 (USD 6,242 thousand)	250	50	601,026	114,319	-	Indirectly owned subsidiary
"	Poseidon Marine Limited	"	Shipping chartering	443,100 (USD 14,000 thousand)	536,580 (USD 18,000 thousand)	500	100	1,585,513	201,268	-	Indirectly owned subsidiary
"	Maxson Shipping Inc.	"	"	633,000 (USD 20,000 thousand)	626,010 (USD 21,000 thousand)	500	100	1,039,650	121,648	-	Indirectly owned subsidiary
"	Ocean Wise Limited	Republic of Liberia	"	80,866 (USD 2,555 thousand)	76,165 (USD 2,555 thousand)	127,755	51	483,470	345,768	-	Indirectly owned subsidiary
"	Pacifica Maritime Limited	"	Holding in shipbuilding	148,439 (USD 4,690 thousand)	139,809 (USD 4,690 thousand)	500	100	148,326	(60)	-	Indirectly owned subsidiary
"	Dynasty Navigation Limited	"	"	148,439 (USD 4,690 thousand)	139,809 (USD 4,690 thousand)	500	100	148,326	(60)	-	Indirectly owned subsidiary
"	Sky Sea Maritime Limited	Marshall Islands	Investment holdings	169,391 (USD 5,352 thousand)	-	275	55	169,305	(122)	-	Indirectly owned subsidiary
Valentine Holding Ltd.	Millennia Investment Co., Ltd.	Marshall Islands	Shipping chartering	317 (USD 10 thousand)	298 (USD 10 thousand)	500	100	212,512	(19,004)	-	Indirectly owned subsidiary
"	Gemini Investment Company Ltd.	"	"	317 (USD 10 thousand)	298 (USD 10 thousand)	500	100	212,435	(16,480)	-	Indirectly owned subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount (Note 1) Balance as at December 31, 2014	Initial investment amount (Note 1) Balance as at December 31, 2013	Shares held as at December 31, 2014 (Note 2) Number of shares	Shares held as at December 31, 2014 (Note 2) Ownership (%)	Shares held as at December 31, 2014 (Note 2) Book value	Net profit (loss) of the investee for the year ended December 31, 2014 (Note 2) Amount	Investment income (loss) recognised by the Company for the year ended December 31, 2014 Amount	Footnote
Welluck Co., Ltd.	Meko Shipping Inc.	Republic of Liberia	Shipping chartering	$ - (USD 10 thousand)	$ 298 (USD 10 thousand)	-	-	$ -	($ 5)	$ -	Indirectly owned subsidiary
Winnington Limited	Peg Shipping Company Ltd.	Republic of Liberia	"	317 (USD 10 thousand)	298 (USD 10 thousand)	500	100	529,923	163,219	-	Indirectly owned subsidiary
Kingswood Co., Ltd.	Seven Seas Shipping Ltd.	Marshall Islands	Oil tanker	331,787 (USD 10,483 thousand)	372,118 (USD 12,483 thousand)	500	100	1,170,019	114,107	-	Indirectly owned subsidiary
Jetwall Co., Ltd.	Everwin Maritime Limited	"	"	1,811,013 (USD 57,220 thousand)	1,646,108 (USD 55,220 thousand)	500	100	1,608,700	33,996	-	Indirectly owned subsidiary
Victory Navigation Inc.	Everprime Shipping Limited	"	Shipping chartering	317 (USD 10 thousand)	298 (USD 10 thousand)	500	100	754,575	283,213	-	Indirectly owned subsidiary
Sky Sea Maritime Limited	Ocean Grace Limited	"	Holding in shipbuilding	307,955 (USD 9,730 thousand)	-	500	100	307,897	(55)	-	Indirectly owned subsidiary
Heywood Limited	Clifford Navigation Corporation	"	Shipping chartering	317 (USD 10 thousand)	298 (USD 10 thousand)	500	100	396,521	345,445	-	Indirectly owned subsidiary
"	Newton Navigation Limited	"	"	317 (USD 10 thousand)	298 (USD 10 thousand)	500	100	869,718	53,040	-	Indirectly owned subsidiary
"	Brighton Shipping Inc.	"	"	317 (USD 10 thousand)	298 (USD 10 thousand)	500	100	742,455	36,530	-	Indirectly owned subsidiary
"	Rockwell Shipping Limited	"	"	317 (USD 10 thousand)	298 (USD 10 thousand)	500	100	587,775	39,625	-	Indirectly owned subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount (Note 1)		Shares held as at December 31, 2014 (Note 2)			Net profit (loss) of the investee for the year ended December 31, 2014 (Note 2)	Investment income (loss) recognised by the Company for the year ended December 31, 2014	Footnote
				Balance as at December 31, 2014	Balance as at December 31, 2013	Number of shares	Ownership (%)	Book value	Amount	Amount	
Heywood Limited	Howells Shipping Inc.	Marshall Islands	Shipping chartering	$ 380,117 (USD 12,010 thousand)	$ 298 (USD 10 thousand)	500	100	$ 929,646	($ 9,090)	$ -	Indirectly owned subsidiary
"	Crimson Marine Company	"	"	772,197 (USD 24,398 thousand)	727,304 (USD 24,398 thousand)	500	100	549,179	(67,868)	-	Indirectly owned subsidiary
"	Honco Shipping Limited	Hong Kong	Investment holdings	- (USD 0 thousand)	- (USD 0 thousand)	2	100	-	-	-	Indirectly owned subsidiary
"	Century Shipping Limited	Marshall Islands	"	15,825 (USD 500 thousand)	14,905 (USD 500 thousand)	50,000	100	4,566	(4,019)	-	Indirectly owned subsidiary
"	Helsman Navigation Co. Ltd.	"	Holding in shipbuilding	256,682 (USD 8,110 thousand)	241,759 (USD 8,110 thousand)	500	100	222,236	(32,882)	-	Indirectly owned subsidiary
"	Keystone Shipping Co. Ltd.	"	"	256,682 (USD 8,110 thousand)	161,272 (USD 5,410 thousand)	500	100	242,890	(12,112)	-	Indirectly owned subsidiary

Note 1: The above balances of initial investment as at December 31, 2014 and 2013 were translated at the closing exchange rates at the balance sheet date.

Note 2: The above carrying amounts of shares held as at December 31, 2014 and net profit (loss) of the investee for the year ended December 31, 2014 were translated at the closing exchange rates at the balance sheet and the average exchange rates for the year ended December 31, 2014, respectively.

(3) Information on investments in Mainland China

A. Basic information:

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2014	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2014		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2014	Net income of investee as of December 31, 2014	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2014 (Note 2)	Book value of investments in Mainland China as of December 31, 2014	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2014	Remark
					Remitted to Mainland China	Remitted back to Taiwan							
Haihu Maritime Service (Shanghai) Co., Ltd.	Maritime service	$ 15,855 (USD 500 thousand)	2	$ 15,855 (USD 500 thousand)	$ -	$ -	$ 15,855 (USD 500 thousand)	($ 4,009) (RMB -815 thousand)	100%	($ 4,009) (RMB -815 thousand)	$ 4,748 (RMB 918 housand)	$ -	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2014	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Haihu Maritime Service (Shanghai) Co., Ltd.	$ 15, 855	$ 95, 130	$ 9, 640, 665

Note 1: Investment methods are classified into the following three categories.

(1) Directly invest in a company in Mainland China.

(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China. (The investee in the third area is Century Shipping Limited)

(3) Others

Note 2: Investment income (loss) recognised during the year was based on financial statements audited by the Company’s CPA.

B. Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas: None.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Group's chief operating decision-maker operates businesses by the type of carriers. Under IFRS 8, the reportable segments are bulk carrier segment and oil tanker segment.

There in no material change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information in this period.

(2) Measurement of segment information

The chief operating decision-maker assesses the performance of the operating segments based on the profit or loss before income tax. This measurement basis excludes the effects of non-recurring expenditures from the operating segments.

(3) Information about segment profit or loss

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	For the year ended December 31, 2014			
	Bulk carrier	Oil tanker	Other segments	Total
Revenue from third parties	$ 3,600,467	$ 865,326	$ 2,584	$ 4,468,377
Segment income	$ 1,190,166	$ 154,505	$ 2,584	$ 1,347,255

	For the year ended December 31, 2013			
	Bulk carrier	Oil tanker	Other segments	Total
Revenue from third parties	$ 3,563,449	$ 574,016	$ 2,538	$ 4,140,003
Segment income (loss)	$ 1,432,226	($ 114,467)	$ 2,538	$ 1,320,297

(4) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external parties reported to the chief operating decision-maker is measured in a manner consistent with that in the income statement.

Reconciling profit or loss before income tax and interest expense of reportable segments to income from continuing operations before income tax is as follows:

	For the years ended December 31,	
	2014	2013
Reportable segment income	$ 1,344,671	$ 1,317,759
Other segment income	2,584	2,538
Total operating segment income	1,347,255	1,320,297
Others	(81,181)	(19,682)
Income from continuing operations before tax	$ 1,266,074	$ 1,300,615

(5) The Group's transportation services are managed transnationally. Operating results from services cannot be meaningfully separated according to specific area, thus, geographical information is not presented.

(6) Major customer information

For the years ended December 31, 2014 and 2013, major customers with revenue representing 10% or above of the Group's total revenue are as follows:

	2014		2013	
	Revenues	Segment	Revenues	Segment
Customer A	$ 1,842,793	Bulk carrier	$ 2,073,462	Bulk carrier
Customer B	1,017,941	Oil tanker	763,759	Oil tanker
Customer C	290,065	Bulk carrier	544,762	Bulk carrier
Customer D	256,790	Bulk carrier	546,200	Bulk carrier