SINCERE NAVIGATION CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

JUNE 30, 2017 AND 2016

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

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REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of Sincere Navigation Corporation

We have reviewed the accompanying consolidated balance sheets of Sincere Navigation Corporation and its subsidiaries as of June 30, 2017 and 2016, and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, as well as the statements of changes in equity and of cash flows for the six-month periods then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews.

We conducted our reviews in accordance with the Statement of Auditing Standards No. 36 "Engagements to Review Financial Statements" in the Republic of China. A review consists primarily of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in the Republic of China, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with the "Rules Governing the Preparations of Financial Statements by Securities Issuers", and International Accounting Standard 34, "Interim Financial Reporting", as endorsed by the Financial Supervisory Commission.

Weng Shih Jung | Wang, Hui-Hsien

Weng, Shih-Jung | Wang, Hui-Hsien

For and on behalf of PricewaterhouseCoopers, Taiwan

August 11, 2017

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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SINCERE NAVIGATION CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(THE CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2017 AND 2016 ARE REVIEWED, NOT AUDITED)

	Liabilities and equity	Notes	June 30, 2017 AMOUNT	%	December 31, 2016 AMOUNT	%	June 30, 2016 AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(4)	$ 760,000	3	$ 740,000	3	$ 740,000	3
2200	Other payables		598,764	2	240,024	1	827,291	3
2220	Other payables - related party	7	5,039	-	106	-	1,662	-
2230	Current income tax liabilities		12,739	-	207,436	1	64,572	-
2300	Other current liabilities	6(5)	1,468,196	6	1,438,143	5	1,563,862	5
21XX	**Current liabilities**		2,844,738	11	2,625,709	10	3,197,387	11
	Non-current liabilities							
2540	Long-term borrowings	6(5)	4,957,081	20	4,217,219	16	4,898,679	18
2570	Deferred income tax liabilities		210,971	1	145,287	1	271,325	1
2600	Other non-current liabilities		30,653	-	30,476	-	26,986	-
25XX	**Non-current liabilities**		5,198,705	21	4,392,982	17	5,196,990	19
2XXX	**Total liabilities**		8,043,443	32	7,018,691	27	8,394,377	30
	Equity attributable to owners of parent							
	Share capital	6(7)						
3110	Share capital - common stock		5,683,042	23	5,683,042	22	5,683,042	21
	Capital surplus	6(8)						
3200	Capital surplus		49,593	-	49,593	-	49,593	-
	Retained earnings	6(9)(17)						
3310	Legal reserve		3,105,700	12	3,045,685	12	3,045,685	11
3320	Special reserve		30,170	-	-	-	-	-
3350	Unappropriated retained earnings		7,931,995	31	8,069,094	32	7,874,883	29
	Other equity interest							
3400	Other equity interest		(1,101,277)	(4)	(30,170)	-	(22,613)	-
31XX	**Equity attributable to owners of the parent**		15,699,223	62	16,817,244	66	16,630,590	61
36XX	**Non-controlling interest**		1,637,455	6	1,751,001	7	2,497,744	9
3XXX	**Total equity**		17,336,678	68	18,568,245	73	19,128,334	70
	Significant contingent liabilities and unrecognized contractual commitments	9						
3X2X	**Total liabilities and equity**		$ 25,380,121	100	$ 25,586,936	100	$ 27,522,711	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)
(UNAUDITED)

			Three months ended June 30				Six months ended June 30			
			2017		2016		2017		2016	
	Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	**Operating revenue**	6(10) and 7	$ 870,308	100	$ 875,661	100	$ 1,733,781	100	$ 1,840,234	100
5000	**Operating costs**	6(15)(16) and 7	(567,355)	(65)	(620,053)	(71)	(1,208,100)	(70)	(1,251,057)	(68)
5900	**Net operating margin**		302,953	35	255,608	29	525,681	30	589,177	32
	Operating expenses	6(15)(16) and 7								
6200	General & administrative expenses		(44,669)	(5)	(46,202)	(5)	(90,187)	(5)	(88,811)	(5)
6500	**Other gains - net**	6(11)	40,450	4	49,271	5	40,450	3	49,271	3
6900	**Operating profit**		298,734	34	258,677	29	475,944	28	549,637	30
	Non-operating income and expenses									
7010	Other income	6(12)	14,268	2	8,306	1	25,102	1	17,725	1
7020	Other gains and losses	6(13)	(6,714)	(1)	(3,044)	-	86,185	5	33,889	2
7050	Finance costs	6(14)	(44,008)	(5)	(34,343)	(4)	(87,803)	(5)	(68,445)	(4)
7000	**Total non-operating income and expenses**		(36,454)	(4)	(29,081)	(3)	23,484	1	(16,831)	(1)
7900	**Profit before income tax**		262,280	30	229,596	26	499,428	29	532,806	29
7950	Income tax expense	6(17)	(45,970)	(5)	(90,688)	(10)	(76,195)	(4)	(128,120)	(7)
8000	**Profit for the period from continuing operations**		216,310	25	138,908	16	423,233	25	404,686	22
8100	Profit for the period from discontinued operations	6(3)	8,666	1	72,274	8	7,176	-	194,240	10
8200	**Profit for the period**		$ 224,976	26	$ 211,182	24	$ 430,409	25	$ 598,926	32
	Other comprehensive income									
	Components of other comprehensive income that will be reclassified to profit or loss									
8361	Exchange differences on translation		$ 57,391	6	$ 60,411	7	($ 1,172,938)	(68)	($ 374,486)	(20)
8500	**Total comprehensive income (loss) for the period**		$ 282,367	32	$ 271,593	31	($ 742,529)	(43)	$ 224,440	12
	Profit (loss), attributable to:									
8610	Owners of the parent		$ 187,685	22	$ 132,396	15	$ 350,899	20	$ 403,191	21
8620	Non-controlling interest		37,291	4	78,786	9	79,510	5	195,735	11
			$ 224,976	26	$ 211,182	24	$ 430,409	25	$ 598,926	32
	Comprehensive income attributable to:									
8710	Owners of the parent		$ 240,101	27	$ 185,538	21	($ 720,208)	(42)	$ 70,144	4
8720	Non-controlling interest		42,266	5	86,055	10	(22,321)	(1)	154,296	8
			$ 282,367	32	$ 271,593	31	($ 742,529)	(43)	$ 224,440	12
	Basic earnings per share	6(18)								
9710	Basic earnings per share from continuing operations		$	0.32	$	0.17	$	0.61	$	0.54
9720	Basic earnings per share from discontinued operations			0.01		0.06		0.01		0.17
9750	**Total basic earnings per share**		$	0.33	$	0.23	$	0.62	$	0.71
	Diluted earnings per share	6(18)								
9810	Diluted earnings per share from continuing operations		$	0.32	$	0.17	$	0.61	$	0.54
9820	Diluted earnings per share from discontinued operations			0.01		0.06		0.01		0.17
9850	**Total diluted earnings per share**		$	0.33	$	0.23	$	0.62	$	0.71

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

SINCERE NAVIGATION CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2017 AND 2016
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(UNAUDITED)

		Equity attributable to owners of the parent									
			Capital Reserves		Retained Earnings						
	Notes	Share capital - common stock	Treasury stock transactions	Difference between the price for acquisition or disposal of subsidiaries and carrying amount	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statement translation differences of foreign operations	Total	Non-controlling interest	Total equity
For the six-month period ended June 30, 2016											
Balance at January 1, 2016		$ 5,683,042	$ 39,243	$ 10,350	$ 2,951,246	$ 365,770	$ 7,768,665	$ 310,434	$ 17,128,750	$ 2,434,622	$ 19,563,372
Appropriation of 2015 earnings:	6(9)										
Reversal of special reserve		-	-	-	-	(365,770)	365,770	-	-	-	-
Legal reserve		-	-	-	94,439	-	(94,439)	-	-	-	-
Cash dividend		-	-	-	-	-	(568,304)	-	(568,304)	-	(568,304)
Profit for the period		-	-	-	-	-	403,191	-	403,191	195,735	598,926
Other comprehensive loss for the period		-	-	-	-	-	-	(333,047)	(333,047)	(41,439)	(374,486)
Change in non-controlling interest		-	-	-	-	-	-	-	-	(91,174)	(91,174)
Balance at June 30, 2016		$ 5,683,042	$ 39,243	$ 10,350	$ 3,045,685	$ -	$ 7,874,883	($ 22,613)	$ 16,630,590	$ 2,497,744	$ 19,128,334
For the six-month period ended June 30, 2017											
Balance at January 1, 2017		$ 5,683,042	$ 39,243	$ 10,350	$ 3,045,685	$ -	$ 8,069,094	($ 30,170)	$ 16,817,244	$ 1,751,001	$ 18,568,245
Appropriation of 2016 earnings:	6(9)										
Legal reserve		-	-	-	60,015	-	(60,015)	-	-	-	-
Special reserve		-	-	-	-	30,170	(30,170)	-	-	-	-
Cash dividend		-	-	-	-	-	(397,813)	-	(397,813)	-	(397,813)
Profit for the period		-	-	-	-	-	350,899	-	350,899	79,510	430,409
Other comprehensive loss for the period		-	-	-	-	-	-	(1,071,107)	(1,071,107)	(101,831)	(1,172,938)
Change in non-controlling interest		-	-	-	-	-	-	-	-	(91,225)	(91,225)
Balance at June 30, 2017		$ 5,683,042	$ 39,243	$ 10,350	$ 3,105,700	$ 30,170	$ 7,931,995	($ 1,101,277)	$ 15,699,223	$ 1,637,455	$ 17,336,678

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)
(UNAUDITED)

	Notes	For the six-month periods ended June, 30 2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit from continuing operations before tax		$ 499,428	$ 532,806
Profit from discontinued operations before tax	6(3)	7,176	194,240
Profit before tax		506,604	727,046
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(2)(15)	644,988	681,055
Interest income	6(12)	(17,445)	(14,190)
Interest expense	6(14)	87,803	68,445
Gain on disposal of non-current assets held for sale	6(3)	(10,093)	-
Loss on disposal of property, plant and equipment	6(13)	-	40
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		41,353	123,160
Other receivables		(8,316)	(13,975)
Other receivables - related party		(22,810)	5,189
Bunker inventories		9,706	(4,312)
Prepayments		6,383	11,890
Changes in operating liabilities			
Other payables		(49,864)	19,767
Other payables - related party		4,933	1,662
Advance collections		(32,218)	(37,252)
Accrued pension liabilities		177	217
Cash inflow generated from operations		1,161,201	1,568,742
Cash receipt of interest		17,639	13,518
Cash payment of income tax		(208,008)	(178,350)
Net cash flows from operating activities		970,832	1,403,910
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in other financial assets		(97,706)	(24,395)
Acquisition of property, plant and equipment	6(2)	(2,328,610)	(608,004)
Proceeds form disposal of non-current assets held for sale		130,752	-
Increase in refundable deposits		20	(284)
Net cash flows used in investing activities		(2,295,544)	(632,683)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans		20,000	-
Proceeds from long-term borrowings		1,771,770	-
Repayment of long-term borrowings		(643,954)	(837,078)
Cash payment of interest		(77,699)	(65,525)
Change in non-controlling interests		(91,225)	(91,174)
Net cash flows from (used in) financing activities		978,892	(993,777)
Effect of changes in foreign exchange rate		(410,608)	(131,662)
Net decrease in cash and cash equivalents		(756,428)	(354,212)
Cash and cash equivalents at beginning of period		4,948,791	5,303,812
Cash and cash equivalents at end of period		$ 4,192,363	$ 4,949,600

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)
(UNAUDITED)

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, 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 reported to the Board of Directors on August 11, 2017.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(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")

New standards, interpretations and amendments endorsed by FSC effective from 2017 are as follows:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
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
Disclosure initiative (amendments to IAS 1)	January 1, 2016
Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38)	January 1, 2016
Agriculture: bearer plants (amendments to IAS 16 and IAS 41)	January 1, 2016
	Effective Date by
Defined benefit plans: employee contributions (amendments to IAS	July 1, 2014
Equity method in separate financial statements (amendments to IAS	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

New Standards, Interpretations and Amendments	International Accounting Standards Board
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

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

A. Amendments to IAS 19, 'Defined benefit plans: Employee contributions'

The amendment allows contributions made by employees or third parties that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided. Contributions made by employees or third parties that are linked to service, and vary according to the length of employee service, must be spread over the service period using the same attribution method that is applied to the benefits.

B. Amendments to IAS 27, 'Equity method in separate financial statements'

The amendment allows entities to account for investments in subsidiaries, joint ventures and associates in their separate financial statements either:

(a) at cost; or

(b) in accordance with IFRS 9; or

(c) using the equity method as described in IAS 28.

C. Amendments to IAS 36, 'Recoverable amount disclosures for non-financial assets'

The amendments remove the requirement to disclose recoverable amount when a cash generating unit (CGU) contains goodwill or indefinite lived intangible assets but there has been no impairment. When a material impairment loss has been recognised or reversed for an individual asset, including goodwill, or a CGU, it is required to disclose the recoverable amount of the asset or CGU. If the recoverable amount is fair value less costs of disposal, it is required to disclose the level of the fair value hierarchy, the valuation techniques(s) used and key assumptions.

The Group amended the financial statements and the accompanying notes in accordance with the standard.

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

New standards, interpretations and amendments endorsed by the FSC effective from 2018 are as follows:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Classification and measurement of share-based payment transactions (amendments to IFRS 2)	January 1, 2018
Applying IFRS 9 'Financial instruments' with IFRS 4'Insurance contracts' (amendments to IFRS 4)	January 1, 2018
IFRS 9, 'Financial instruments'	January 1, 2018
IFRS 15, 'Revenue from contracts with customers'	January 1, 2018
Clarifications to IFRS 15, 'Revenue from contracts with customers' (amendments to IFRS 15)	January 1, 2018
Disclosure initiative (amendments to IAS 7)	January 1, 2017
Recognition of deferred tax assets for unrealised losses (amendments to IAS 12)	January 1, 2017
Transfers of investment property (amendments to IAS 40)	January 1, 2018
IFRIC 22, 'Foreign currency transactions and advance consideration'	January 1, 2018
Annual improvements to IFRSs 2014-2016 cycle- Amendments to IFRS 1, 'First-time adoption of international financial reporting	January 1, 2018
Annual improvements to IFRSs 2014-2016 cycle- Amendments to IFRS 12, 'Disclosure of interests in other entities'	January 1, 2017
Annual improvements to IFRSs 2014-2016 cycle- Amendments to IAS 28, 'Investments in associates and joint ventures'	January 1, 2018

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

A. Amendments to IAS 7, 'Disclosure initiative'

This amendment requires that an entity shall provide more disclosures related to changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

B. Amendments to IAS 12, 'Recognition of deferred tax assets for unrealised losses'

These amendments clarify the recognition of deferred tax assets for unrealised losses related to debt instruments measured at fair value, and they clarify several of the general principles underlying the accounting for deferred tax assets. The amendments clarify that a deductible temporary difference exists whenever an asset is measured at fair value and that fair value is below the asset's tax base. When an entity assesses whether taxable profits will be available against which it can utilise a deductible temporary difference, it considers a deductible temporary difference in combination with all of its other deductible temporary differences unless there are tax law restrictions, and the tax deduction resulting from temporary differences is excluded from estimated future taxable profits. The amendments are effective from January 1, 2017.

C. Annual improvements to IFRSs 2014-2016 cycle

Amendments to IFRS 12, 'Disclosure of interests in other entities'

The amendments clarified that when an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) is classified as held for sale in accordance with IFRS 5, 'Non-current assets held for sale and discontinued operations', the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale except for summarised financial information for that subsidiary, joint venture or associate in accordance with paragraphs B10–B16.

(3) <u>IFRSs issued by IASB but not yet endorsed by the FSC</u>

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs endorsed by the FSC effective from 2017 are as follows:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	To be determined by International Accounting Standards Board
IFRS 16, 'Leases'	January 1, 2019
IFRS 17, 'Insurance contracts'	January 1, 2021
IFRIC 23, 'Uncertainty over income tax treatments'	January 1, 2019

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'

The amendments resolve a current inconsistency between IFRS 10 and IAS 28. The gain or loss resulting from a transaction that involves sales or contribution of assets between an investor and its associates or joint ventures is recognized either in full or partially depending on the nature of the assets sold or contributed:

A. If sales or contributions of assets that constitute a 'business', the full gain or loss is recognized;

B. If sales or contributions of assets that do not constitute a 'business', the partial gain or loss is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2016, except for the compliance statement, basis of preparations and basis of consolidation as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. 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 Accounting Standard 34, "Interim financial reporting" as endorsed by the FSC.

B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2016.

(2) Basis of preparation

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 consolidated financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "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) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The basis for preparation of consolidated financial statements are consistent with those of the year ended December 31, 2016.

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(%) June 30, 2017	December 31, 2016	June 30, 2016	Description
Norley	Poseidon Marine Ltd	Shipping	100%	100%	100%	
"	Kenmore Shipping Inc.	Oil tanker	100%	100%	100%	
"	Maxson Shipping Inc.	Shipping	100%	100%	100%	
"	Ocean Wise Limited	Shipping	51%	51%	51%	
"	Confidence Navigation Limited	Oil tanker	-	-	100%	Note 1
"	Valentine Holdings Limited (Valentine)	Investment holdings	60%	60%	60%	
"	Kingswood Co., Ltd. (Kingswood)	Investment holdings	50%	50%	50%	Note 2
"	Winnington Limited (Winnington)	Investment holdings	100%	100%	100%	
"	Jetwall Co. Ltd. (Jetwall)	Investment holdings	80%	80%	80%	
"	Victory Navigation Inc. (Victory)	Investment holdings	55%	55%	55%	
"	Pacifica Maritime Limited	Oil tanker	100%	100%	100%	
"	Dynasty Navigation Limited	Holding in shipbuilding	100%	100%	100%	
"	Sky Sea Maritime Limited (Sky Sea)	Investment holdings	55%	55%	55%	
Valentine	Gemini Investment Company Limited	Shipping	100%	100%	100%	
"	Millennia Investment Company Limited	Shipping	100%	100%	100%	
Kingswood	Seven Seas Shipping Ltd.	Oil tanker	100%	100%	100%	
Winnington	Peg Shipping Company Limited	Shipping	100%	100%	100%	
Jetwall	Everwin Maritime	Oil tanker	100%	100%	100%	
Victory	Everprime Shipping Limited	Shipping	100%	100%	100%	
Sky Sea	Ocean Grace Limited	Holding in shipbuilding	100%	100%	100%	

Note 1: Confidence Navigation Limited ceased operations and was liquidated on December 8, 2016.

Note 2: 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.

(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:

			Ownership(%)			
Name of investor	Name of subsidiary	Main business activities	June 30, 2017	December 31, 2016	June 30, 2016	Description
Heywood	Newton Navigation Limited	Shipping	100%	100%	100%	
"	Clifford Navigation Corporation	Shipping	100%	100%	100%	
"	Brighton Shipping Inc.	Shipping	100%	100%	100%	
"	Rockwell Shipping Limited	Shipping	100%	100%	100%	
"	Howells Shipping Inc.	Shipping	100%	100%	100%	
"	Crimson Marine Company	Shipping	100%	100%	100%	
"	Helmsman Navigation Co. Ltd.	Shipping	100%	100%	100%	
"	Keystone Shipping Co. Ltd.	Shipping	100%	100%	100%	
"	Honco Shipping Limtied	Investment holdings	100%	100%	100%	
"	Century Shipping Limited (Centutry)	Investment holdings	100%	100%	100%	
Century	Haihu Maritime Service (Shanghai) Co., Ltd.	Maritime service	100%	100%	100%	

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Employee benefits

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. And, the related information is disclosed accordingly.

(5) Income tax

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

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

There have been no significant change as of June 30, 2017. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2016.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2017	December 31, 2016	June 30, 2016
Checking accounts and demand deposits	$ 1,037,317	$ 1,899,794	$ 1,087,237
Time deposits	3,155,046	3,048,997	3,862,363
Total	$ 4,192,363	$ 4,948,791	$ 4,949,600

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.

B. The Group's cash and cash equivalents pledged to others as collaterals were classified as other current assets. Related information is provided in Note 8.

(2) Property, plant and equipment

	Land	Buildings	Vessels and equipment	Office equipment	Prepayment for vessel construction	Total
At January 1, 2017						
Cost	$ 90,215	$ 28,191	$ 27,300,640	$ 2,854	$ 1,807,299	$ 29,229,199
Accumulated depreciation	-	(14,642)	(9,323,997)	(1,893)	-	(9,340,532)
Accumulated impairment	-	-	(258,000)	-	-	(258,000)
	$ 90,215	$ 13,549	$ 17,718,643	$ 961	$ 1,807,299	$ 19,630,667
Six-month period ended June 30, 2017						
Opening net book amount	$ 90,215	$ 13,549	$ 17,718,643	$ 961	$ 1,807,299	$ 19,630,667
Transfer	-	-	2,985,735	-	(2,985,735)	-
Additions	-	-	49,376	-	2,279,234	2,328,610
Disposal (Note)	-	-	(113,632)	-	-	(113,632)
Retirement - cost	-	-	(46,678)	-	-	(46,678)
Retirement - accumulated depreciation	-	-	46,678	-	-	46,678
Depreciation	-	(328)	(644,589)	(71)	-	(644,988)
Net exchange differences	-	-	(991,213)	(3)	(96,566)	(1,087,782)
Closing net book amount	$ 90,215	$ 13,221	$ 19,004,320	$ 887	$ 1,004,232	$ 20,112,875
At June 30, 2017						
Cost	$ 90,215	$ 28,191	$ 27,956,216	$ 2,825	$ 1,004,232	$ 29,081,679
Accumulated depreciation	-	(14,970)	(8,708,536)	(1,938)	-	(8,725,444)
Accumulated impairment	-	-	(243,360)	-	-	(243,360)
	$ 90,215	$ 13,221	$ 19,004,320	$ 887	$ 1,004,232	$ 20,112,875

(Note: Information about the disposal of property, plant and equipment is provided in Note 6(3).

	Land	Buildings	Vessels and equipment	Office equipment	Prepayment for vessel construction	Total
At January 1, 2016						
Cost	$ 90,215	$ 28,191	$ 30,831,483	$ 3,033	$ 1,268,954	$ 32,221,876
Accumulated depreciation	-	(13,987)	(10,063,277)	(1,842)	-	(10,079,106)
Accumulated impairment	-	-	(264,824)	-	-	(264,824)
	$ 90,215	$ 14,204	$ 20,503,382	$ 1,191	$ 1,268,954	$ 21,877,946
Six-month period ended June 30, 2016						
Opening net book amount	$ 90,215	$ 14,204	$ 20,503,382	$ 1,191	$ 1,268,954	$ 21,877,946
Additions	-	-	82,441	-	525,563	608,004
Disposals	-	-	(40)	-	-	(40)
Retirement - cost	-	-	(26,886)	-	-	(26,886)
Retirement - accumulated depreciation	-	-	26,886	-	-	26,886
Depreciation	-	(327)	(680,604)	(124)	-	(681,055)
Net exchange differences	-	-	(324,170)	(4)	(29,276)	(353,450)
Closing net book amount	$ 90,215	$ 13,877	$ 19,581,009	$ 1,063	$ 1,765,241	$ 21,451,405
At June 30, 2016						
Cost	$ 90,215	$ 28,191	$ 30,384,729	$ 2,894	$ 1,765,241	$ 32,271,270
Accumulated depreciation	-	(14,314)	(10,543,333)	(1,831)	-	(10,559,478)
Accumulated impairment	-	-	(260,387)	-	-	(260,387)
	$ 90,215	$ 13,877	$ 19,581,009	$ 1,063	$ 1,765,241	$ 21,451,405

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. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation: None.

C. 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 February 24, 2017, the Board of Directors of Millennia Investment Company Limited approved and authorized the Chairman to sell the vessel named "Daio Excelsior" on behalf of the Company and entered into a sale agreement with the buyer – Faithe Maritime Limited. On February 24, 2017, the vessel disposal met the definition of non-current assets held for sale and discontinued operations and is classified as a discontinued operation. On May 8, 2017, the vessel was sold and the transaction was settled.

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

	For the six-month periods ended June 30,	
	2017	2016
Operating cash flows	($ 3,811)	$ 16,245
Investing cash flows	130,752	-
Financing cash flows	-	-
Total cash flows	$ 126,941	$ 16,245

(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 three-month periods ended June 30,	
	2017	2016
Revenue	$ 6,851	$ 22,908
Cost	(7,711)	(27,419)
Net operating loss from discontinued operation	(860)	(4,511)
Expenses	(566)	(1,026)
Loss from discontinued operation	(1,426)	(5,537)
Other income	1	1
Other gains and losses	(2)	1,899
Loss for the periods from discontinued operation	($ 1,427)	($ 3,637)
Gain on disposal of discontinued operation	$ 10,093	$ -
Total profit (loss) for the periods from discontinued operation	$ 8,666	($ 3,637)
Profit (loss) from discontinued operation, attributable to:		
Owners of the parent	$ 5,200	($ 2,182)
Non-controlling interest	3,466	(1,455)
	$ 8,666	($ 3,637)

	For the six-month periods ended June 30,	
	2017	2016
Revenue	$ 26,678	$ 44,474
Cost	(27,795)	(51,807)
Net operating loss from discontinued operation	(1,117)	(7,333)
Expenses	(1,806)	(2,437)
Loss from discontinued operation	(2,923)	(9,770)
Other income	2	2
Other gains and losses	4	3,184
Loss for the periods from discontinued operation	($ 2,917)	($ 6,584)
Gain on disposal of discontinued operation	$ 10,093	$ -
Total profit (loss) for the periods from discontinued operation	$ 7,176	($ 6,584)
Profit (loss) from discontinued operation, attributable to:		
Owners of the parent	$ 4,306	($ 3,950)
Non-controlling interest	2,870	(2,634)
	$ 7,176	($ 6,584)

B. On November 1, 2016, the Board of Directors of Seven Seas Shipping Ltd. approved and authorized the Chairman to sell the vessel named "V. K. Eddie" on behalf of the Company and entered into a sale agreement with the buyer – Euronav Luxembourg S.A. On November 23, 2016, the vessel disposal met the definition of non-current assets held for sale and discontinued operations and is classified as a discontinued operation. On November 23, 2016, the vessel was sold and the transaction was settled.

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

	For the six-month period ended June 30, 2016
Operating cash flows	$ 300,226
Investing cash flows	-
Financing cash flows	-
Total cash flows	$ 300,226

(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 three-month period ended June 30, 2016	For the six-month period ended June 30, 2016
Revenue	$ 135,502	$ 317,515
Cost	(57,442)	(106,397)
Net operating margin from discontinued operation	78,060	211,118
Expenses	(1,583)	(3,676)
Profit from discontinued operation	76,477	207,442
Other income	3	5
Profit for the periods from discontinued operation	$ 76,480	$ 207,447
Profit from discontinued operation, attributable to:		
Owners of the parent	$ 38,240	$ 103,724
Non-controlling interest	38,240	103,723
	$ 76,480	$ 207,447

C. On August 17, 2016, the Board of Directors of Gemini Investment Company Limited approved and authorized the Chairman to sell the vessel named "Crimson Jupiter" on behalf of the Company and entered into a sale agreement with the buyer – United Nav Development Limited. On September 4, 2016, the vessel disposal met the definition of non-current assets held for sale and discontinued operations and is classified as a discontinued operation. On September 6, 2016, the vessel was sold and the transaction was settled.

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

	For the six-month period ended June 30, 2016
Operating cash flows	$ 11,984
Investing cash flows	-
Financing cash flows	-
Total cash flows	$ 11,984

(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 three-month period ended June 30, 2016	For the six-month period ended June 30, 2016
Revenue	$ 23,628	$ 45,362
Cost	(23,780)	(51,764)
Net operating loss from discontinued operation	(152)	(6,402)
Expenses	(1,023)	(2,461)
Loss from discontinued operation	(1,175)	(8,863)
Other income	1	2
Other gains and losses	605	2,238
Loss for the periods from discontinued operation	($ 569)	($ 6,623)
Loss from discontinued operation, attributable to:		
Owners of the parent	($ 341)	($ 3,974)
Non-controlling interest	(228)	(2,649)
	($ 569)	($ 6,623)

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	June 30, 2017	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 80,000	1.29%	Land, buildings and promissory notes
Unsecured borrowings	680,000	1.13%~1.30%	Promissory notes
	$ 760,000		

Type of borrowings	December 31, 2016	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 60,000	1.29%	Land, buildings and promissory notes
Unsecured borrowings	680,000	1.13%～1.30%	Promissory notes
	$ 740,000		

Type of borrowings	June 30, 2016	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 60,000	1.59%	Land, buildings and promissory notes
Unsecured borrowings	680,000	1.03%～1.31%	Promissory notes
	$ 740,000		

As of June 30, 2017, December 31, 2016 and June 30, 2016, 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	June 30, 2017	December 31, 2016	June 30, 2016
Mega Bank	Vessel-Maxim	$ 918,197	$ 1,095,113	$ 1,217,924
(and syndicate)		(USD 30,184 thousand)	(USD 33,957 thousand)	(USD 37,730 thousand)
BNP Paribas	Vessel-Mineral	-	-	15,010
(and syndicate)	Antwerpen	-	-	(USD 465 thousand)
Mega Bank	Vessel-Heng Shan	-	-	51,067
		-	-	(USD 1,582 thousand)
Mega Bank	Vessel-Chou Shan	36,582	77,566	116,457
		(USD 1,203 thousand)	(USD 2,405 thousand)	(USD 3,608 thousand)
Mega Bank	Vessel-Bao Shan	-	-	64,394
		-	-	(USD 1,995 thousand)
Mega Bank	Vessel-Madonna III	115,168	162,798	203,687
		(USD 3,786 thousand)	(USD 5,048 thousand)	(USD 6,310 thousand)
Mega Bank	Vessel-Georgiana	178,140	251,808	315,053
(and syndicate)		(USD 5,856 thousand)	(USD 7,808 thousand)	(USD 9,760 thousand)
Mega Bank	Vessel-Yue Shan	501,930	638,550	745,668
(and syndicate)		(USD 16,500 thousand)	(USD 19,800 thousand)	(USD 23,100 thousand)
Mega Bank	Vessel-Kondor	1,128,582	1,316,123	1,437,106
(and syndicate)		(USD 37,100 thousand)	(USD 40,810 thousand)	(USD 44,520 thousand)
Mega Bank	Vessel-Mineral Oak	384,570	475,655	544,112
(and syndicate)		(USD 12,642 thousand)	(USD 14,749 thousand)	(USD 16,856 thousand)
Mega Bank	Vessel-Tai Shan	490,836	578,181	636,591
(and syndicate)		(USD 16,135 thousand)	(USD 17,928 thousand)	(USD 19,721 thousand)
Mega Bank	Vessel-Oceana	431,204	487,620	518,578
(and syndicate)		(USD 14,175 thousand)	(USD 15,120 thousand)	(USD 16,065 thousand)
Mega Bank	Vessel-Palona	431,204	487,620	518,578
(and syndicate)		(USD 14,175 thousand)	(USD 15,120 thousand)	(USD 16,065 thousand)
Mega Bank	Vessel-Elbehoff	1,756,755	487,620	-
(and syndicate)		(USD 57,750 thousand)	(USD 15,120 thousand)	-
		6,373,168	5,571,034	6,384,225
Less: current portion-due within one year		(1,416,087)	(1,353,815)	(1,485,546)
(shown as other current liabilities)		$ 4,957,081	$ 4,217,219	$ 4,898,679
Interest rates		2.07% ~ 3.08%	1.64% ~ 2.91%	1.44% ~ 2.56%

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

(6) Pensions

A. Defined benefit pension plan

(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.

Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company will make contributions to cover the deficit by next March.

(b) For the aforementioned pension plan, the Group recognized pension costs of $377, $399, $775 and $799 for the three-month and six-month periods ended June 30, 2017 and 2016, respectively.

(c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2018 amounts to $1,283.

B. Defined contribution pension plan

(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 three-month and six-month periods ended June 30, 2017 and 2016 were $685, $667, $1,372 and $1,351, respectively.

(b) The Company's mainland China 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 three-month and six-month periods ended June 30, 2017 and 2016 were $353, $429, $736 and $850, respectively.

(7) Share capital

As of June 30, 2017, December 31, 2016 and June 30, 2016, the Company's authorized capital was $7,000,000, and the paid-in capital was $5,683,042, consisting of 568,304,171 common shares with a par value of NT$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.

	2017	
	Treasury share transactions	Difference between consideration and carrying amount of subsidiaries acquired or disposed
At June 30 (same as January 1)	$ 39,243	$ 10,350

	2016	
	Treasury share transactions	Difference between consideration and carrying amount of subsidiaries acquired or disposed
At June 30 (same as January 1)	$ 39,243	$ 10,350

(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.

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. Appropriation of earnings

The appropriation of 2016 and 2015 earnings had been resolved at the stockholders' meeting on June 23, 2017 and June 29, 2016, respectively. Details are summarized below:

	2016		2015	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 60,015		$ 94,439	
Cash dividends	397,813	$ 0.70	568,304	$ 1.00
	$ 457,828		$ 662,743	
(Provision) reversal of special reserve	($ 30,170)		$ 365,770	

E. For the information relating to employees' compensation and directors' and supervisors' remuneration, please refer to Note 6(16).

(10) Operating revenue

	For the three-month periods ended June 30,	
	2017	2016
Bulk carrier	$ 667,673	$ 643,117
Oil tanker	195,663	232,084
Management service	440	460
Inspect revenue	6,532	-
	$ 870,308	$ 875,661

	For the six-month periods ended June 30,	
	2017	2016
Bulk carrier	$ 1,320,970	$ 1,295,990
Oil tanker	402,605	543,166
Management service	901	1,078
Inspect revenue	9,305	-
	$ 1,733,781	$ 1,840,234

(11) Other income and expenses

A. The vessel charter agreement between Poseidon Marine Ltd and Nippon Yusen Kaisha was terminated on June 9, 2017. The Group recognised net compensation income (claims of USD 1,364 thousand less related cost) amounting to $40,450 (USD 1,318 thousand). As of June 30, 2017, the compensation has been collected.

B. The vessel charter agreement between Clifford Navigation Corporation and Nippon Yusen Kaisha was terminated on June 1, 2016. The Group recognised net compensation income (claims of USD 1,548 thousand less related cost) amounting to $49,271 (USD 1,503 thousand). As of June30, 2016, the compensation has been collected.

(12) Other income

	For the three-month periods ended June 30,	
	2017	2016
Interest income	$ 8,920	$ 6,701
Overdue unclaimed dividends	-	-
Others	5,348	1,605
Total	$ 14,268	$ 8,306

	For the six-month periods ended June 30,	
	2017	2016
Interest income	$ 17,443	$ 14,181
Overdue unclaimed dividends	1,432	1,195
Others	6,227	2,349
Total	$ 25,102	$ 17,725

(13) Other gains and losses

	For the three-month periods ended June 30,	
	2017	2016
Net currency exchange losses	($ 6,699)	($ 2,920)
Gain on disposal of property, plant and equipment	-	1
Others	(15)	(125)
Total	($ 6,714)	($ 3,044)

	For the six-month periods ended June 30,	
	2017	2016
Net currency exchange gains	$ 86,201	$ 34,142
Loss on disposal of property, plant and equipment	-	(40)
Others	(16)	(213)
Total	$ 86,185	$ 33,889

(14) Finance costs

	For the three-month periods ended June 30,	
	2017	2016
Interest expense:		
Bank borrowings	$ 44,008	$ 34,343
Finance costs	$ 44,008	$ 34,343

	For the six-month periods ended June 30,	
	2017	2016
Interest expense:		
Bank borrowings	$ 87,803	$ 68,445
Finance costs	$ 87,803	$ 68,445

(15) Expenses by nature

	For the three-month periods ended June 30,					
	2017			2016		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense	$ 124,215	$ 21,849	$ 146,064	$ 148,149	$ 19,881	$ 168,030
Depreciation	315,740	195	315,935	337,451	225	337,676

	For the six-month periods ended June 30,					
	2017			2016		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense	$ 252,923	$ 40,216	$ 293,139	$ 298,358	$ 41,346	$ 339,704
Depreciation	644,589	399	644,988	680,604	451	681,055

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

(16) Employee benefit expense

	For the three-month periods ended June 30,					
	2017			2016		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Wages and salaries	$ 102,292	$ 17,165	$ 119,457	$ 120,943	$ 17,042	$ 137,985
Labor and health insurance fees	690	3,259	3,949	604	1,127	1,731
Pension costs	344	1,071	1,415	357	1,138	1,495
Other personnel expenses	20,889	354	21,243	26,245	574	26,819
Total	$ 124,215	$ 21,849	$ 146,064	$ 148,149	$ 19,881	$ 168,030

	For the six-month periods ended June 30,					
	2017			2016		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Wages and salaries	$ 208,646	$ 32,838	$ 241,484	$ 243,715	$ 35,803	$ 279,518
Labor and health insurance fees	1,351	4,087	5,438	1,402	1,939	3,341
Pension costs	688	2,195	2,883	735	2,265	3,000
Other personnel expenses	42,238	1,096	43,334	52,506	1,339	53,845
Total	$ 252,923	$ 40,216	$ 293,139	$ 298,358	$ 41,346	$ 339,704

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

A. According to the Articles of Incorporation of the Company, a ratio of profit of the current year distributable, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 1% for employees' compensation and shall not be higher than 5% for directors' and supervisors' remuneration.

B. For the three-month and six-month periods ended June 30, 2017 and 2016, employees' compensation was accrued at $2,384, $2,814, $4,358 and $5,422, respectively; directors' and supervisors' remuneration was accrued at $2,384, $2,814, $4,358 and $5,422, respectively. The aforementioned amounts were recognized in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 1% of profit of current year distributable for the six-month period ended June 30, 2017.

Employees' compensation and directors' and supervisors' remuneration of 2016 were $12,026, as resolved by the meeting of Board of Directors and were in agreement with those amounts recognised in the 2016 financial statements.

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

(17) Income tax

A. Income tax expense

Components of income tax expense:

	For the three-month periods ended June 30,			
	2017		2016	
Current tax:				
Current tax on profits for the period	$	1,814	$	-
Tax on undistributed surplus earnings		10,940		64,575
Adjustments in respect of prior years		5		-
Total current tax		12,759		64,575
Deferred tax:				
Origination and reversal of temporary differences		33,211		26,113
Total deferred tax		33,211		26,113
Income tax expense		45,970		90,688
Income tax expense from discontinued operation		-		-
Income tax expense from continuing operations	$	45,970	$	90,688

	For the six-month periods ended June 30,			
	2017		2016	
Current tax:				
Current tax on profits for the period	$	1,814	$	-
Tax on undistributed surplus earnings		10,940		64,575
Adjustments in respect of prior years		556		-
Total current tax		13,310		64,575
Deferred tax:				
Origination and reversal of temporary differences		62,885		63,545
Total deferred tax		62,885		63,545
Income tax expense		76,195		128,120
Income tax expense from discontinued operation		-		-
Income tax expense from continuing operations	$	76,195	$	128,120

B. The Company's income tax returns through 2013 have been assessed and approved by the Tax Authority.

C. Unappropriated retained earnings:

	June 30, 2017		December 31, 2016		June 30, 2016	
Earnings generated in and before 1997	$	359,267	$	359,267	$	359,267
Earnings generated in and after 1998		7,572,728		7,709,827		7,515,616
	$	7,931,995	$	8,069,094	$	7,874,883

D. As of June 30, 2017, December 31, 2016 and June 30, 2016, the balance of the imputation tax credit account were $1,366,100, $1,158,108 and $1,265,984, respectively. The creditable tax rate was 16.28% for 2015 and is estimated to be 17.72% for 2016.

(18) Earnings per share

	Three-month period ended June 30, 2017				
	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	$	182,485		NT$	0.32
Profit from discontinued operation attributable to the parent		5,200			0.01
Profit attributable to ordinary shareholders of the parent	$	187,685	568,304	NT$	0.33
Diluted earnings per share					
Profit from continuing operation attributable to the parent	$	182,485	-	NT$	0.32
Profit from discontinued operation attributable to the parent		5,200			0.01
Assumed conversion of all dilutive potential ordinary shares - employees' compensation		-	204		-
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$	187,685	568,508	NT$	0.33

	Six-month period ended June 30, 2017				
		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	$	346,593		NT$	0.61
Profit from discontinued operation attributable to the parent		4,306			0.01
Profit attributable to ordinary shareholders of the parent	$	350,899	568,304	NT$	0.62
Diluted earnings per share					
Profit attributable to ordinary shareholders of the parent	$	346,593	-	NT$	0.61
Profit from discontinued operation attributable to the parent		4,306			0.01
Assumed conversion of all dilutive potential ordinary shares - employees' compensation		-	204		-
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$	350,899	568,508	NT$	0.62

	Three-month period ended June 30, 2016		
	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	$ 96,679		NT$ 0.17
Profit from discontinued operation attributable to the parent	35,717		0.06
Profit attributable to ordinary shareholders of the parent	$ 132,396	568,304	NT$ 0.23
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 96,679	-	NT$ 0.17
Profit from discontinued operation attributable to the parent	35,717		0.06
Assumed conversion of all dilutive potential ordinary shares - employees' compensation	-	1,031	-
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 132,396	569,335	NT$ 0.23

	Six-month period ended June 30, 2016				
	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	$	307,391		NT$	0.54
Profit from discontinued operation attributable to the parent		95,800			0.17
Profit attributable to ordinary shareholders of the parent	$	403,191	568,304	NT$	0.71
Diluted earnings per share					
Profit from continuing operation attributable to the parent	$	307,391	-	$	0.54
Profit from discontinued operation attributable to the parent		95,800			0.17
Assumed conversion of all dilutive potential ordinary shares - employees' compensation		-	1,027		-
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$	403,191	569,331	NT$	0.71

(19) Supplemental cash flow information

Financing activities with no cash flow effects

	Six-month periods ended June 30, 2017	Six-month periods ended June 30, 2016
Cash dividends not yet paid	$ 397,813	$ 568,304

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Universal Mariners S.A.(U.M.S.A.)	Some directors of the related party have kinship with the directors of the Group.
Oak Maritime (Hong Kong) Inc. Limited (Oak HK)	The related party has some common director with the Group.
Oak Maritime (Agencies) Inc. (Oak)	The related party has some common director with the Group.

(2) Significant related party transactions and balances

A. Operating revenues

	Three-month periods ended June 30, 2017	Three-month periods ended June 30, 2016
Service revenue:		
U.M.S.A.	$ 440	$ 460
Supervision revenue:		
U.M.S.A.	6,532	-
	$ 6,972	$ 460

	Six-month periods ended June 30, 2017	Six-month periods ended June 30, 2016
Service revenue:		
U.M.S.A.	$ 901	$ 1,078
Supervision revenue:		
U.M.S.A.	9,305	-
	$ 10,206	$ 1,078

The term of the above service revenues are generated from the contract of maritime management service. Supervision revenues are generated by providing supervision service for the building of new vessel of the related party.

B. Operating costs

	Three-month periods ended June 30,	
	2017	2016
Agency fee:		
U.M.S.A.	$ 73	$ 77
Technical service agreement:		
U.M.S.A.	1,720	2,383
	$ 1,793	$ 2,460

	Six-month periods ended June 30,	
	2017	2016
Agency fee:		
U.M.S.A.	$ 150	$ 156
Technical service agreement:		
U.M.S.A.	3,679	4,819
	$ 3,829	$ 4,975

C. Operating expenses

	Three-month periods ended June 30,	
	2017	2016
Management fee:		
U.M.S.A.	$ 1,964	$ 11,535

	Six-month periods ended June 30,	
	2017	2016
Management fee:		
U.M.S.A.	$ 11,907	$ 23,326

D. Supervision fee

	Three-month periods ended June 30,	
	2017	2016
Supervision fee:		
U.M.S.A.	$ -	$ 4,917

	Six-month periods ended June 30,	
	2017	2016
Supervision fee:		
U.M.S.A.	$ 13,991	$ 4,917

The supervision fee for building the new vessels paid by the Group to the related party were capitalized as vessel costs.

E. Other receivables

Amounts prepaid on behalf of related parties and agents:

	June 30, 2017	December 31, 2016	June 30, 2016
Oak Maritime (Agencies) Inc. (Oak)	$ 40,520	$ 17,710	$ 39,295
Other related party	5	5	5
	$ 40,525	$ 17,715	$ 39,300

F. Other payables

Advances from related parties and agency payable:

	June 30, 2017	December 31, 2016	June 30, 2016
Other related party	$ 5,039	$ 106	$ 1,662

G. Guarantee transactions

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

	June 30, 2017	December 31, 2016	June 30, 2016
Oak HK	USD 31,900 thousand	USD 38,280 thousand	USD 38,280 thousand

H. Other guarantee transactions

Please refer to Note 6(4) for details.

(3) Key management compensation

	Three-month periods ended June 30,	
	2017	2016
Salaries and other short-term employee benefits	$ 4,772	$ 6,711
Post-employment benefits	92	81
Total	$ 4,864	$ 6,792

	Six-month periods ended June 30,	
	2017	2016
Salaries and other short-term employee benefits	$ 9,939	$ 13,380
Post-employment benefits	166	162
Total	$ 10,105	$ 13,542

8. PLEDGED ASSETS

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

	Book value			
	June 30, 2017	December 31, 2016	June 30, 2016	Purpose
Time deposits (shown as other current assets)	$ 513,288	$ 415,582	$ 437,247	Long-term loans
Vessels and equipment -net	15,831,819	16,291,717	16,807,764	Long-term loans
Land and building-net	101,670	101,954	102,238	Credit lines of short-term borrowings
	$ 16,446,777	$ 16,809,253	$ 17,347,249	

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 on May 11, 2013.

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:

		June 30, 2017	December 31, 2016	June 30, 2016
Other receivables	- security deposit	$ 103,350	$ 109,567	$ 131,300
		(RMB 20,521 thousand)	(RMB 20,521 thousand)	(RMB 25 million)
	- insurance claim	11,838	12,550	12,562
		(USD 389 thousand)	(USD 389 thousand)	(USD 389 thousand)
		$ 115,188	$ 122,117	$ 143,862

(2) Commitments

A. The Group had the following outstanding vessel charter agreements as of June 30, 2017:

Contract Company	Contract period	Content
Nippon Yusen Kaisha	January 2010 to January 2018	Vessel-Heng Shan
RIO TINTO (Singapore)	September 2011 to September 2018	Vessel-Tai Shan
Koch Shipping Inc.	September 2015 to September 2017	Vessel-Kondor

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

(in USD thousands)

	June 30, 2017	December 31, 2016	June 30, 2016
Not later than one year	$ 20,559	$ 44,884	$ 55,781
Later than one year but not over five years	1,473	7,023	24,661
Over five years	-	-	-
	$ 22,032	$ 51,907	$ 80,442

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

C. The Company's subsidiaries have shipbuilding agreements with several shipbuilding companies. Under these agreements, the total paid construction commitments are divided into four to five installments. 30% to 50% 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)

	June 30, 2017	December 31, 2016	June 30, 2016
Total contract price	$ 63,800	$ 158,800	$ 158,800
Amount paid	(31,900)	(54,020)	(54,020)
Outstanding balance amount	$ 31,900	$ 104,780	$ 104,780

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

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:

	June 30, 2017		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 8,593	30.42	$ 250,824
NTD:USD	3,089	0.03	3,093
JPY: USD	1,566	0.01	425
Financial liabilities			
Monetary items			
USD:NTD	$ 64,260	30.42	$ 1,947,653

	December 31, 2016		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 8,070	32.25	$ 260,198
NTD:USD	4,954	0.03	4,952
JPY: USD	11,457	0.01	3,158
Financial liabilities			
Monetary items			
USD:NTD	$ 55,737	32.25	$ 1,797,477

	June 30, 2016		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 3,777	32.28	$ 121,929
NTD:USD	8,137	0.03	8,144
JPY: USD	59,275	0.01	18,541
Financial liabilities			
Monetary items			
USD:NTD	$ 66,521	32.28	$ 2,147,288

iii. Please refer to the following table for the details of unrealized exchange gain (loss) arising from significant foreign exchange variation on the monetary items held by the Group.

	Three-month period ended June 30, 2017		
	Exchange gain (loss)		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ -	30.42	$ 3,393
Financial liabilities			
Monetary items			
USD:NTD	$ -	30.42	$ 17,893

	Three-month period ended June 30, 2016		
	Exchange gain (loss)		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ -	32.28	($ 224)
Financial liabilities			
Monetary items			
USD:NTD	$ -	32.28	$ 72,832

	Six-month period ended June 30, 2017		
	Exchange gain (loss)		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ -	30.42	($ 5,758)
Financial liabilities			
Monetary items			
USD:NTD	$ -	30.42	$ 85,376

	Six-month period ended June 30, 2016		
	Exchange gain (loss)		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ -	32.28	($ 3,716)
Financial liabilities			
Monetary items			
USD:NTD	$ -	32.28	$ 113,010

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

	Six-month period ended June 30, 2017		
	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%	$ 2,508	$ -
NTD:USD	1%	31	-
JPY: USD	1%	4	-
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 19,477	$ -

	Six-month period ended June 30, 2016		
	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%	$ 1,219	$ -
NTD:USD	1%	81	-
JPY: USD	1%	185	-
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 21,473	$ -

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 six-month periods ended June 30, 2017 and 2016, 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 June 30, 2017 and 2016, if interest rates on USD-denominated borrowings had been 1% higher/lower with all other variables held constant, pre-tax profit for the six-month periods ended June 30, 2017 and 2016 would have been $31,866 and $31,921 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 utilization 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. For the six-month periods ended June 30, 2017 and 2016, 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:

	June 30, 2017	December 31, 2016	June 30, 2016
Not past due nor impaired	$ 222,365	$ 263,718	$ 290,833
Past due but not impaired			
Up to 1 year	$ -	$ 79	$ 295
Over 1 year	$ 374	$ 295	$ -

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 not past due and 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: June 30, 2017	Up to 1 year	Between 1 year and 5 years	Over 5 years
Short-term borrowings	$ 760,000	$ -	$ -
Other payables (inculding related parties)	603,803	-	-
Long-term borrowings (including current portion)	1,579,820	4,081,876	1,231,775

Non-derivative financial liabilities: December 31, 2016	Up to 1 year	Between 1 year and 5 years	Over 5 years
Short-term borrowings	$ 740,000	$ -	$ -
Other payables (inculding related parties)	240,130	-	-
Long-term borrowings (including current portion)	1,485,605	3,924,409	501,288

Non-derivative financial liabilities:

June 30, 2016	Up to 1 year	Between 1 year and 5 years	Over 5 years
Short-term borrowings	$ 740,000	$ -	$ -
Other payables	828,953	-	-
Long-term borrowings (including current portion)	1,616,733	4,383,548	744,856

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

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: None.

E. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: Please refer to table 3.

F. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 4.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: 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:

	Six-month period ended June 30, 2017			
	Bulk carrier	Oil tanker	Other segments	Total
Revenue from third parties	$ 1,320,970	$ 402,605	$ 10,206	$ 1,733,781
Segment income	$ 298,288	$ 102,864	$ 10,206	$ 411,358

	Six-month period ended June 30, 2016			
	Bulk carrier	Oil tanker	Other segments	Total
Revenue from third parties	$ 1,295,990	$ 543,166	$ 1,078	$ 1,840,234
Segment income	$ 237,747	$ 259,905	$ 1,078	$ 498,730

(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 statement of comprehensive income.

A reconciliation of profit or loss before income tax to the income / (loss) from continuing operations before income tax is as follows:

	Six-month periods ended June 30,	
	2017	2016
Reportable segment income	$ 401,152	$ 497,652
Other segment income	10,206	1,078
Total operating segment income	411,358	498,730
Others	88,070	34,076
Income from continuing operations before tax	$ 499,428	$ 532,806

Sincere Navigation Corporation and subsidiaries

Loans to others

For the six-month period ended June 30, 2017

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six-month period ended June 30, 2017	Balance at June 30, 2017	Actual amount drawn down	Interest rate	Nature of loan (Note 3)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 2)	Footnote
0	Sincere Navigation Corporation	None													$ 4,702,318	$ 6,269,757	
1	Norley Corporation Inc.	Sincere Navigation Corporation	Other receivables - related parties	Y	$ 1,971,450	$ 1,064,700	$ 1,064,700	-	2	$ -	Working capital	-	-	$ -	3,918,707	5,224,942	
2	Heywood Limited	Sincere Navigation Corporation	Other receivables - related parties	Y	1,364,850	760,500	760,500	-	2	-	Working capital	-	-	-	1,531,873	2,042,497	

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 finance 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: Nature of loans is filled as follows:

(1) Fill in 1 for business transactions.

(2) Fill in 2 for short-term financing.

Sincere Navigation Corporation and subsidiaries

Provision of endorsements and guarantees to others

For the six-month period ended June 30, 2017

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of June 30, 2017	Outstanding endorsement/ guarantee amount at June 30, 2017	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
		Company name	Relationship with the endorser/ guarantor （Note 2）											
0	Sincere Navigation Corporation	Helmsman Navigation Co. Ltd.	3	$ 15,674,392	$ 609,525	$ 431,204	$ 431,204	$ -	63.31%	$ 39,185,980	Y	N	N	Guarantee balance is US$ 14,175 thousand
0	〃	Keystone Shipping Co. Ltd.	3	15,674,392	609,525	574,938	431,204	-	63.31%	39,185,980	Y	N	N	Guarantee balance is US$ 18,900 thousand
0	〃	Rockwell Shipping Limited	3	15,674,392	77,566	36,582	36,582	-	63.31%	39,185,980	Y	N	N	Guarantee balance is US$ 1,203 thousand
0	〃	Crimson Marine Company	3	15,674,392	503,616	475,039	178,140	-	63.31%	39,185,980	Y	N	N	Guarantee balance is US$ 15,616 thousand
0	〃	Ocean Wise Limited	3	15,674,392	611,557	576,854	384,570	-	63.31%	39,185,980	Y	N	N	Guarantee balance is US$ 18,963 thousand
0	〃	Maxson Shipping Inc.	3	15,674,392	867,272	818,059	490,836	-	63.31%	39,185,980	Y	N	N	Guarantee balance is US$ 26,892 thousand

		Party being endorsed/guaranteed												
Number (Note 1)	Endorser/ guarantor	Company name	Relationship with the endorser/ guarantor （Note 2）	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of June 30, 2017	Outstanding endorsement/ guarantee amount at June 30, 2017	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
0	〃	Poseidon Marine Ltd.	3	$ 15,674,392	$ 957,825	$ 903,474	$ 501,930	$ -	63.31%	$ 39,185,980	Y	N	N	Guarantee balance is US$ 29,700 thousand
0	〃	Everwin Maritime Limited	3	15,674,392	1,095,113	1,032,972	918,197	-	63.31%	39,185,980	Y	N	N	Guarantee balance is US$ 33,957 thousand
0	Sincere Navigation Corporation	Kenmore Shipping Inc.	3	15,674,392	1,794,712	1,692,873	1,128,582	-	63.31%	39,185,980	Y	N	N	Guarantee balance is US$ 55,650 thousand
0	〃	Pacifica Maritime Limited	3	15,674,392	2,144,625	2,022,930	1,756,755	-	63.31%	39,185,980	Y	N	N	Guarantee balance is US$ 66,500 thousand
0	〃	Ocean Grace Limited	3	15,674,392	1,440,285	1,358,557	-	-	63.31%	39,185,980	Y	N	N	Guarantee balance is US$ 44,660 thousand

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 join venture, each shareholder provides endorsements/guarantees to the endorsed/ guaranteed company in proportion to its ownership.

Note 3: In accordance with 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 of 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.

Sincere Navigation Corporation and Subsidiaries

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

For the six-month period ended June 30, 2017

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

							If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:						
Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
Pacifica Maritime Limited	Elbehoff	January 16, 2017	$ 2,914,600 (USD 95,000 thousand)	Repaid	China Shipbuilding Trading Co., Ltd. & Shanghai Waigaoqiao Shipbuilding Co. Ltd.	None	-	-	-	-	Cost of new ships	To activate business	-

Sincere Navigation Corporation and subsidiaries

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

June 30, 2017

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2017	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)	Sincere Navigation Corporation	Norley's parent company	$ 1,064,700 (USD 35,000 thousand)	-	-	-	-	-
Heywood Limited (Heywood)	Sincere Navigation Corporation	Heywood's parent company	$ 760,500 (USD 25,000 thousand)	-	-	-	-	-

Sincere Navigation Corporation and subsidiaries

Significant inter-company transactions during the reporting periods

For the six-month period ended June 30, 2017

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

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	$ 431,204	As per the Company's policy	1.70%
0	〃	Keystone Shipping Co. Ltd.	1	〃	574,938	〃	2.27%
0	〃	Crimson Marine Company	1	〃	475,039	〃	1.87%
0	〃	Poseidon Marine Ltd.	1	〃	903,474	〃	3.56%
0	〃	Ocean Wise Limited	1	〃	576,854	〃	2.27%
0	〃	Everwin Maritime Limited	1	〃	1,032,972	〃	4.07%
0	〃	Maxson Shipping Inc.	1	〃	818,059	〃	3.22%
0	〃	Kenmore Shipping Inc.	1	〃	1,692,873	〃	6.67%
0	〃	Pacifica Maritime Limited	1	〃	2,022,930	〃	7.97%
0	〃	Ocean Grace Limited	1	〃	1,358,557	〃	5.35%
1	Norley Corporation Inc.	Sincere Navigation Corporation	2	Other receivables related parties	1,064,700	〃	4.20%
2	Heywood Limited	Sincere Navigation Corporation	2	〃	760,500	〃	3.00%

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 between transaction company and counterparty is classified into the following three categories:

(1)Parent company to subsidiary is numbered ‘1’.

(2)Subsidiary to parent company is numbered ‘2’.

(3)Subsidiary to subsidiary is numbered ‘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 period to consolidated total operating revenues for income statement accounts.

Note 4: The inter-company transactions below 1% of consolidated total assets or total operating revenue are nc

Sincere Navigation Corporation and subsidiaries

Information on investees

For the six-month period ended June 30, 2017

Table 6 | Expressed in thousands of NTD (Except as otherwise indicated)

				Initial investment amount (Note 1)		Shares held as at June 30, 2017（Note 2）					
Investor	Investee	Location	Main business activities	Balance as at June 30, 2017	Balance as at December 31, 2016	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the six-month period ended June 30, 2017（Note 2）	Investment income(loss) recognised by the Company for the six-month period ended June 30, 2017	Footnote
Sincere Navigation Corporation	Norley Corporation Inc.	Republic of Liberia	Investment holdings	$ 30,420 (USD 1,000 thousand)	$ 32,250 (USD 1,000 thousand)	500	100%	$ 13,062,356	$ 461,563	$ 461,563	Subsidiary
〃	Heywood Limited	Marshall Islands	〃	30,420 (USD 1,000 thousand)	32,250 (USD 1,000 thousand)	500	100%	5,106,243	(33,264)	(33,264)	Subsidiary
Norley Corporation	Valentine Holdings Limited	Republic of Liberia	〃	183 (USD 6 thousand)	194 (USD 6 thousand)	300	60%	31,276	7,192	-	Indirectly owned
〃	Kenmore Shipping Inc.	Marshall Islands	Oil tanker	1,159,306 (USD 38,110 thousand)	1,229,048 (USD 38,110 thousand)	500	100%	1,629,033	64,256	-	Indirectly owned subsidiary
〃	Winnington Limited	〃	Investment holdings	315,668 (USD 10,377 thousand)	334,658 (USD 10,377 thousand)	500	100%	532,220	13,264	-	Indirectly owned subsidiary
〃	Jetwall Co. Ltd.	〃	〃	1,149,146 (USD 37,776 thousand)	1,218,276 (USD 37,776 thousand)	400	80%	1,406,392	37,604	-	Indirectly owned subsidiary
〃	Victory Navigation Inc.	〃	〃	183 (USD 6 thousand)	194 (USD 6 thousand)	275	55%	411,105	165,198	-	Indirectly owned subsidiary
〃	Kingswood Co., Ltd.	〃	〃	152 (USD 5 thousand)	161 (USD 5 thousand)	250	50%	10,593	1,004	-	Indirectly owned subsidiary
〃	Poseidon Marine Ltd	〃	Shipping	304 (USD 10 thousand)	32250 (USD 1,000 thousand)	500	100%	1,712,037	148,500	-	Indirectly owned subsidiary
〃	Maxson Shipping Inc.	〃	〃	349,830 (USD 11,500 thousand)	451500 (USD 14,000 thousand)	500	100%	1,039,312	66,175	-	Indirectly owned subsidiary
Norley Corporation Inc.	Ocean Wise Limited	Republic of Liberia	〃	159,948 (USD 5,258 housand)	162,992 (USD 5,054 housand)	262,905	51%	471,289	(11,407)	-	Indirectly owned subsidiary

				Initial investment amount (Note 1)		Shares held as at June 30, 2017（Note 2）			Net profit (loss) of the investee for the six-month period ended June 30, 2017（Note 2）	Investment income(loss) recognised by the Company for the six-month period ended June 30, 2017	
Investor	Investee	Location	Main business activities	Balance as at June 30, 2017	Balance as at December 31, 2016	Number of shares	Ownership (%)	Book value			Footnote
〃	Pacifica Maritime Limited	Marshall Islands	Oil tanker	$ 1,332,092 (USD 43,790 housand)	$ 1,412,228 (USD 43,790 housand)	500	100%	$ 1,368,581	$ 37,192	$ -	Indirectly owned subsidiary
〃	Dynasty Navigation Limited	Marshall Islands	Holding in shipbuilding	304 (USD 10 thousand)	323 (USD 10 thousand)	500	100%	78	(14)	-	Indirectly owned subsidiary
〃	Sky Sea Maritime Limited	〃	Investment holdings	553,979 (USD 18,211 thousand)	465,271 (USD 14,427 thousand)	275	55%	553,713	(55)	-	Indirectly owned subsidiary
Valentine Holdings Limited	Millennia Investment Company Limited	〃	Shipping	304 (USD 10 thousand)	323 (USD 10 thousand)	500	100%	6,651	7,176	-	Indirectly owned subsidiary
〃	Gemini Investment Company Limited	〃	〃	304 (USD 10 thousand)	323 (USD 10 thousand)	500	100%	3,070	48	-	Indirectly owned subsidiary
Winnington Limited	Peg Shipping Company Limited	Republic of Liberia	〃	304 (USD 10 thousand)	323 (USD 10 thousand)	500	100%	526,884	13,293	-	Indirectly owned subsidiary
Kingswood Co., Ltd.	Seven Seas Shipping Ltd.	Marshall Islands	Oil tanker	304 (USD 10 thousand)	323 (USD 10 thousand)	500	100%	5,372	1,025	-	Indirectly owned subsidiary
Jetwall Co. Ltd.	Everwin Maritime Limited	〃	〃	1,436,432 (USD 47,220 thousand)	1,522,845 (USD 47,220 thousand)	500	100%	1,758,835	37,640	-	Indirectly owned subsidiary
Victory Navigation Inc.	Everprime Shipping Limited	〃	Shipping	304 (USD 10 thousand)	323 (USD 10 thousand)	500	100%	744,081	165,234	-	Indirectly owned subsidiary
Sky Sea Maritime Limited	Ocean Grace Limited	〃	Holding in shipbuilding	1,007,206 (USD 33,110 thousand)	845,918 (USD 26,230 thousand)	500	100%	1,006,954	(35)	-	Indirectly owned subsidiary
Heywood Limited	Clifford Navigation Corporation	〃	Shipping	304 (USD 10 thousand)	323 (USD 10 thousand)	500	100%	663,551	10,081	-	Indirectly owned subsidiary
〃	Newton Navigation Limited	〃	〃	304 (USD 10 thousand)	323 (USD 10 thousand)	500	100%	2,188	(38)	-	Indirectly owned subsidiary
〃	Brighton Shipping Inc.	〃	〃	304 (USD 10 thousand)	323 (USD 10 thousand)	500	100%	645,578	7,829	-	Indirectly owned subsidiary
Heywood Limited	Rockwell Shipping Limited	Marshall Islands	〃	304 (USD 10 thousand)	323 (USD 10 thousand)	500	100%	494,765	8,654	-	Indirectly owned subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount (Note 1) Balance as at June 30, 2017	Balance as at December 31, 2016	Shares held as at June 30, 2017（Note 2） Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the six-month period ended June 30, 2017（Note 2）	Investment income(loss) recognised by the Company for the six-month period ended June 30, 2017	Footnote
〃	Howells Shipping Inc.	〃	〃	$ 365,344 (USD 12,010 thousand)	$ 387,323 (USD 12,010 thousand)	500	100%	$ 809,781	($ 8,297)	$ -	Indirectly owned subsidiary
〃	Crimson Marine Company	〃	Shipping	742,187 (USD 24,398 thousand)	786,836 (USD 24,398 thousand)	500	100%	357,044	(28,524)	-	Indirectly owned subsidiary
〃	Honco Shipping Limited	Hong Kong	Investment holdings	-	-	-	-	-	-	-	Indirectly owned subsidiary
〃	Century Shipping Limited	〃	〃	15,210 (USD 500 thousand)	16,125 (USD 500 thousand)	50,000	100%	(485)	3,177	-	Indirectly owned subsidiary
〃	Helmsman Navigation Co. Ltd.	Marshall Islands	Shipping	246,706 (USD 8,110 thousand)	261,548 (USD 8,110 thousand)	500	100%	131,226	(13,220)	-	Indirectly owned subsidiary
〃	Keystone Shipping Co. Ltd.	〃	〃	246,706 (USD 8,110 thousand)	261,548 (USD 8,110 thousand)	500	100%	160,970	(14,077)	-	Indirectly owned subsidiary

Note 1: The above balances of initial investments as at June 30, 2017 and December 31, 2016 were translated at the closing exchange rates at the balance sheet date.

Note 2: The above carrying amounts of shares held as at June 30, 2017 and net profit (loss) of the investee for the six-month period ended June 30, 2017 were translated at the closing exchange rates at the balance sheet and the average exchange rates for the six-month period ended June 30, 2017, respectively.

Sincere Navigation Corporation and subsidiaries

Information on investments in Mainland China

For the six-month period ended June 30, 2017

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

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, 2017	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the six-month period ended June 30, 2017: Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2017	Net income of investee as of June 30, 2017	Ownership held by the Company (direct or indirect)	Investment income recognised by the Company for the six-month period ended June 30, 2017 (Note 2)	Book value of investments in Mainland China as of June 30, 2017	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2017	Footnote
Haihu Maritime Service (Shanghai) Co., Ltd.	Maritime service	$ 15,855	2	$ 15,855 (USD 500 thousand)	$ -	$ -	$ 15,855 (USD 500 thousand)	$ 3,177 (RMB 712 thousand)	100%	$ 3,177 (RMB 712 thousand)	($ 485) (RMB 108 thousand)	$ -	

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 reviewed by the Company's CPA.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2017	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	$ 9,404,635