

**SINCERE NAVIGATION CORPORATION  
AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
JUNE 30, 2021 AND 2020**

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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.

## INDEPENDENT AUDITORS' REVIEW REPORT

To the Board of Directors and Shareholders of Sincere Navigation Corporation and Subsidiaries

### *Introduction*

We have reviewed the accompanying consolidated balance sheets of Sincere Navigation Corporation and subsidiaries (the "Group") as at June 30, 2021 and 2020, and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the six-month periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

### *Scope of Review*

We conducted our reviews in accordance with the Statement of Auditing Standards No. 65, "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



資誠

## Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2021 and 2020, and of its consolidated financial performance for the three-month and six-month periods then ended and its consolidated cash flows for the six-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

Lin, Yi-Fan

Liao, Fu-Ming

For and on behalf of PricewaterhouseCoopers, Taiwan

August 10, 2021

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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 independent auditors' report 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.

**SINCERE NAVIGATION CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)  
 (THE BALANCE SHEETS AS OF JUNE 30, 2021 AND 2020 ARE REVIEWED, NOT AUDITED)

Assets		Notes	June 30, 2021		December 31, 2020		June 30, 2020	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>Current assets</b>								
1100	Cash and cash equivalents	6(1)	\$ 4,584,410	21	\$ 4,665,858	22	\$ 4,344,170	19
1136	Current financial assets at	6(2)						
	amortised cost		126,426	1	1,300	-	434	-
1140	Current contract assets	6(14)	204,023	1	81,626	-	40,248	-
1170	Accounts receivable		238,205	1	180,524	1	502,679	2
1200	Other receivables		102,438	-	166,967	1	129,599	1
1210	Other receivables - related	7						
	parties		-	-	233	-	6,125	-
1220	Current tax assets		106	-	251	-	125	-
130X	Bunker inventories		172,133	1	99,810	-	112,363	1
1410	Prepayments		25,177	-	37,739	-	29,669	-
1470	Other current assets	8	206,091	1	335,100	2	278,520	1
11XX	<b>Total current assets</b>		<u>5,659,009</u>	<u>26</u>	<u>5,569,408</u>	<u>26</u>	<u>5,443,932</u>	<u>24</u>
<b>Non-current assets</b>								
1535	Non-current financial assets at							
	amortised cost		1,582,560	7	-	-	-	-
1600	Property, plant and equipment	6(3)(5)(6)(7)(9)						
		) and 8	14,465,863	67	15,545,535	74	17,076,623	76
1755	Right-of-use assets	6(4)	12,356	-	15,181	-	17,880	-
1840	Deferred income tax assets		11,819	-	6,858	-	11,100	-
1900	Other non-current assets	8	16,731	-	8,581	-	90,181	-
15XX	<b>Total non-current assets</b>		<u>16,089,329</u>	<u>74</u>	<u>15,576,155</u>	<u>74</u>	<u>17,195,784</u>	<u>76</u>
1XXX	<b>Total assets</b>		<u>\$ 21,748,338</u>	<u>100</u>	<u>\$ 21,145,563</u>	<u>100</u>	<u>\$ 22,639,716</u>	<u>100</u>

(Continued)

**SINCERE NAVIGATION CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)  
(THE BALANCE SHEETS AS OF JUNE 30, 2021 AND 2020 ARE REVIEWED, NOT AUDITED)

Liabilities and Equity		Notes	June 30, 2021		December 31, 2020		June 30, 2020	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2100	Short-term borrowings	6(7)	\$ 1,462,920	7	\$ 840,000	4	\$ 800,000	4
2130	Current contract liabilities	6(14)	28,744	-	92,144	-	58,941	-
2200	Other payables	6(8)	525,324	3	198,589	1	474,051	2
2220	Other payables - related parties	7	20,197	-	22,246	-	13,137	-
2230	Current income tax liabilities		85,933	-	541	-	116	-
2280	Current lease liabilities		5,672	-	5,746	-	5,808	-
2320	Long-term liabilities, current portion	6(9)	1,087,748	5	839,469	4	869,181	4
21XX	Total current liabilities		3,216,538	15	1,998,735	9	2,221,234	10
Non-current liabilities								
2540	Long-term borrowings	6(9)	2,364,130	11	3,346,686	16	3,920,306	18
2570	Deferred income tax liabilities		85,009	-	118,233	1	61,185	-
2580	Non-current lease liabilities		7,906	-	10,631	-	13,151	-
2600	Other non-current liabilities		32,872	-	32,853	-	32,631	-
25XX	Total non-current liabilities		2,489,917	11	3,508,403	17	4,027,273	18
2XXX	Total liabilities		5,706,455	26	5,507,138	26	6,248,507	28
Equity attributable to owners of parent								
	Share capital	6(11)						
3110	Share capital - common stock		5,853,533	27	5,853,533	28	5,853,533	26
	Capital surplus	6(12)						
3200	Capital surplus		243,203	1	242,611	1	242,611	1
	Retained earnings	6(13)						
3310	Legal reserve		3,171,779	15	3,171,779	15	3,171,779	14
3320	Special reserve		1,349,931	6	1,349,931	6	1,349,931	6
3350	Unappropriated retained earnings		6,050,827	28	6,079,037	29	6,152,851	27
	Other equity interest							
3400	Other equity interest		( 2,578,878)	( 12)	( 2,216,073)	( 10)	( 1,555,501)	( 7)
31XX	Equity attributable to owners of the parent		14,090,395	65	14,480,818	69	15,215,204	67
36XX	Non-controlling interest	4(3)	1,951,488	9	1,157,607	5	1,176,005	5
3XXX	Total equity		16,041,883	74	15,638,425	74	16,391,209	72
	Significant contingent liabilities and unrecognised contractual commitments	9						
3X2X	Total liabilities and equity		\$ 21,748,338	100	\$ 21,145,563	100	\$ 22,639,716	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 AMOUNT)  
(UNAUDITED)

Items	Notes	Three months ended June 30				Six months ended June 30			
		2021		2020		2021		2020	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(14) and 7	\$ 999,245	100	\$ 1,014,748	100	\$ 1,761,464	100	\$ 2,138,210	100
5000 Operating costs	6(19)(20) and 7	( 729,010)	( 73)	( 730,365)	( 72)	( 1,336,391)	( 76)	( 1,664,045)	( 78)
5900 Net operating margin		270,235	27	284,383	28	425,073	24	474,165	22
Operating expenses	6(19)(20)								
6200 General and administrative expenses		( 55,343)	( 5)	( 50,962)	( 5)	( 102,139)	( 6)	( 95,435)	( 4)
6900 Operating profit		214,892	22	233,421	23	322,934	18	378,730	18
Non-operating income and expenses									
7100 Interest income	6(15)	1,155	-	4,028	-	2,346	-	13,333	1
7010 Other income	6(16)	20,190	2	95	-	20,281	1	186	-
7020 Other gains and losses	6(17)	7,493	1	29,628	3	4,439	1	17,755	1
7050 Finance costs	6(18)	( 24,662)	( 3)	( 43,790)	( 4)	( 51,246)	( 3)	( 96,007)	( 5)
7000 Total non-operating income and expenses		4,176	-	( 10,039)	( 1)	( 24,180)	( 1)	( 64,733)	( 3)
7900 Profit before income tax		219,068	22	223,382	22	298,754	17	313,997	15
7950 Income tax (expense) benefit	6(21)	( 48,270)	( 5)	3,017	-	( 47,749)	( 3)	5,183	-
8000 Profit for the period from continuing operations		170,798	17	226,399	22	251,005	14	319,180	15
8100 Profit (loss) for the period from discontinued operations	6(6)	69,649	7	( 37,198)	( 3)	83,885	5	( 77,357)	( 4)
8200 Profit for the period		\$ 240,447	24	\$ 189,201	19	\$ 334,890	19	\$ 241,823	11
Other comprehensive income									
Components of other comprehensive income that will be reclassified to profit or loss									
8361 Financial statements translation differences of foreign operations		( \$ 427,088)	( 43)	( \$ 373,916)	( 37)	( \$ 389,308)	( 22)	( \$ 219,775)	( 10)
8500 Total comprehensive income (loss) for the period		( \$ 186,641)	( 19)	( \$ 184,715)	( 18)	( \$ 54,418)	( 3)	\$ 22,048	1
Profit attributable to:									
8610 Owners of the parent		\$ 202,076	20	\$ 172,738	17	\$ 264,467	15	\$ 214,993	10
8620 Non-controlling interest		38,371	4	16,463	2	70,423	4	26,830	1
		\$ 240,447	24	\$ 189,201	19	\$ 334,890	19	\$ 241,823	11
Comprehensive income (loss) attributable to:									
8710 Owners of the parent		( \$ 195,969)	( 20)	( \$ 176,884)	( 17)	( \$ 98,338)	( 5)	\$ 9,423	-
8720 Non-controlling interest		9,328	1	( 7,831)	( 1)	43,920	2	12,625	1
		( \$ 186,641)	( 19)	( \$ 184,715)	( 18)	( \$ 54,418)	( 3)	\$ 22,048	1
Earnings per share	6(22)								
9710 Basic earnings per share from continuing operations		\$ 0.23		\$ 0.36		\$ 0.31		\$ 0.50	
9720 Basic earnings (loss) per share from discontinued operations		0.12		( 0.06)		0.14		( 0.13)	
9750 Total basic earnings per share (in dollars)		\$ 0.35		\$ 0.30		\$ 0.45		\$ 0.37	
Diluted earnings per share	6(22)								
9810 Diluted earnings per share from continuing operations		\$ 0.23		\$ 0.36		\$ 0.31		\$ 0.50	
9820 Diluted earnings (loss) per share from discontinued operations		0.12		( 0.06)		0.14		( 0.13)	
9850 Total diluted earnings per share (in dollars)		\$ 0.35		\$ 0.30		\$ 0.45		\$ 0.37	

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

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

		Equity attributable to owners of the parent										
		Capital Reserves				Retained Earnings			Financial statements translation differences of foreign operations	Total	Non-controlling interest	Total equity
		Share capital - common stock	Treasury stock transactions	Difference between consideration and carrying amount of subsidiaries acquired	Others	Legal reserve	Special reserve	Unappropriated retained earnings				
Notes												
<u>For the six-month period ended June 30, 2020</u>												
		\$ 5,853,533	\$ 39,243	\$ 199,339	\$ 3,407	\$ 3,163,018	\$ 924,270	\$ 6,664,957	( \$ 1,349,931 )	\$ 15,497,836	\$ 1,204,861	\$ 16,702,697
		-	-	-	-	-	-	214,993	-	214,993	26,830	241,823
		-	-	-	-	-	-	-	( 205,570 )	( 205,570 )	( 14,205 )	( 219,775 )
		-	-	-	-	-	-	214,993	( 205,570 )	9,423	12,625	22,048
	6(13)											
		-	-	-	-	8,761	-	( 8,761 )	-	-	-	-
		-	-	-	-	-	425,661	( 425,661 )	-	-	-	-
		-	-	-	-	-	-	( 292,677 )	-	( 292,677 )	-	( 292,677 )
		-	-	-	-	-	-	-	-	-	( 41,481 )	( 41,481 )
		-	-	-	622	-	-	-	-	622	-	622
		\$ 5,853,533	\$ 39,243	\$ 199,339	\$ 4,029	\$ 3,171,779	\$ 1,349,931	\$ 6,152,851	( \$ 1,555,501 )	\$ 15,215,204	\$ 1,176,005	\$ 16,391,209
<u>For the six-month period ended June 30, 2021</u>												
		\$ 5,853,533	\$ 39,243	\$ 199,339	\$ 4,029	\$ 3,171,779	\$ 1,349,931	\$ 6,079,037	( \$ 2,216,073 )	\$ 14,480,818	\$ 1,157,607	\$ 15,638,425
		-	-	-	-	-	-	264,467	-	264,467	70,423	334,890
		-	-	-	-	-	-	-	( 362,805 )	( 362,805 )	( 26,503 )	( 389,308 )
		-	-	-	-	-	-	264,467	( 362,805 )	( 98,338 )	43,920	( 54,418 )
	6(13)											
		-	-	-	-	-	-	( 292,677 )	-	( 292,677 )	-	( 292,677 )
		-	-	-	-	-	-	-	-	-	749,961	749,961
		-	-	-	592	-	-	-	-	592	-	592
		\$ 5,853,533	\$ 39,243	\$ 199,339	\$ 4,621	\$ 3,171,779	\$ 1,349,931	\$ 6,050,827	( \$ 2,578,878 )	\$ 14,090,395	\$ 1,951,488	\$ 16,041,883

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)

		For the six-month periods ended June 30,	
	Notes	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit from continuing operations before tax		\$ 298,754	\$ 313,997
Profit (loss) from discontinued operations before tax	6(6)	83,885	( 77,357 )
Profit before tax		382,639	236,640
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(19)	614,938	672,979
Amortisation	6(19)	25	51
Interest income		( 2,362 )	( 13,343 )
Interest expense		51,251	96,026
Profit on disposal of property, plant and equipment	6(6)	( 57,183 )	-
Impairment loss recognised in profit or loss, property, plant and equipment	6(5)	24,782	-
Changes in operating assets and liabilities			
Changes in operating assets			
Current contract assets		( 122,397 )	58,865
Accounts receivable		( 57,681 )	( 49,226 )
Other receivables		64,474	( 89,134 )
Other receivables - related parties		233	( 5,616 )
Bunker inventories		( 72,323 )	142,123
Prepayments		12,562	27,277
Changes in operating liabilities			
Current contract liabilities		( 63,400 )	23,325
Other payables		51,441	( 83,370 )
Other payables - related parties		( 2,049 )	( 9,803 )
Accrued pension liabilities		19	64
Cash inflow generated from operations		824,969	1,006,858
Interest received		2,415	14,522
Income tax paid		( 394 )	( 162 )
Net cash flows from operating activities		826,990	1,021,218
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
(Increase) decrease in financial assets at amortised cost		( 1,707,679 )	975
Decrease in other current assets		129,009	151,813
Acquisition of property, plant, and equipment	6(23)	( 117,451 )	( 46,190 )
Decrease in refundable deposits		-	60
Proceeds from disposal of property, plant and equipment	6(6)	275,929	-
Net cash flows (used in) from investing activities		( 1,420,192 )	106,658
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from short-term borrowings	6(24)	629,740	-
Repayment of principal of lease liability	6(24)	( 2,833 )	( 2,817 )
Repayment of long-term borrowings	6(24)	( 650,303 )	( 499,901 )
Interest paid		( 53,242 )	( 104,997 )
Change in non-controlling interests		749,961	( 41,481 )
Overdue unclaimed cash dividends		592	622
Net cash flows from (used in) financing activities		673,915	( 648,574 )
Effect of changes in foreign exchange rate		( 162,161 )	( 80,788 )
Net (decrease) increase in cash and cash equivalents		( 81,448 )	398,514
Cash and cash equivalents at beginning of period		4,665,858	3,945,656
Cash and cash equivalents at end of period		\$ 4,584,410	\$ 4,344,170

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 ORGANISATION**

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

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

These consolidated financial statements were reported to the Board of Directors on August 10, 2021.

**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 the FSC effective from 2021 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform— Phase 2’	January 1, 2021
Amendment to IFRS 16, ‘Covid-19-related rent concessions beyond 30 June 2021’	April 1, 2021 (Note)

Note: Earlier application from January 1, 2021 is allowed by the FSC.

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

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

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts—cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

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

#### 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, 2020, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

##### (1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34, 'Interim financial reporting' as endorsed by the FSC.

These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2020.

##### (2) Basis of preparation

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

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

B. The preparation of financial statements in 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 judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement 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 is consistent with those of the year ended December 31, 2020.

B. Subsidiaries included in the consolidated financial statements:

(a) Norley Corporation Inc. (Norley)

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

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2021	December 31, 2020	June 30, 2020	
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	100%	100%	100%	
"	Winnington Limited (Winnington)	Investment holdings	-	100%	100%	Note 1
"	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%	
"	Sky Sea Maritime Limited (Sky Sea)	Shipping	55%	55%	55%	
"	Elroy Maritime Services Inc. (Elroy)	Maritime service	100%	100%	100%	
"	Glory Selah Limited (Glory)	Investment holdings	55%	-	-	Note 2
Winnington	Peg Shipping Company Limited	Shipping	-	100%	100%	Note 1
Jetwall	Everwin Maritime Limited	Oil tanker	100%	100%	100%	
Victory	Everprime Shipping Limited	Shipping	100%	100%	100%	
Sky Sea	Ocean Grace Limited	Shipping	100%	100%	100%	
Elroy	Oak Maritime (Canada) Inc.	Maritime service	100%	100%	100%	
Glory	Bridge Poiema Limited	Shipping	100%	-	-	Note 2

Note 1: Winnington Limited. and Peg Shipping Company Limited. ceased operations and were liquidated on June 18, 2021.

Note 2: Glory Selah Limited and Bridge Poiema Limited were established in Marshall Islands on April 21, 2021.

(b) Heywood Limited (Heywood)

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

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2021	December 31, 2020	June 30, 2020	
Heywood	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%	
"	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:

As of June 30, 2021, December 31, 2020 and June 30, 2020, the non-controlling interest amounted to \$1,951,488, \$1,157,607 and \$1,176,005, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest					
		June 30, 2021		December 31, 2020		June 30, 2020	
		Amount	Ownership (%)	Amount	Ownership (%)	Amount	Ownership (%)
Jetwall Co. Ltd.	Marshall Islands	\$ 360,819	20	\$ 382,653	20	\$ 393,189	20
Victory Navigation Inc.	Marshall Islands	331,920	45	321,121	45	330,130	45
Sky Sea Maritime Limited	Marshall Islands	481,630	45	453,833	45	452,686	45
Glory Selah Limited	Marshall Islands	777,119	45	-	-	-	-

Summarised financial information of the subsidiaries:

#### Balance sheets

	Jetwall Co. Ltd.		
	June 30, 2021	December 31, 2020	June 30, 2020
Current assets	\$ 318,966	\$ 429,631	\$ 408,722
Non-current assets	1,879,187	1,945,086	2,097,030
Current liabilities	( 131,269)	( 139,085)	( 148,529)
Non-current liabilities	( 262,789)	( 322,365)	( 391,279)
Total net assets	\$ 1,804,095	\$ 1,913,267	\$ 1,965,944

	Victory Navigation Inc.		
	June 30, 2021	December 31, 2020	June 30, 2020
Current assets	\$ 293,928	\$ 240,859	\$ 192,612
Non-current assets	467,506	497,625	546,912
Current liabilities	( 23,834)	( 24,881)	( 5,901)
Non-current liabilities	-	-	-
Total net assets	\$ 737,600	\$ 713,603	\$ 733,623

	Sky Sea Maritime Limited		
	June 30, 2021	December 31, 2020	June 30, 2020
Current assets	\$ 192,591	\$ 118,922	\$ 188,408
Non-current assets	1,736,904	1,816,601	1,841,906
Current liabilities	( 157,133)	( 149,502)	( 153,223)
Non-current liabilities	( 702,072)	( 777,504)	( 871,122)
Total net assets	<u>\$ 1,070,290</u>	<u>\$ 1,008,517</u>	<u>\$ 1,005,969</u>

	Glory Selah Limited		
	June 30, 2021	December 31, 2020	June 30, 2020
Current assets	\$ 1,727,006	\$ -	\$ -
Non-current assets	-	-	-
Current liabilities	( 74)	-	-
Non-current liabilities	-	-	-
Total net assets	<u>\$ 1,726,932</u>	<u>\$ -</u>	<u>\$ -</u>

#### Statements of comprehensive income

	Jetwall Co. Ltd	
	For the three-month periods ended June 30,	
	2021	2020
Revenue	\$ 25,115	\$ 226,667
(Loss) profit before income tax	( 57,704)	152,998
Income tax expense	-	-
(Loss) profit for the period	( 57,704)	152,998
Other comprehensive income, net of tax	-	-
Total comprehensive (loss) income for the period	<u>(\$ 57,704)</u>	<u>\$ 152,998</u>
Comprehensive (loss) income attributable to non-controlling interest	<u>(\$ 11,541)</u>	<u>\$ 30,600</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

Jetwall Co. Ltd.		
For the six-month periods ended June 30,		
	2021	2020
Revenue	\$ 223,007	\$ 427,522
Profit before income tax	72,579	270,619
Income tax expense	-	-
Profit for the period	72,579	270,619
Other comprehensive income, net of tax	-	-
Total comprehensive income for the period	\$ 72,579	\$ 270,619
Comprehensive income attributable to non-controlling interest	\$ 14,516	\$ 54,124
Dividends paid to non-controlling interest	\$ -	\$ -

Victory Navigation Inc.		
For the three-month periods ended June 30,		
	2021	2020
Revenue	\$ 110,559	\$ 28,776
Profit (loss) before income tax	30,842	( 5,256)
Income tax expense	-	-
Profit (loss) for the period	30,842	( 5,256)
Other comprehensive income, net of tax	-	-
Total comprehensive income (loss) for the period	\$ 30,842	(\$ 5,256)
Comprehensive income (loss) attributable to non-controlling interest	\$ 13,878	(\$ 2,365)
Dividends paid to non-controlling interest	\$ -	\$ -

Victory Navigation Inc.		
For the six-month periods ended June 30,		
	2021	2020
Revenue	\$ 149,496	\$ 88,550
Profit (loss) before income tax	39,972	( 30,123)
Income tax expense	-	-
Profit (loss) for the period	39,972	( 30,123)
Other comprehensive income, net of tax	-	-
Total comprehensive income (loss) for the period	\$ 39,972	(\$ 30,123)
Comprehensive income (loss) attributable to non-controlling interest	\$ 17,987	(\$ 13,555)
Dividends paid to non-controlling interest	\$ -	\$ -

Sky Sea Maritime Limited		
For the three-month periods ended June 30,		
	2021	2020
Revenue	\$ 171,963	\$ 62,005
Profit (loss) before income tax	80,468	( 26,160)
Income tax expense	-	-
Profit (loss) for the period	80,468	( 26,160)
Other comprehensive income, net of tax	-	-
Total comprehensive income (loss) for the period	\$ 80,468	(\$ 26,160)
Comprehensive income (loss) attributable to non-controlling interest	\$ 36,210	(\$ 11,772)
Dividends paid to non-controlling interest	\$ -	\$ -

Sky Sea Maritime Limited		
For the six-month periods ended June 30,		
	2021	2020
Revenue	\$ 254,637	\$ 169,410
Profit (loss) before income tax	84,659	( 30,486)
Income tax expense	-	-
Profit (loss) for the period	84,659	( 30,486)
Other comprehensive income, net of tax	-	-
Total comprehensive income (loss) for the period	\$ 84,659	(\$ 30,486)
Comprehensive income (loss) attributable to non-controlling interest	\$ 38,096	(\$ 13,719)
Dividends paid to non-controlling interest	\$ -	\$ -

Glory Selah Limited		
For the three-month periods ended June 30,		
	2021	2020
Revenue	\$ -	\$ -
Loss before income tax	( 392)	-
Income tax expense	-	-
Loss for the period	( 392)	-
Other comprehensive income, net of tax	-	-
Total comprehensive loss for the period	(\$ 392)	\$ -
Comprehensive loss attributable to non-controlling interest	(\$ 176)	\$ -
Dividends paid to non-controlling interest	\$ -	\$ -



Glory Selah Limited		
For the six-month periods ended June 30,		
	2021	2020
Revenue	\$ -	\$ -
Loss before income tax	( 392)	-
Income tax expense	-	-
Loss for the period	( 392)	-
Other comprehensive income, net of tax	-	-
Total comprehensive loss for the period	(\$ 392)	\$ -
Comprehensive loss attributable to non-controlling interest	(\$ 176)	\$ -
Dividends paid to non-controlling interest	\$ -	\$ -

#### Statements of cash flows

Jetwall Co. Ltd		
For the six-month periods ended June 30,		
	2021	2020
Net cash provided by operating activities	\$ 92,080	\$ 494,568
Net cash used in investing activities	( 60,687)	( 1,233)
Net cash used in financing activities	( 197,761)	( 216,635)
Effect of exchange rates on cash and cash equivalents	( 6,069)	( 4,021)
(Decrease) increase in cash and cash equivalents	( 172,437)	272,679
Cash and cash equivalents, beginning of the period	362,862	52,062
Cash and cash equivalents, end of the period	\$ 190,425	\$ 324,741

Victory Navigation Inc.		
For the six-month periods ended June 30,		
	2021	2020
Net cash used in operating activities	(\$ 43,058)	(\$ 35,309)
Net cash used in investing activities	( 3,228)	-
Net cash used in financing activities	-	-
Effect of exchange rates on cash and cash equivalents	( 2,694)	( 1,284)
Decrease in cash and cash equivalents	( 48,980)	( 36,593)
Cash and cash equivalents, beginning of the period	147,136	147,301
Cash and cash equivalents, end of the period	\$ 98,156	\$ 110,708

Sky Sea Maritime Limited		
For the six-month periods ended June 30,		
	2021	2020
Net cash provided by operating activities	\$ 116,878	\$ 19,672
Net cash provided by investing activities	569	-
Net cash used in financing activities	( 66,562)	( 80,224)
Effect of exchange rates on cash and cash equivalents	( 965)	( 996)
Increase (decrease) in cash and cash equivalents	49,920	( 61,548)
Cash and cash equivalents, beginning of the period	18,597	149,278
Cash and cash equivalents, end of the period	<u>\$ 68,517</u>	<u>\$ 87,730</u>

Glory Selah Limited		
For the six-month periods ended June 30,		
	2021	2020
Net cash used in operating activities	(\$ 19,717)	\$ -
Net cash used in investing activities	( 1,726,680)	-
Net cash provided by financing activities	1,746,397	-
Effect of exchange rates on cash and cash equivalents	-	-
Increase in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of the period	-	-
Cash and cash equivalents, end of the period	<u>\$ -</u>	<u>\$ -</u>

#### (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. Also, 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 was no significant change in the reporting period. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2020.

## 6. DETAILS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Cash on hand and revolving funds	\$ 458	\$ 485	\$ 528
Checking accounts and demand deposits	2,164,000	1,692,874	2,202,496
Time deposit	2,419,952	2,972,499	2,141,146
	<u>\$ 4,584,410</u>	<u>\$ 4,665,858</u>	<u>\$ 4,344,170</u>

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 collateral were classified as other current assets and other non-current assets. Related information is provided in Note 8.

### (2) Financial assets at amortised cost

<u>Items</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Current items:			
Time deposits with maturity over three months	\$ 1,307	\$ 1,300	\$ 434
Bareboat charter (Note)	125,119	-	-
	<u>\$ 126,426</u>	<u>\$ 1,300</u>	<u>\$ 434</u>
Non-current items:			
Bareboat charter (Note)	<u>\$ 1,582,560</u>	<u>\$ -</u>	<u>\$ -</u>

Note: The Group purchased the vessel externally and entered into a bareboat charter agreement with the same counterparty at the same time. In accordance with the agreement, the seller can buy back the vessel at the contract price during the contract period. Under IFRS 15, as the Group did not obtain control over the vessel, the consideration paid shall be recognised as financial assets in accordance with IFRS 9.

A. The Group has no financial assets at amortised cost pledged to others as collateral.

B. As at June 30, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$1,708,986 and \$434, respectively.

(3) Property, plant and equipment

	Land	Buildings and structures	Vessels and equipment	Office equipment	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2021</u>						
Cost	\$ 90,215	\$ 28,191	\$ 27,459,100	\$ 8,536	\$ -	\$ 27,586,042
Accumulated depreciation	-	( 17,264)	( 11,495,972)	( 7,239)	-	( 11,520,475)
Accumulated impairment	-	-	( 520,032)	-	-	( 520,032)
	<u>\$ 90,215</u>	<u>\$ 10,927</u>	<u>\$ 15,443,096</u>	<u>\$ 1,297</u>	<u>\$ -</u>	<u>\$ 15,545,535</u>
<u>2021</u>						
Opening net book amount	\$ 90,215	\$ 10,927	\$ 15,443,096	\$ 1,297	\$ -	\$ 15,545,535
Additions	-	-	91,489	756	1,830	94,075
Disposals (Note)	-	-	( 218,746)	-	-	( 218,746)
Retirement - cost	-	-	( 34,483)	-	-	( 34,483)
Retirement - accumulated depreciation	-	-	34,483	-	-	34,483
Impairment loss	-	-	( 24,782)	-	-	( 24,782)
Depreciation	-	( 328)	( 611,542)	( 218)	-	( 612,088)
Net exchange differences	-	-	( 318,106)	( 4)	( 21)	( 318,131)
Closing net book amount	<u>\$ 90,215</u>	<u>\$ 10,599</u>	<u>\$ 14,361,409</u>	<u>\$ 1,831</u>	<u>\$ 1,809</u>	<u>\$ 14,465,863</u>
<u>At June 30, 2021</u>						
Cost	\$ 90,215	\$ 28,191	\$ 25,308,513	\$ 9,314	\$ 1,809	\$ 25,438,042
Accumulated depreciation	-	( 17,592)	( 10,922,322)	( 7,483)	-	( 10,947,397)
Accumulated impairment	-	-	( 24,782)	-	-	( 24,782)
	<u>\$ 90,215</u>	<u>\$ 10,599</u>	<u>\$ 14,361,409</u>	<u>\$ 1,831</u>	<u>\$ 1,809</u>	<u>\$ 14,465,863</u>

	Land	Buildings and structures	Vessels and equipment	Office equipment	Total
<u>At January 1, 2020</u>					
Cost	\$ 90,215	\$ 28,191	\$ 29,685,272	\$ 8,421	\$ 29,812,099
Accumulated depreciation	-	( 16,609)	( 11,628,689)	( 7,420)	( 11,652,718)
Accumulated impairment	-	-	( 239,840)	-	( 239,840)
	<u>\$ 90,215</u>	<u>\$ 11,582</u>	<u>\$ 17,816,743</u>	<u>\$ 1,001</u>	<u>\$ 17,919,541</u>
<u>2020</u>					
Opening net book amount	\$ 90,215	\$ 11,582	\$ 17,816,743	\$ 1,001	\$ 17,919,541
Additions	-	-	22,017	532	22,549
Retirement - cost	-	-	( 33,493)	-	( 33,493)
Retirement - accumulated depreciation	-	-	33,493	-	33,493
Depreciation	-	( 328)	( 669,498)	( 160)	( 669,986)
Net exchange differences	-	-	( 195,457)	( 24)	( 195,481)
Closing net book amount	<u>\$ 90,215</u>	<u>\$ 11,254</u>	<u>\$ 16,973,805</u>	<u>\$ 1,349</u>	<u>\$ 17,076,623</u>
<u>At June 30, 2020</u>					
Cost	\$ 90,215	\$ 28,191	\$ 29,338,087	\$ 8,590	\$ 29,465,083
Accumulated depreciation	-	( 16,937)	( 12,127,242)	( 7,241)	( 12,151,420)
Accumulated impairment	-	-	( 237,040)	-	( 237,040)
	<u>\$ 90,215</u>	<u>\$ 11,254</u>	<u>\$ 16,973,805</u>	<u>\$ 1,349</u>	<u>\$ 17,076,623</u>

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

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. Impairment information about the property, plant and equipment is provided in Note 6(5).

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

(4) Leasing arrangements – lessee

A. The Group leases various assets including buildings and ship communications equipment. Rental contracts are typically made for approximately 3~5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
	Carrying amount	Carrying amount	Carrying amount
Buildings	\$ 10,129	\$ 11,901	\$ 13,320
Other equipment	2,227	3,280	4,560
	<u>\$ 12,356</u>	<u>\$ 15,181</u>	<u>\$ 17,880</u>

  

	For the three-month periods ended June 30,	
	2021	2020
	Depreciation charge	Depreciation charge
Buildings	\$ 932	\$ 883
Other equipment	437	593
	<u>1,369</u>	<u>1,476</u>
Less: Depreciation charge from discontinued operations	( 57)	-
	<u>\$ 1,312</u>	<u>\$ 1,476</u>

	For the six-month periods ended June 30,	
	2021	2020
	Depreciation charge	Depreciation charge
Buildings	\$ 1,850	\$ 1,804
Other equipment	1,000	1,189
	2,850	2,993
Less: Depreciation charge from discontinued operations	( 236)	-
	<u>\$ 2,614</u>	<u>\$ 2,993</u>

C. Except for the depreciation, other information on income and expense accounts relating to lease contracts is as follows:

	For the three-month periods ended June 30,	
	2021	2020
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 174	\$ 226
Expense on short-term lease contracts	710	1,200

	For the six-month periods ended June 30,	
	2021	2020
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 362	\$ 476
Expense on short-term lease contracts	1,923	2,441

D. For the six-month periods ended June 30, 2021 and 2020, the Group's total cash outflow for leases were \$5,123 and \$5,753, respectively.

(5) Impairment of non-financial assets

A. The Group recognised impairment loss amounting to \$24,782 and \$0 for the six-month periods ended June 30, 2021 and 2020, respectively. Details of the loss are as follows:

	For the six-month period ended June 30, 2021	
	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss-Vessels and equipment-net	<u>\$ 24,782</u>	<u>\$ -</u>
	For the six-month period ended June 30, 2020	
	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss-Vessels and equipment-net	<u>\$ -</u>	<u>\$ -</u>

B. The impairment loss reported by operating segments is as follows:

		<u>For the six-month period ended June 30, 2021</u>	
		<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive income</u>
Bulk carrier		<u>\$ 24,782</u>	<u>\$ -</u>
		<u>For the six-month period ended June 30, 2020</u>	
		<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive income</u>
Bulk carrier		<u>\$ -</u>	<u>\$ -</u>

C. A vessel “MADONNA III” held by the Group, whose recoverable amount was lower than the book value, resulted in the recognition of impairment loss. The Group wrote down the carrying amount of the asset based on the recoverable amount and recognised an impairment loss of \$24,782 in the second quarter of 2021.

(6) Non-current assets held for sale and discontinued operations

A. On March 25, 2021, the Board of Directors of the second-tier subsidiary, Crimson Marine Company, resolved to sell the vessel named “Georgiana” and entered into a sale agreement with the buyer – VANHUI RESOURCES (HK) CO., LIMITED or nominee. On May 4, 2021, the disposal of the vessel met the definition of discontinued operations and was classified as a discontinued operation. On May 10, 2021, the vessel was sold, and the transaction was settled.

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

		<u>For the six-month periods ended June 30,</u>	
		<u>2021</u>	<u>2020</u>
Operating cash flows		\$ 41,442	(\$ 24,924)
Investing cash flows		275,929	-
Financing cash flows		( 243)	( 377)
Total cash flows		<u>\$ 317,128</u>	<u>(\$ 25,301)</u>



(b) The financial performance information of the discontinued operation, Georgiana, is as follows:

	For the three-month periods ended June 30,	
	2021	2020
Profit or loss for the period from discontinued operations		
Revenue	\$ 18,979	\$ 10,407
Cost	( 6,268)	( 36,159)
Gross profit (loss) from discontinued operations	12,711	( 25,752)
Operating expenses	( 220)	( 111)
Operating profit (loss) from discontinued operations	12,491	( 25,863)
Interest income	2	1
Interest expense	( 1)	( 9)
Other (losses) gains	( 26)	3
Profit (loss) for the period from discontinued operations	<u>\$ 12,466</u>	<u>(\$ 25,868)</u>
Gain (loss) on disposal of assets from discontinued operations		
Gain on disposal of assets from discontinued operations	<u>57,183</u>	<u>-</u>
Total profit (loss) from discontinued operations	<u>\$ 69,649</u>	<u>(\$ 25,868)</u>
Profit (loss) attributable to:		
Owners of the parent	\$ 69,649	(\$ 25,868)
Non-controlling interest	<u>-</u>	<u>-</u>
	<u>\$ 69,649</u>	<u>(\$ 25,868)</u>

	For the six-month periods ended June 30,	
	2021	2020
Profit or loss for the period from discontinued operations		
Revenue	\$ 45,809	\$ 15,918
Cost	( 18,666)	( 75,127)
Gross profit (loss) from discontinued operations	27,143	( 59,209)
Operating expenses	( 414)	( 272)
Operating profit (loss) from discontinued operations	26,729	( 59,481)
Interest income	16	1
Interest expense	( 5)	( 19)
Other (losses) gains	( 38)	5
Profit (loss) for the period from discontinued operations	<u>\$ 26,702</u>	<u>(\$ 59,494)</u>
Gain (loss) on disposal of assets from discontinued operations		
Gain on disposal of assets from discontinued operations	<u>57,183</u>	<u>-</u>
Total profit (loss) from discontinued operations	<u>\$ 83,885</u>	<u>(\$ 59,494)</u>
Profit (loss) attributable to:		
Owners of the parent	\$ 83,885	(\$ 59,494)
Non-controlling interest	<u>-</u>	<u>-</u>
	<u>\$ 83,885</u>	<u>(\$ 59,494)</u>

- B. On October 8, 2020, the Board of Directors of the third-tier subsidiary, Peg Shipping Company Limited, resolved to sell the vessel named “Mineral Antwerpen” and entered into a sale agreement with the buyer – Nicholas G. Moundreas Shipping SA or nominee. On November 6, 2020, the disposal of the vessel met the definition of discontinued operations and was classified as a discontinued operation. On November 10, 2020, the vessel was sold, and the transaction was settled. The Company had completed the liquidation and was dissolved on June 18, 2021.

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

	For the six-month period ended June 30, 2020
Operating cash flows	(\$ 31,056)
Investing cash flows	-
Financing cash flows	-
Total cash flows	(\$ 31,056)

(b) The financial performance information of the discontinued operation, Mineral Antwerpen, is as follows:

	For the three-month period ended June 30, 2020
Profit or loss for the period from discontinued operations	
Revenue	\$ 25,432
Cost	( 35,541)
Gross loss from discontinued operations	( 10,109)
Operating expenses	( 1,225)
Operating loss from discontinued operations	( 11,334)
Interest income	4
Total loss from discontinued operations	(\$ 11,330)
Loss attributable to:	
Owners of the parent	( 11,330)
Non-controlling interest	-
	(\$ 11,330)

	For the six-month period ended June 30, 2020
Profit or loss for the period from discontinued operations	
Revenue	\$ 87,436
Cost	( 102,425)
Gross loss from discontinued operations	( 14,989)
Operating expenses	( 2,883)
Operating loss from discontinued operations	( 17,872)
Interest income	9
Total loss from discontinued operations	(\$ 17,863)
Loss attributable to:	
Owners of the parent	( 17,863)
Non-controlling interest	-
	(\$ 17,863)

C. Profit and earnings per share from continuing and discontinued operations attributable to owners of the parent: Please refer to Note 6(22).

(7) Short-term borrowings

Type of borrowings	June 30, 2021	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	\$ 732,920	1.14%~1.24%	Land, buildings and structures, vessels and promissory notes
Unsecured borrowings	730,000	1.10%~1.46%	Promissory notes
	<u>\$ 1,462,920</u>		

Type of borrowings	December 31, 2020	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	\$ 120,000	1.20%	Land, buildings and structures, and promissory notes
Unsecured borrowings	720,000	1.10%~1.30%	Promissory notes
	<u>\$ 840,000</u>		

Type of borrowings	June 30, 2020	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	\$ 120,000	1.20%	Land, buildings and structures, and promissory notes
Unsecured borrowings	680,000	1.20%~1.30%	Promissory notes
	<u>\$ 800,000</u>		

Guarantees for the credit line of the Company's short-term borrowings provided by related parties are as follows:

	June 30, 2021	December 31, 2020	June 30, 2020	Footnote
Jack Hsu	<u>\$ 900,000</u>	<u>\$ 900,000</u>	<u>\$ 900,000</u>	Promissory notes/ Guarantee

(8) Other payables

	June 30, 2021	December 31, 2020	June 30, 2020
Dividends payable	\$ 292,677	\$ -	\$ 292,677
Wages and salaries payable	31,463	30,222	33,279
Fuel expense payable	47,751	29,381	32,208
Commissions payable	15,297	7,791	10,307
Interest payable	8,375	10,564	18,436
Insurance expense payable	20,815	15,506	27,561
Port expense payable	1,509	-	8,928
Employees' compensation and directors' and supervisors' remuneration payable	16,604	10,234	4,276
Payable on machinery and equipment	15,886	31,081	-
Others	74,947	63,810	46,379
	<u>\$ 525,324</u>	<u>\$ 198,589</u>	<u>\$ 474,051</u>

## (9) Long-term borrowings

Bank	Collateral	June 30, 2021	December 31, 2020	June 30, 2020
Mega Bank	Vessel-Maxim	\$ 367,905 (USD 13,206 thousand)	\$ 429,820 (USD 15,092 thousand)	\$ 503,073 (USD 16,979 thousand)
ING Bank	Vessel-Kondor	560,683 (USD 20,125 thousand)	623,000 (USD 21,875 thousand)	700,009 (USD 23,625 thousand)
Mega Bank (and syndicate)	Vessel-Tai Shan	- -	102,118 (USD 3,586 thousand)	159,363 (USD 5,378 thousand)
Mega Bank (and syndicate)	Vessel-Oceana	184,294 (USD 6,615 thousand)	215,309 (USD 7,560 thousand)	252,003 (USD 8,505 thousand)
Mega Bank (and syndicate)	Vessel-Palona	- -	215,309 (USD 7,560 thousand)	252,003 (USD 8,505 thousand)
Mega Bank (and syndicate)	Vessel-Elbhoff	965,349 (USD 34,650 thousand)	1,069,068 (USD 37,538 thousand)	1,197,793 (USD 40,425 thousand)
Mega Bank (and syndicate)	Vessel-Tien Shan	819,084 (USD 29,400 thousand)	897,120 (USD 31,500 thousand)	995,568 (USD 33,600 thousand)
Sea 86 Leasing Co. Limited (Note)	Vessel-Chou Shan	273,307 (USD 9,810 thousand)	313,924 (USD 11,023 thousand)	362,270 (USD 12,226 thousand)
Sea 87 Leasing Co. Limited (Note)	Vessel-Chin Shan	281,256 (USD 10,095 thousand)	320,487 (USD 11,253 thousand)	367,405 (USD 12,400 thousand)
		3,451,878	4,186,155	4,789,487
Less: Current portion-due within one year (shown as other current liabilities)		( 1,087,748)	( 839,469)	( 869,181)
		<u>\$ 2,364,130</u>	<u>\$ 3,346,686</u>	<u>\$ 3,920,306</u>
Interest rates		<u>1.39% ~ 6.23%</u>	<u>1.41% ~ 6.23%</u>	<u>1.98% ~ 6.23%</u>

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

Note: The Group sold and leased back the vessel and has a right to buy back the vessel at a consideration stipulated in the contract at the end of the lease period. According to IFRS 15, such right is a part of sale and leaseback transactions and the entity should continue to recognise the asset in the balance sheet. The entity should account for proceeds as a financial liability in accordance with IFRS 9.

## (10) Pensions

### A. Defined benefit pension plan

- (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, 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 Labor Standards Act. 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 an amount equal to 2% of the employees’ monthly salaries and wages 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 December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions to cover the deficit by next March.

- (b) For the aforementioned pension plan, the Group recognised pension costs of \$105, \$154, \$209 and \$309 for the three-month and six-month periods ended June 30, 2021 and 2020, respectively.
- (c) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2021 amount to \$467.

#### 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 the defined contribution pension plan of the Company for the three-month and six-month periods ended June 30, 2021 and 2020 were \$319, \$620, \$573 and \$1,276, 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, 2021 and 2020 were \$298, \$207, \$531 and \$524, respectively.

#### (11) Share capital-common stock

- A. As of June 30, 2021, the Company’s authorised capital was \$7,000,000 and the paid-in capital was \$5,853,533, consisting of 585,353,297 common shares with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

#### (12) 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 Act 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.

#### (13) 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 earnings according to the decision of the Board of Directors and Stockholders.

Provided that full or part of the distributable dividends and bonus, capital surplus or legal reserve are distributed in the form of cash, the regulation in relation to approval from the shareholders for the above is not applicable.

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

(a) The appropriations of 2020 earnings had been proposed by the Board of Directors on March 23, 2021 and the appropriations of 2019 earnings had been resolved at the stockholders' meeting on June 19, 2020. Details are summarised below:

	2020		2019	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 14,118		\$ 8,761	
Special reserve	866,142		425,661	
Cash dividends	292,677	\$ 0.50	292,677	\$ 0.50
	<u>\$ 1,172,937</u>		<u>\$ 727,099</u>	

As of August 10, 2021, aforementioned appropriations of 2020 earnings have not yet been resolved at the stockholders' meeting, except for cash dividends which had already been decided by the Board of Directors and only need to be reported at the stockholders' meeting.



(14) Operating revenue

	For the three-month periods ended June 30,	
	2021	2020
Revenue from contracts with customers	\$ 999,245	\$ 1,014,748

  

	For the six-month periods ended June 30,	
	2021	2020
Revenue from contracts with customers	\$ 1,761,464	\$ 2,138,210

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of services over time in the following major categories:

For the three-month period ended June 30, 2021	Bulk carrier	Oil tanker	Management service	Total
Revenue from external customer contracts	\$ 916,292	\$ 77,893	\$ 5,060	\$ 999,245
Timing of revenue recognition Over time	\$ 916,292	\$ 77,893	\$ 5,060	\$ 999,245

  

For the three-month period ended June 30, 2020	Bulk carrier	Oil tanker	Management service	Total
Revenue from external customer contracts	\$ 386,703	\$ 622,676	\$ 5,369	\$ 1,014,748
Timing of revenue recognition Over time	\$ 386,703	\$ 622,676	\$ 5,369	\$ 1,014,748

  

For the six-month period ended June 30, 2021	Bulk carrier	Oil tanker	Management service	Total
Revenue from external customer contracts	\$ 1,416,331	\$ 334,951	\$ 10,182	\$ 1,761,464
Timing of revenue recognition Over time	\$ 1,416,331	\$ 334,951	\$ 10,182	\$ 1,761,464

  

For the six-month period ended June 30, 2020	Bulk carrier	Oil tanker	Management service	Total
Revenue from external customer contracts	\$ 990,068	\$ 1,137,375	\$ 10,767	\$ 2,138,210
Timing of revenue recognition Over time	\$ 990,068	\$ 1,137,375	\$ 10,767	\$ 2,138,210

## B. Contract assets and liabilities

The Group has recognised the following revenue-related contract assets and liabilities:

	June 30, 2021	December 31, 2020	June 30, 2020	January 1, 2020
Contract assets				
- bulk carrier	\$ 204,023	\$ 81,626	\$ 40,248	\$ 99,113
Contract liabilities				
- bulk carrier	\$ 28,744	\$ 67,613	\$ 58,941	\$ 35,616
Contract liabilities				
- oil tanker	\$ -	\$ 24,531	\$ -	\$ -

C. Contract liabilities at the beginning of 2021 and 2020 amounting to \$92,144 and \$35,616, respectively, were all recognised as operating revenue for the six-month periods ended June 30, 2021 and 2020, respectively.

## (15) Interest income

	For the three-month periods ended June 30,	
	2021	2020
Interest income from bank deposits	\$ 1,155	\$ 4,028

	For the six-month periods ended June 30,	
	2021	2020
Interest income from bank deposits	\$ 2,346	\$ 13,333

## (16) Other income

	For the three-month periods ended June 30,	
	2021	2020
Rent income	\$ 92	\$ 92
Insurance claims	18,106	-
Others	1,992	3
	\$ 20,190	\$ 95

	For the six-month periods ended June 30,	
	2021	2020
Rent income	\$ 183	\$ 183
Insurance claims	18,106	-
Others	1,992	3
	\$ 20,281	\$ 186

(17) Other gains and losses

		<u>For the three-month periods ended June 30,</u>	
		<u>2021</u>	<u>2020</u>
Currency exchange gains	\$	37,909	\$ 29,630
Impairment loss recognised in profit or loss, property, plant and equipment	(	24,782)	-
Other losses	(	5,634)	( 2)
	\$	<u>7,493</u>	<u>\$ 29,628</u>
		<u>For the six-month periods ended June 30,</u>	
		<u>2021</u>	<u>2020</u>
Currency exchange gains	\$	34,855	\$ 17,757
Impairment loss recognised in profit or loss, property, plant and equipment	(	24,782)	-
Other losses	(	5,634)	( 2)
	\$	<u>4,439</u>	<u>\$ 17,755</u>

(18) Finance costs

		<u>For the three-month periods ended June 30,</u>	
		<u>2021</u>	<u>2020</u>
Interest expense			
Interest expense on bank borrowings	\$	24,488	\$ 43,564
Lease liabilities		174	226
	\$	<u>24,662</u>	<u>\$ 43,790</u>
		<u>For the six-month periods ended June 30,</u>	
		<u>2021</u>	<u>2020</u>
Interest expense			
Interest expense on bank borrowings	\$	50,884	\$ 95,531
Lease liabilities		362	476
	\$	<u>51,246</u>	<u>\$ 96,007</u>

(19) Expenses by nature

Function Nature	For the three-month periods ended June 30,					
	2021			2020		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense	\$ 123,134	\$ 29,538	\$ 152,672	\$ 125,921	\$ 30,503	\$ 156,424
Depreciation	303,864	1,260	305,124	333,509	1,153	334,662
Amortisation	-	12	12	-	26	26

  

Function Nature	For the six-month periods ended June 30,					
	2021			2020		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense	\$ 240,395	\$ 57,033	\$ 297,428	\$ 255,585	\$ 59,931	\$ 315,516
Depreciation	612,496	2,442	614,938	670,643	2,336	672,979
Amortisation	-	25	25	-	51	51

(20) Employee benefit expense

Function Nature	For the three-month periods ended June 30,					
	2021			2020		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Wages and salaries	\$ 96,278	\$ 26,243	\$ 122,521	\$ 105,517	\$ 27,235	\$ 132,752
Labor and health insurance fees	279	741	1,020	728	794	1,522
Pension costs	-	722	722	303	678	981
Other personnel expenses	26,577	1,832	28,409	19,373	1,796	21,169
Total	\$ 123,134	\$ 29,538	\$ 152,672	\$ 125,921	\$ 30,503	\$ 156,424

  

Function Nature	For the six-month periods ended June 30,					
	2021			2020		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Wages and salaries	\$ 193,140	\$ 50,414	\$ 243,554	\$ 211,159	\$ 52,768	\$ 263,927
Labor and health insurance fees	538	1,535	2,073	1,332	1,572	2,904
Pension costs	-	1,313	1,313	620	1,489	2,109
Other personnel expenses	46,717	3,771	50,488	42,474	4,102	46,576
Total	\$ 240,395	\$ 57,033	\$ 297,428	\$ 255,585	\$ 59,931	\$ 315,516

- A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, 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' remuneration.
- B. For the six-month periods ended June 30, 2021 and 2020, employees' compensation was accrued at \$3,185 and \$2,138, respectively; while directors' remuneration was accrued at \$3,185 and \$2,138, respectively. The aforementioned amounts were recognised in salary expenses.

Employees' compensation and directors' remuneration for 2020 were both \$5,117 as resolved by

the Board of Directors and were in agreement with those amounts recognised in the 2020 financial statements. The employees' compensation was intended to be distributed in the form of cash for the year ended December 31, 2020, but had not been actually paid as of June 30, 2021.

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

(21) Income tax

A. Income tax expense (benefit)

(a) Components of income tax expense:

	For the three-month periods ended June 30,	
	2021	2020
Current tax:		
Current tax on profits for the period	\$ 85,936	\$ 262
Prior year income tax underestimation	( 2)	-
Total current tax	<u>85,934</u>	<u>262</u>
Deferred tax:		
Origination and reversal of temporary differences	(\$ 37,664)	(\$ 3,279)
Total deferred tax	<u>( 37,664)</u>	<u>( 3,279)</u>
Income tax expense (benefit)	<u>\$ 48,270</u>	<u>(\$ 3,017)</u>

  

	For the six-month periods ended June 30,	
	2021	2020
Current tax:		
Current tax on profits for the period	\$ 85,936	\$ 262
Prior year income tax underestimation	( 2)	-
Total current tax	<u>85,934</u>	<u>262</u>
Deferred tax:		
Origination and reversal of temporary differences	(\$ 38,185)	(\$ 5,445)
Total deferred tax	<u>( 38,185)</u>	<u>( 5,445)</u>
Income tax expense (benefit)	<u>\$ 47,749</u>	<u>(\$ 5,183)</u>

B. The Company's income tax returns through 2018 have been assessed and approved by the Tax Authority.

(22) Earnings per share

For the three-month period ended June 30, 2021			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit from continuing operations attributable to ordinary shareholders of the parent	\$ 132,427	585,353	\$ 0.23
Profit from discontinued operations attributable to the parent	<u>69,649</u>	<u>-</u>	<u>0.12</u>
Profit attributable to ordinary shareholders	<u>\$ 202,076</u>	<u>585,353</u>	<u>\$ 0.35</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 132,427	585,353	\$ 0.23
Profit from discontinued operations attributable to the parent	69,649	-	0.12
Assumed conversion of all dilutive potential ordinary shares			
- employees' compensation	<u>-</u>	<u>48</u>	<u>-</u>
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 202,076</u>	<u>585,401</u>	<u>\$ 0.35</u>

For the three-month period ended June 30, 2020			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit from continuing operations attributable to ordinary shareholders of the parent	\$ 209,936	585,353	\$ 0.36
Loss from discontinued operations attributable to the parent	( 37,198)	-	( 0.06)
Profit attributable to ordinary shareholders	<u>\$ 172,738</u>	<u>585,353</u>	<u>\$ 0.30</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 209,936	585,353	\$ 0.36
Loss from discontinued operations attributable to the parent	( 37,198)	-	( 0.06)
Assumed conversion of all dilutive potential ordinary shares			
- employees' compensation	-	114	-
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 172,738</u>	<u>585,467</u>	<u>\$ 0.30</u>

For the six-month period ended June 30, 2021			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit from continuing operations attributable to ordinary shareholders of the parent	\$ 180,582	585,353	\$ 0.31
Profit from discontinued operations attributable to the parent	83,885	-	0.14
Profit attributable to ordinary shareholders	<u>\$ 264,467</u>	<u>585,353</u>	<u>\$ 0.45</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 180,582	585,353	\$ 0.31
Profit from discontinued operations attributable to the parent	83,885	-	0.14
Assumed conversion of all dilutive potential ordinary shares - employees' compensation	-	155	-
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 264,467</u>	<u>585,508</u>	<u>\$ 0.45</u>



For the six-month period ended June 30, 2020			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit from continuing operations attributable to ordinary shareholders of the parent	\$ 292,350	585,353	\$ 0.50
Loss from discontinued operations attributable to the parent	( 77,357)	-	( 0.13)
Profit attributable to ordinary shareholders	<u>\$ 214,993</u>	<u>585,353</u>	<u>\$ 0.37</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 292,350	585,353	\$ 0.50
Loss from discontinued operations attributable to the parent	( 77,357)	-	( 0.13)
Assumed conversion of all dilutive potential ordinary shares			
- employees' compensation	-	146	-
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 214,993</u>	<u>585,499</u>	<u>\$ 0.37</u>

(23) Supplemental cash flow information

A. Investing activities with partial cash payments:

	For the six-month period ended June 30,	
	2021	2020
Purchase of property, plant and equipment	\$ 94,075	\$ 22,549
Less: Beginning balance of prepayment on equipment (shown as other non-current assets)	( 1,040)	( 58,961)
Add: Ending balance of prepayment on equipment (shown as other non-current assets)	9,221	82,602
Add: Beginning balance of payable on equipment (shown as other payables)	31,081	-
Less: Ending balance of payable on equipment (shown as other payables)	( 15,886)	-
Cash paid during the period	<u>\$ 117,451</u>	<u>\$ 46,190</u>

B. Financing activities with no cash flow effects:

	For the six-month periods ended June 30,	
	2021	2020
Cash dividends payable	<u>\$ 292,677</u>	<u>\$ 292,677</u>

(24) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2021	\$ 840,000	\$ 4,186,155	\$ 16,377	\$ 5,042,532
Proceeds from borrowings	629,740	-	-	629,740
Repayment of borrowings	- ( 650,303)	- ( 650,303)	- ( 2,833)	( 650,303)
Payment of principal	-	-	( 2,833)	( 2,833)
Impact of changes in foreign exchange rate	( 6,820)	( 83,974)	34	( 90,760)
At June 30, 2021	<u>\$ 1,462,920</u>	<u>\$ 3,451,878</u>	<u>\$ 13,578</u>	<u>\$ 4,928,376</u>

	Short-term borrowings	Long-term borrowings	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2020	\$ 800,000	\$ 5,345,630	\$ 22,794	\$ 6,168,424
Repayment of borrowings	-	( 499,901)	-	( 499,901)
Payment of principal	-	-	( 2,817)	( 2,817)
Impact of changes in foreign exchange rate	-	( 56,242)	( 1,018)	( 57,260)
At June 30, 2020	<u>\$ 800,000</u>	<u>\$ 4,789,487</u>	<u>\$ 18,959</u>	<u>\$ 5,608,446</u>

## 7. RELATED PARTY TRANSACTIONS

### (1) Names of related parties and relationship

Name of related parties	Relationship with the Group
Jack Hsu	Chairman
Oak Maritime (Hong Kong) Inc. Limited (Oak HK)	Other related party
Oak Agencies Limited (OAL)	Other related party
Asia Century Navigation Co., Ltd. (Asia Century)	Other related party
Diamonds Ocean Limited (Diamonds Ocean)	Other related party
World Sea Navigation Limited (World Sea)	Other related party

### (2) Significant related party transactions and balances

#### A. Operating revenue

	For the three-month periods ended June 30,	
	2021	2020
Management revenue:		
Other related party	<u>\$ 5,060</u>	<u>\$ 5,369</u>
	For the six-month periods ended June 30,	
	2021	2020
Management revenue:		
Other related party	<u>\$ 10,182</u>	<u>\$ 10,767</u>

Management revenue is the agent revenue arising from vessel agent contract. Sales of services are based on the price lists in force and terms that would be available to third parties.

## B. Operating costs

	For the three-month periods ended June 30,	
	2021	2020
Commission fee:		
Other related party (Note)	\$ 15,028	\$ 8,033
	For the six-month periods ended June 30,	
	2021	2020
Commission fee:		
Other related party (Note)	\$ 24,328	\$ 16,737

Note: Commission fee of \$15,028 for the three-month period ended June 30, 2021 includes the deduction item of profit from discontinued operations amounting to \$2,816.

## C. Other receivables

Amounts prepaid on behalf of related parties and agents:

	June 30, 2021	December 31, 2020	June 30, 2020
Other receivables:			
Other related party	\$ -	\$ 233	\$ 6,125

## D. Other payables

Advances from related parties and agency payable:

	June 30, 2021	December 31, 2020	June 30, 2020
Other payables:			
Other related party	\$ 20,197	\$ 22,246	\$ 13,137

E. For details of the guarantee provided by the Company's chairman to the Company, please refer to Note 6(7).

## (3) Key management compensation

	For the three-month periods ended June 30,	
	2021	2020
Salaries and other short-term employee benefits	\$ 7,487	\$ 6,051
Post-employment benefits	141	118
	\$ 7,628	\$ 6,169

	For the six-month periods ended June 30,	
	2021	2020
Salaries and other short-term employee benefits	\$ 13,923	\$ 11,561
Post-employment benefits	238	236
	<u>\$ 14,161</u>	<u>\$ 11,797</u>

## 8. PLEDGED ASSETS

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

Pledged assets	Book value			Pledge purpose
	June 30, 2021	December 31, 2020	June 30, 2020	
Bank deposits (shown as "other current assets")	\$ 206,091	\$ 335,100	\$ 278,520	Long-term loans
Guarantee deposits paid (shown as "other non-current assets")	7,434	7,439	7,426	Deposit of golf certificates and others
Property, plant and equipment				
Vessels and equipment-net	12,621,965	11,061,508	11,461,720	Long-term loans and short-term borrowings
Land and building and structures- net	99,398	99,682	99,966	Credit lines of short-term borrowings
	<u>\$ 12,934,888</u>	<u>\$ 11,503,729</u>	<u>\$ 11,847,632</u>	

## 9. CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

### (1) Contingent liabilities

None.

### (2) Commitments

A. The Company has outstanding notes payable for bank financing amounting to \$1,074,000.

B. As of June 30, 2021, the outstanding balance arising from the acquisition of vessel's equipment amounted to \$90,451 (US\$3,247 thousand).

## 10. SIGNIFICANT DISASTER LOSS

None.

## 11. SIGNIFICANT SUBSEQUENT EVENTS

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. Financial instruments by category

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
<u>Financial assets</u>			
Financial assets at amortised cost			
Cash and cash equivalents	\$ 4,584,410	\$ 4,665,858	\$ 4,344,170
Financial assets at amortised cost (including current portion)	1,708,986	1,300	434
Accounts receivable, net	238,205	180,524	502,679
Other receivables	102,438	166,967	129,599
Other receivables - related parties	-	233	6,125
Other financial assets	206,091	335,100	278,520
Guarantee deposits paid (shown as "other non-current assets")	7,434	7,439	7,426
	<u>\$ 6,847,564</u>	<u>\$ 5,357,421</u>	<u>\$ 5,268,953</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 1,462,920	\$ 840,000	\$ 800,000
Other payables	525,324	198,589	474,051
Other payables - related parties	20,197	22,246	13,137
Long-term borrowings (including current portion)	3,451,878	4,186,155	4,789,487
	<u>\$ 5,460,319</u>	<u>\$ 5,246,990</u>	<u>\$ 6,076,675</u>
Lease liabilities	<u>\$ 13,578</u>	<u>\$ 16,377</u>	<u>\$ 18,959</u>

### 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 minimise 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 cooperation 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

the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

- 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, 2021				
	Foreign currency amount (In thousands)		Exchange rate	Book value (NTD)
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	\$	26,644	27.86	\$ 742,195
NTD : USD		7,349	0.04	7,393
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	\$	55,211	27.86	\$ 1,538,307
December 31, 2020				
	Foreign currency amount (In thousands)		Exchange rate	Book value (NTD)
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	\$	3,541	28.48	\$ 100,641
NTD : USD		7,272	0.04	7,307
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	\$	55,214	28.48	\$ 1,572,599

June 30, 2020			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 7,203	29.63	\$ 213,830
NTD : USD	7,596	0.03	7,591
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 55,259	29.63	\$ 1,637,490

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

For the three-month period ended June 30, 2021			
	Exchange gain (loss)		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ -	27.86	(\$ 962)
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ -	27.86	\$ 39,498
For the three-month period ended June 30, 2020			
	Exchange gain (loss)		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ -	29.63	(\$ 1,592)
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ -	29.63	\$ 33,006



For the six-month period ended June 30, 2021			
Exchange gain (loss)			
Foreign currency	amount	Exchange rate	Book value
(In thousands)			(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ -	27.86	(\$ 115)
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ -	27.86	\$ 36,078
For the six-month period ended June 30, 2020			
Exchange gain (loss)			
Foreign currency	amount	Exchange rate	Book value
(In thousands)			(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ -	29.63	\$ 1,360
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ -	29.63	\$ 19,251

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

For the six-month period ended June 30, 2021			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 7,422	\$ -
NTD:USD	1%	74	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 15,383	\$ -

	For the six-month period ended June 30, 2020			
	Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 2,138	\$	-
NTD:USD	1%	76		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 16.375	\$	-

#### Cash flow and fair value 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, 2021 and 2020, 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, 2021 and 2020, if interest rates on USD-denominated borrowings had been 1% higher/lower with all other variables held constant, pre-tax (loss) profit for the six-month periods ended June 30, 2021 and 2020 would have been \$17,551 and \$20,299 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. The main factor is that counterparties could not repay in full the contract cash flows of the accounts receivable based on the agreed terms.

- ii. The Group manages its credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms and obligation completed, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
  - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
  - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
  - (iii) Default or delinquency in interest or principal repayments;
  - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vi. The Group classifies customers' accounts receivable in accordance with customer types. The Group applies the modified approach using the provision matrix to estimate expected credit loss.
- vii. The Group wrote-off the financial assets, which cannot reasonably be expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On June 30, 2021, December 31, 2020 and June 30, 2020, the Group has no written-off financial assets that are still under recourse procedures.
- viii. The Group used the forecastability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default

possibility of accounts receivable and lease payments receivable. On June 30, 2021, December 31, 2020 and June 30, 2020, the provision matrix is as follows:

<u>June 30, 2021</u>	<u>Not past due</u>	<u>Total</u>
Expected loss rate	Approximately 0 %	
Total book value	\$ <u>238,205</u>	\$ <u>238,205</u>
Loss allowance	\$ <u>-</u>	\$ <u>-</u>
<u>December 31, 2020</u>	<u>Not past due</u>	<u>Total</u>
Expected loss rate	Approximately 0 %	
Total book value	\$ <u>180,524</u>	\$ <u>180,524</u>
Loss allowance	\$ <u>-</u>	\$ <u>-</u>
<u>June 30, 2020</u>	<u>Not past due</u>	<u>Total</u>
Expected loss rate	Approximately 0 %	
Total book value	\$ <u>502,679</u>	\$ <u>502,679</u>
Loss allowance	\$ <u>-</u>	\$ <u>-</u>

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

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Not past due	\$ <u>238,205</u>	\$ <u>180,524</u>	\$ <u>502,679</u>

(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, 2021	Less than one year	Between one and five years	Over five years
Short-term borrowings	\$ 1,462,920	\$ -	\$ -
Other payables (including related parties)	545,521	-	-
Lease liability	6,210	8,256	-
Long-term borrowings (including current portion)	1,160,022	1,988,697	473,115

Non-derivative financial liabilities December 31, 2020	Less than one year	Between one and five years	Over five years
Short-term borrowings	\$ 840,000	\$ -	\$ -
Other payables (including related parties)	220,835	-	-
Lease liability	6,410	11,214	-
Long-term borrowings (including current portion)	930,118	2,802,522	679,998

Non-derivative financial liabilities June 30, 2020	Less than one year	Between one and five years	Over five years
Short-term borrowings	\$ 800,000	\$ -	\$ -
Other payables (including related parties)	487,188	-	-
Lease liability	6,590	14,010	-
Long-term borrowings (including current portion)	1,009,637	3,280,210	942,506

### (3) Other matter

The Company is an international sea freight company. Since the global outbreak of the Covid-19 last year, countries around the world have implemented various preventive measures, curtailing port operations and reducing staff movements, making it difficult to deploy crew and bringing global economic activity to a standstill, which resulted to a decline in demand for shipping. Fortunately, with the successful development of the vaccine and its widespread use, the economies of various countries have been unblocked since the second half of last year, and the simultaneous expansion of infrastructure to stimulate economic growth has finally led to a rebound in bulk sea freight prices, which have been in the doldrums for many years and even reached a ten-year high in the second quarter of this year. On the contrary, the supply and demand side of the tanker business is still affected by the frequent incidents of virus strain mutation and contamination, which still depresses the demand for crude oil to a certain extent and makes the market price trend relatively conservative. In the second quarter of 2021, under the domestic epidemic alert policy, the pandemic did not have any significant impact on the Company's operations, except for the implementation of the government's epidemic prevention policy of working from home, stocking up on epidemic prevention equipment, and strengthening the promotion of cleaning and disinfection of the working environment and employee self-management.

## 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 \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 3.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 4.

### (2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 5.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 6.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Name, number of shares and shareholding ratio of shareholders whose ownership reached 5%: Please refer to table 7.

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

(2) Measurement of segment information

The Chief Operating Decision-Maker assesses the performance of the operating segments based on the profit or loss before income tax. This measurement basis excludes the effects of non-recurring expenditures from the operating segments.

(3) Information about segment profit or loss

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

	For the six-month period ended June 30, 2021			
	Bulk carrier	Oil tanker	Other segments	Total
Revenues from third parties	\$ 1,416,331	\$ 334,951	\$ 10,182	\$ 1,761,464
Segment (loss) income	\$ 302,232	(\$ 38,380)	\$ 10,182	\$ 274,034

	For the six-month period ended June 30, 2020			
	Bulk carrier	Oil tanker	Other segments	Total
Revenues from third parties	\$ 990,068	\$ 1,137,375	\$ 10,767	\$ 2,138,210
Segment (loss) income	(\$ 422,941)	\$ 708,227	\$ 10,767	\$ 296,053

(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.

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

	For the six-month periods ended June 30,	
	2021	2020
Reportable segment income	\$ 263,852	\$ 285,286
Other segment income	10,182	10,767
Total operating segment income	274,034	296,053
Others	24,720	17,944
Income from continuing operations before tax	<u>\$ 298,754</u>	<u>\$ 313,997</u>



## Sincere Navigation Corporation and Subsidiaries

## Loans to others

For the six-month period ended June 30, 2021

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, 2021	Balance at June 30, 2021	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		Limit on loans granted to a single party ( Note 2 )	Ceiling on total loans granted ( Note 2 )	Footnote
													Item	Value			
0	Sincere Navigation Corporation	None													\$ 4,227,119	\$ 5,636,158	
1	Norley Corporation Inc.	Sincere Navigation Corporation	Other receivables - related parties	Y	\$ 998,900	\$ 975,100	\$ 975,100	-	2	-	Working capital	-	-	-	11,310,436	11,310,436	The Maximun amount amounted to USD 35,000,000 for the current period, and the actual amount was USD 35,000,000 at the end of period.
2	Heywood Limited	Sincere Navigation Corporation	Other receivables - related parties	Y	570,800	557,200	557,200	-	2	-	Working capital	-	-	-	4,684,288	4,684,288	The Maximun amount amounted to USD 20,000,000 for the current period, and the actual amount was USD 20,000,000 at the end of period.

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 or between the subsidiaries which are directly or indirectly 100% owned by the Company and 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, 2021

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 (Note 3)	Maximum outstanding endorsement/ guarantee amount as of June 30, 2021 (Note 4)	Outstanding endorsement/ guarantee amount at June 30, 2021 (Note 5)	Actual amount drawn down (Note 6)	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 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	Sincere Navigation Corporation	Helmsman Navigation Co. Ltd.	2	\$ 14,090,395	\$ 242,733	\$ 236,949	\$ 184,294	\$ -	21.30%	\$ 35,225,988	Y	N	N	Guarantee balance is US\$ 8,505 thousand
0	"	Keystone Shipping Co. Ltd.	2	14,090,395	404,554	-	-	-	21.30%	35,225,988	Y	N	N	Guarantee balance is US\$ 0 thousand
0	"	Maxson Shipping Inc.	2	14,090,395	153,178	-	-	-	21.30%	35,225,988	Y	N	N	Guarantee balance is US\$ 0 thousand
0	"	Everwin Maritime Limited	2	14,090,395	646,088	420,463	367,905	-	21.30%	35,225,988	Y	N	N	Guarantee balance is US\$ 15,092 thousand
0	"	Pacifica Maritime Limited	2	14,090,395	1,236,139	1,206,686	965,349	-	21.30%	35,225,988	Y	N	N	Guarantee balance is US\$ 43,313 thousand
0	"	Ocean Grace Limited	2	14,090,395	1,018,878	994,602	819,084	-	21.30%	35,225,988	Y	N	N	Guarantee balance is US\$ 35,700 thousand
0	"	Brighton Shipping Inc.	2	14,090,395	121,239	76,998	76,998	-	21.30%	35,225,988	Y	N	N	Guarantee balance is US\$ 2,764 thousand

Number (Note 1)	Endorser/ guarantor	Company name	Party being endorsed/guaranteed	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of June 30, 2021 (Note 4)	Outstanding endorsement/ guarantee amount at June 30, 2021 (Note 5)	Actual amount drawn down (Note 6)	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 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
			Relationship with the endorser/ guarantor (Note 2)											
0	Sincere Navigation Corporation	Rockwell Shipping Limited	2	\$ 14,090,395	\$ 110,553	\$ 66,141	\$ 66,141	\$ -	21.30%	\$ 35,225,988	Y	N	N	Guarantee balance is US\$ 2,374 thousand
1	Norley Corporation Inc.	Kenmore Shipping Inc.	2	11,310,436	623,000	585,060	560,683	-	5.17%	28,276,090	N	N	N	Guarantee balance is US\$ 21,000 thousand
2	Victory Navigation Inc.	Norley Corporation Inc.	3	737,600	570,800	557,200	557,200	-	75.54%	1,844,000	N	N	N	Guarantee balance is US\$ 20,000 thousand
3	Everprime Shipping Limited	Norley Corporation Inc.	3	734,451	570,800	557,200	557,200	-	75.87%	1,836,128	N	N	N	Guarantee balance is US\$ 20,000 thousand (Note 8)
4	Ocean Wise Limited	Norley Corporation Inc.	3	1,042,989	856,200	835,800	612,920	-	80.14%	2,607,473	N	N	N	Guarantee balance is US\$ 30,000 thousand (Note 8)
5	Poseidon Marine Ltd.	Norley Corporation Inc.	3	1,560,390	856,200	835,800	612,920	-	53.56%	3,900,975	N	N	N	Guarantee balance is US\$ 30,000 thousand (Note 8)
6	Maxson Shipping Inc.	Norley Corporation Inc.	3	1,070,459	856,200	835,800	612,920	-	78.08%	2,676,148	N	N	N	Guarantee balance is US\$ 30,000 thousand (Note 8)

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 seven categories; fill in the number of category each case belongs to:

(1) Having business relationship.

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

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

(4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

(5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.

(6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: According to the Company’s “Procedures for Provision of Endorsements and Guarantees”:

[The Company]

(1) The limit on endorsements and guarantees provided for aan individual party shall not exceed the Company's equity.

Those which are provided for an individual party due to business relationship, shall not exceed the total amount of transactions with the Company in the most recent year.

(2) The ceiling on total endorsements and guarantees shall not exceed 250% of the Company's equity.

[The Company and subsidiaries]

(1) The limit on endorsements and guarantees provided for aan individual party shall not exceed the Company's equity.

(2) The ceiling on total endorsements and guarantees shall not exceed 300% of the Company's equity.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorised by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in ‘Y’ for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Note 8: The outstanding endorsement/guarantee amount that Victory Navigation Inc., Everprime Shipping Limited, Ocean Wise Limited, Poseidon Marine Ltd. and Maxson Shipping Inc. jointly provided to Norley Corporation Inc. is US\$ 30 million.

Sincere Navigation Corporation and Subsidiaries  
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more  
June 30, 2021

Table 3

Expressed in thousands of NTD  
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2021	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	\$ 975,100 (USD 35,000 thousand)	-	-	-	-	-
Heywood Limited (Heywood)	Sincere Navigation Corporation	Heywood's parent company	\$ 557,200 (USD 20,000 thousand)	-	-	-	-	-

Table 3

Sincere Navigation Corporation and Subsidiaries  
Significant inter-company transactions during the reporting period  
For the six-month period ended June 30, 2021

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	Sincere Navigation Corporation	Helmsman Navigation Co. Ltd.	1	Guarantees	\$ 236,949	As per the Company's policy	1.09%
0	"	Everwin Maritime Limited	1	"	420,463	"	1.93%
0	"	Pacifica Maritime Limited	1	"	1,206,686	"	5.55%
0	"	Ocean Grace Limited	1	"	994,602	"	4.57%
1	Norley Corporation Inc.	Kenmore Shipping Inc.	1	"	585,060	"	2.69%
1	"	Sincere Navigation Corporation	2	Other receivables	975,100	"	4.48%
2	Heywood Limited	Sincere Navigation Corporation	2	"	557,200	"	2.56%
3	Victory Navigation Inc.	Norley Corporation Inc.	2	Guarantees (Note 5)	557,200	"	2.56%
4	Everprime Shipping Limited	Norley Corporation Inc.	2	"	557,200	"	2.56%
5	Ocean Wise Limited	Norley Corporation Inc.	2	"	835,800	"	3.84%
6	Poseidon Marine Ltd.	Norley Corporation Inc.	2	"	835,800	"	3.84%
7	Maxson Shipping Inc.	Norley Corporation Inc.	2	"	835,800	"	3.84%

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 year to consolidated total operating revenues for income statement accounts.

Note 4: The inter-company transactions below 1% of consolidated assets or revenue are not disclosed.

Note 5: The outstanding endorsement/guarantee amount that Victory Navigation Inc., Everprime Shipping Limited, Ocean Wise Limited, Poseidon Marine Ltd. and Maxson Shipping Inc. jointly provided to Norley Corporation Inc. is US\$ 30 million.

Sincere Navigation Corporation and Subsidiaries  
Information on investees  
For the six-month period ended June 30, 2021

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount (Note 1)		Shares held as at June 30, 2021 (Note 2)			Net profit (loss) of the investee for the six-month period ended June 30, 2021 (Note 2)	Investment income (loss) recognised by the Company for the six-month period ended June 30, 2021	Footnote
				Balance as at June 30, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Sincere Navigation Corporation	Norley Corporation Inc.	Republic of Liberia	Investment holdings	\$ 27,860 (USD 1,000 thousand)	\$ 28,480 (USD 1,000 thousand)	500	100%	\$ 11,310,436	\$ 38,520	\$ 38,520	Subsidiary
"	Heywood Limited	Marshall Islands	"	27,860 (USD 1,000 thousand)	28,480 (USD 1,000 thousand)	500	100%	4,684,288	278,490	278,490	Subsidiary
Norley Corporation Inc.	Kenmore Shipping Inc.	Marshall Islands	Oil tanker	1,284,625 (USD 46,110 thousand)	1,313,213 (USD 46,110 thousand)	500	100%	1,865,415 (	71,349)	-	Second-tier subsidiary
"	Winnington Limited	"	Investment holdings	-	295,548 (USD 10,377 thousand)	-	100%	-	418	-	Second-tier subsidiary
"	Jetwall Co. Ltd.	"	"	751,551 (USD 26,976 thousand)	882,196 (USD 30,976 thousand)	400	80%	1,443,276	72,579	-	Second-tier subsidiary
"	Victory Navigation Inc.	"	"	153 (USD 6 thousand)	157 (USD 6 thousand)	275	55%	405,680	39,972	-	Second-tier subsidiary
"	Poseidon Marine Ltd	"	Shipping	223,159 (USD 8,010 thousand)	228,125 (USD 8,010 thousand)	500	100%	1,560,390 (	8,795)	-	Second-tier subsidiary
"	Maxson Shipping Inc.	"	"	292,530 (USD 10,500 thousand)	299,040 (USD 10,500 thousand)	500	100%	1,070,459	9,998	-	Second-tier subsidiary
"	Ocean Wise Limited	Republic of Liberia	"	623,228 (USD 22,370 thousand)	637,097 (USD 20,370 thousand)	500	100%	1,042,989	34,908	-	Second-tier subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount (Note 1)		Shares held as at June 30, 2021 (Note 2)			Net profit (loss) of the investee for the six-month period ended June 30, 2021 (Note 2)	Investment income (loss) recognised by the Company for the six-month period ended June 30, 2021	Footnote
				Balance as at June 30, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Norley Corporation Inc.	Pacifica Maritime Limited	Marshall Islands	Oil tanker	\$ 1,359,289 (USD 48,790 thousand)	\$ 1,389,539 (USD 48,790 thousand)	500	100%	\$ 1,684,783	(\$ 39,281)	-	Second-tier subsidiary
"	Sky Sea Maritime Limited	"	Investment holdings	446,053 (USD 16,011 thousand)	455,979 (USD 16,011 thousand)	275	55%	588,660	84,659	-	Second-tier subsidiary
"	Elroy Maritime Service Inc.	"	Maritime service	5,572 (USD 200 thousand)	5,696 (USD 200 thousand)	500	100%	7,176	980	-	Second-tier subsidiary
"	Glory Selah Limited	"	Investment holdings	950,026 (USD 34,100 thousand)	-	275	55%	949,813	(392)	-	Second-tier subsidiary
Winnington Limited	Peg Shipping Company Limited	Republic of Liberia	Shipping	-	285 (USD 10 thousand)	-	100%	-	428	-	Third-tier subsidiary
Jetwall Co. Ltd.	Everwin Maritime Limited	Marshall Islands	"	939,439 (USD 33,720 thousand)	1,102,746 (USD 38,720 thousand)	500	100%	1,804,826	72,607	-	Third-tier subsidiary
Victory Navigation Inc.	Everprime Shipping Limited	"	Shipping	279 (USD 10 thousand)	285 (USD 10 thousand)	500	100%	734,451	40,005	-	Third-tier subsidiary
Sky Sea Maritime Limited	Ocean Grace Limited	"	"	811,005 (USD 29,110 thousand)	829,053 (USD 29,110 thousand)	500	100%	1,070,563	84,687	-	Third-tier subsidiary
Elroy Maritime Service Inc.	Oak Maritime (Canada) Inc.	Canada	Maritime service	3,581 (USD 128 thousand)	3,661 (USD 128 thousand)	1,000	100%	4,601	1,035	-	Third-tier subsidiary
Glory Selah Limited	Bridge Poiema Limited	Marshall Islands	Shipping	1,727,320 (USD 62,000 thousand)	-	500	100%	1,726,976	(348)	-	Second-tier subsidiary
Heywood Limited	Clifford Navigation Corporation	Marshall Islands	Shipping	279 (USD 10 thousand)	285 (USD 10 thousand)	500	100%	499,596	13,473	-	Second-tier subsidiary
"	Brighton Shipping Inc.	"	"	279 (USD 10 thousand)	285 (USD 10 thousand)	500	100%	450,235	40,288	-	Second-tier subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount (Note 1)		Shares held as at June 30, 2021 (Note 2)			Net profit (loss) of the investee for the six-month period ended June 30, 2021 (Note 2)	Investment income (loss) recognised by the Company for the six-month period ended June 30, 2021	Footnote
				Balance as at June 30, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Heywood Limited	Rockwell Shipping Limited	Marshall Islands	Shipping	\$ 279 (USD 10 thousand)	\$ 285 (USD 10 thousand)	500	100%	\$ 325,140	\$ 52,489	-	Second-tier subsidiary
"	Howells Shipping Inc.	"	"	334,599 (USD 12,010 thousand)	342,045 (USD 12,010 thousand)	500	100%	731,282	5,200	-	Second-tier subsidiary
"	Crimson Marine Company	"	"	1,069,768 (USD 38,398 thousand)	1,093,575 (USD 38,398 thousand)	500	100%	360,595	83,885	-	Second-tier subsidiary
"	Century Shipping Limited	HongKong	Investment holdings	13,930 (USD 500 thousand)	14,240 (USD 500 thousand)	50,000	100%	5,360	3,010	-	Second-tier subsidiary
"	Helmsman Navigation Co. Ltd.	Marshall Islands	Shipping	588,125 (USD21,110 thousand)	601,213 (USD 21,110 thousand)	500	100%	522,884	43,178	-	Second-tier subsidiary
"	Keystone Shipping Co. Ltd.	"	"	685,635 (USD24,610 thousand)	558,493 (USD 19,610 thousand)	500	100%	639,507	45,565	-	Second-tier subsidiary

Note 1: The above balances of initial investments as at June 30, 2021 and December 31, 2020 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, 2021 and net profit (loss) of the investee for the six-month period ended June 30, 2021 were translated at the closing exchange rates at the balance sheet and the average exchange rates for the six-month period ended June 30, 2021, respectively.

Note 3: The liquidation of Winnington Limited and Peg Shipping Company Ltd. was completed on June 18, 2021.



Sincere Navigation Corporation and Subsidiaries  
Information on investments in Mainland China  
For the six-month period ended June 30, 2021

Table 6

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, 2021	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the six-month period ended June 30, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2021	Net income of investee for the six-month period ended June 30, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six-month period ended June 30, 2021 (Note 2)	Book value of investments in Mainland China as of June 30, 2021	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2021	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Haihu Maritime Service (Shanghai) Co., Ltd.	Maritime service	\$ 15,855 (USD 500 thousand)	2	\$ 15,855 (USD 500 thousand)	\$ -	\$ -	\$ 15,855 (USD 500 thousand)	\$ 3,010 (RMB 691 thousand )	100%	\$ 3,010 (RMB 691 thousand )	\$ 5,360 ( RMB1,243 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 period 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, 2021	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	\$ 8,454,237

Table 6

Sincere Navigation Corporation and Subsidiaries  
Major shareholders information  
June 30, 2021

Table 7

Number of major shareholders	Shares	
	Name of shares held	Ownership (%)
CTBC BANK CO., LTD. IN CUSTODY FOR HO MAO INVESTMENT CORPORATION	58,060,800	9.91%

Note 1: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded on the financial statements may be different from the actual number of shares in dematerialised form due to the difference in calculation basis.

Note 2: If the aforementioned data contains shares which were kept at the trust by the shareholders, the data was disclosed as separate account of client which was set by the trustee. As for the shareholder who reports share equity as a insider whose shareholding ratio greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio including the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets. For the information of reported share equity of insider, please refer to Market Observation Post System.