SINCERE NAVIGATION CORPORATION
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2022 AND 2021

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' REPORT

Opinion

We have audited the accompanying consolidated balance sheets of Sincere Navigation Corporation and subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2022 consolidated financial statements are as follows:

Impairment of vessels and equipment

Description

Refer to Notes 4(14), 5(2) and 6(5) for the accounting policy, accounting estimates and assumptions applied on impairment of property, plant and equipment and related impairment explanation.

The Group engages in bulk and crude oil shipping service. Vessels are the Group's significant operating assets. Bulk shipping service is closely related with the demand for bulk commodities, and significantly affected by global economy. Therefore, the impairment of vessels is the Group's material risk. The valuation of impairment is assessed by management by comparing the book value to the recoverable amount based on the analysis of industry dynamics and the Group's operating plan. As at December 31, 2022, vessel equipment amounted to NT$14,462,784 thousand, constituting 67% of total assets.

The main assumptions adopted in measuring the recoverable amount are subject to management's judgement, which include the estimation of residual value, useful life, future freight rate and the rate used to discount projected future cash flows. The results of accounting estimates have a significant effect in determining the recoverable amount. Therefore, we considered the impairment of vessels and equipment as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained the information that management used to assess whether there was an indication that the assets were impaired. Inspected the accuracy of the information which was obtained from internal and external sources, and assessed the reasonableness of the assessment result.

2. Obtained the valuation information used by management in determining the recoverable amount. Discussed the operating plan with management about the income and expenses that may occur in the future and reviewed performance conditions of previous operating plan to assess management's performance intention and ability. Obtained the subsequent information within a certain period to compare with the original plan.

3. Compared the discount rate used in the valuation model with the rate of return on assets of similar assets in the market, and checked the assumptions used in calculating the weighted average cost of capital (WACC) with actual proportion of equity capital, industrial risk coefficient and market risk premium.

4. Checked the parameters and the formula used in the valuation model.

Reasonableness of V/C (voyage charterer) revenue recognition timing

Description

Refer to Notes 4(22) and 6(13) for the accounting policy on revenue recognition and related details of revenue.

The Group's operating revenue is derived from two types of contracts which are T/C (time charter) and V/C (voyage charter). For T/C revenue, the Group calculates and recognises revenue based on daily freight rate and voyage information recorded on the contract and as such, the recognition cut-off point is explicit at the end of the reporting period. For V/C revenue, the Group recognises revenue based on the percentage of completion of services rendered. There are many factors involved in determining the progress of revenue recognition, such as, the length of the negotiated period of contracts, conditions of vessels and equipment, the changes of port of discharge and loading, etc.

Given that the Group's V/C revenue recognition involves manual judgement, a significant amount of resources is required in conducting the audit. Thus, we considered the cut-off of V/C revenue recognition as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the procedures of management in recognising V/C revenue, and confirmed the evidence of revenue recognition and the appropriateness of approval procedures.
2. Checked the contracts for V/C around the period of balance sheet date, and based on our understanding of the client's operating conditions, assessed the reasonableness of voyage planning developed by management.
3. Obtained the location information reported by the crew of each vessel on the balance sheet date, and compared it with management's voyage planning to verify whether revenue has been recognised properly in accordance with the completion of voyage.
4. Obtained the related settlement vouchers in subsequent period to evaluate the reasonableness of revenue recognition.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Sincere Navigation Corporation as at and for the years ended December 31, 2022 and 2021.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Yi-fan Lin Fu-Ming, Liao

Lin, Yi-Fan Liao, Fu-Ming

For and on behalf of PricewaterhouseCoopers, Taiwan

March 9, 2023

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
DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Assets	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 3,814,013	18	$ 5,423,323	25
1136	Current financial assets at amortised cost	6(2) and 8	642,938	3	114,326	1
1140	Current contract assets	6(13)	52,135	-	134,702	1
1170	Accounts receivable		638,737	3	280,224	1
1200	Other receivables		46,776	-	123,458	1
1210	Other receivables - related parties	7	-	-	62	-
1220	Current tax assets		1,238	-	-	-
130X	Bunker inventories		156,094	1	209,319	1
1410	Prepayments		43,256	-	32,231	-
1470	Other current assets	8	115,515	-	258,300	1
11XX	**Total current assets**		5,510,702	25	6,575,945	31
	Non-current assets					
1535	Non-current financial assets at amortised cost	6(2)	1,567,129	7	1,520,262	7
1600	Property, plant and equipment	6(3)(5)(6)(8) and 8	14,567,822	68	13,389,543	62
1755	Right-of-use assets	6(4)	4,815	-	11,298	-
1840	Deferred income tax assets	6(21)	7,840	-	5,028	-
1900	Other non-current assets	8	7,818	-	32,842	-
15XX	**Total non-current assets**		16,155,424	75	14,958,973	69
1XXX	**Total assets**		$ 21,666,126	100	$ 21,534,918	100

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SINCERE NAVIGATION CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Liabilities and Equity	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(7)	$ 1,595,000	7	$ 850,000	4
2130	Current contract liabilities	6(13)	39,460	-	72,949	-
2200	Other payables		236,197	1	213,825	1
2220	Other payables - related parties	7	13,953	-	16,801	-
2230	Current income tax liabilities		7,174	-	92,040	-
2280	Current lease liabilities		4,473	-	5,562	-
2320	Long-term liabilities, current portion	6(8)	379,269	2	1,245,089	6
21XX	**Total current liabilities**		2,275,526	10	2,496,266	11
	Non-current liabilities					
2540	Long-term borrowings	6(8)	1,907,475	9	3,105,585	15
2570	Deferred income tax liabilities	6(21)	-	-	35,658	-
2580	Non-current lease liabilities		1,220	-	6,802	-
2600	Other non-current liabilities	6(9)	12,413	-	23,598	-
25XX	**Total non-current liabilities**		1,921,108	9	3,171,643	15
2XXX	**Total liabilities**		4,196,634	19	5,667,909	26
	Equity attributable to owners of parent					
	Share capital	6(10)				
3110	Share capital - common stock		5,853,533	27	5,853,533	27
	Capital surplus	6(11)				
3200	Capital surplus		243,785	1	243,203	1
	Retained earnings	6(12)				
3310	Legal reserve		3,256,327	15	3,185,897	15
3320	Special reserve		2,684,372	12	2,216,073	10
3350	Unappropriated retained earnings		4,685,867	22	5,610,398	26
	Other equity interest					
3400	Other equity interest		(898,413)	(4)	(2,684,372)	(12)
31XX	**Equity attributable to owners of the parent**		15,825,471	73	14,424,732	67
36XX	Non-controlling interest	4(3)	1,644,021	8	1,442,277	7
3XXX	**Total equity**		17,469,492	81	15,867,009	74
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 21,666,126	100	$ 21,534,918	100

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

SINCERE NAVIGATION CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE)

			Year ended December 31			
			2022		2021	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(13) and 7	$ 4,242,639	100	$ 4,297,446	100
5000	Operating costs	6(19)(20) and 7	(3,543,206)	(84)	(3,004,673)	(70)
5900	Net operating margin		699,433	16	1,292,773	30
	Operating expenses	6(19)(20)				
6200	General and administrative expenses		(213,577)	(5)	(219,513)	(5)
6450	Impairment loss determined in accordance with IFRS 9	12(2)	(5,533)	-	(477)	-
6000	Total operating expenses		(219,110)	(5)	(219,990)	(5)
6500	Other losses	6(14)	-	-	(8,403)	-
6900	Operating profit		480,323	11	1,064,380	25
	Non-operating income and expenses					
7100	Interest income	6(15)	175,390	4	61,366	1
7010	Other income	6(16)	25,194	1	23,453	-
7020	Other gains and losses	6(17)	(264,011)	(6)	(260,436)	(6)
7050	Finance costs	6(18)	(116,468)	(3)	(103,864)	(2)
7000	Total non-operating income and expenses		(179,895)	(4)	(279,481)	(7)
7900	**Profit before income tax**		300,428	7	784,899	18
7950	Income tax benefit (expense)	6(21)	31,526	1	(11,554)	-
8000	**Profit for the year from continuing operations**		331,954	8	773,345	18
8100	Profit for the year from discontinued operations	6(6)	-	-	84,453	2
8200	**Profit for the year**		$ 331,954	8	$ 857,798	20

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SINCERE NAVIGATION CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE)

	Items	Notes	Year ended December 31 2022 AMOUNT	2022 %	2021 AMOUNT	2021 %
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial gain on defined benefit plans	6(9)	$ 2,991	-	$ 136	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(21)	(598)	-	(27)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		1,944,264	46	(504,229)	(12)
8300	**Total other comprehensive income (loss) for the year**		$ 1,946,657	46	($ 504,120)	(12)
8500	**Total comprehensive income for the year**		$ 2,278,611	54	$ 353,678	8
	Profit attributable to:					
8610	Owners of the parent		$ 197,158	5	$ 704,189	16
8620	Non-controlling interest		134,796	3	153,609	4
			$ 331,954	8	$ 857,798	20
	Comprehensive income attributable to:					
8710	Owners of the parent		$ 1,985,510	47	$ 235,999	5
8720	Non-controlling interest		293,101	7	117,679	3
			$ 2,278,611	54	$ 353,678	8
	Earnings per share (in dollars)	6(22)				
9710	Basic earnings per share from continuing operations		$	0.34	$	1.06
9720	Basic earnings per share from discontinued operations			-		0.14
9750	Total basic earnings per share		$	0.34	$	1.20
	Diluted earnings per share (in dollars)	6(22)				
9810	Diluted earnings per share from continuing operations		$	0.34	$	1.06
9820	Diluted earnings per share from discontinued operations			-		0.14
9850	Total diluted earnings per share		$	0.34	$	1.20

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

SINCERE NAVIGATION CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Equity attributable to owners of the parent										
			Capital Reserves			Retained Earnings						
	Notes	Share capital - common stock	Treasury stock transactions	Difference between consideration and carrying amount of subsidiaries acquired	Others	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Total	Non-controlling interest	Total equity
For the year ended December 31, 2021												
Balance at January 1, 2021		$ 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
Profit for the year		-	-	-	-	-	-	704,189	-	704,189	153,609	857,798
Other comprehensive income (loss) for the year		-	-	-	-	-	-	109	(468,299)	(468,190)	(35,930)	(504,120)
Total comprehensive income (loss)		-	-	-	-	-	-	704,298	(468,299)	235,999	117,679	353,678
Appropriations of 2020 earnings:	6(12)											
Legal reserve		-	-	-	-	14,118	-	(14,118)	-	-	-	-
Special reserve		-	-	-	-	-	866,142	(866,142)	-	-	-	-
Cash dividends		-	-	-	-	-	-	(292,677)	-	(292,677)	-	(292,677)
Change in non-controlling interest		-	-	-	-	-	-	-	-	-	166,991	166,991
Overdue unclaimed cash dividends		-	-	-	592	-	-	-	-	592	-	592
Balance at December 31, 2021		$ 5,853,533	$ 39,243	$ 199,339	$ 4,621	$ 3,185,897	$ 2,216,073	$ 5,610,398	($ 2,684,372)	$ 14,424,732	$ 1,442,277	$ 15,867,009
For the year ended December 31, 2022												
Balance at January 1, 2022		$ 5,853,533	$ 39,243	$ 199,339	$ 4,621	$ 3,185,897	$ 2,216,073	$ 5,610,398	($ 2,684,372)	$ 14,424,732	$ 1,442,277	$ 15,867,009
Profit for the year		-	-	-	-	-	-	197,158	-	197,158	134,796	331,954
Other comprehensive income for the year		-	-	-	-	-	-	2,393	1,785,959	1,788,352	158,305	1,946,657
Total comprehensive income		-	-	-	-	-	-	199,551	1,785,959	1,985,510	293,101	2,278,611
Appropriations of 2021 earnings:	6(12)											
Legal reserve		-	-	-	-	70,430	-	(70,430)	-	-	-	-
Special reserve		-	-	-	-	-	468,299	(468,299)	-	-	-	-
Cash dividends		-	-	-	-	-	-	(585,353)	-	(585,353)	-	(585,353)
Change in non-controlling interest		-	-	-	-	-	-	-	-	-	(91,357)	(91,357)
Overdue unclaimed cash dividends		-	-	-	582	-	-	-	-	582	-	582
Balance at December 31, 2022		$ 5,853,533	$ 39,243	$ 199,339	$ 5,203	$ 3,256,327	$ 2,684,372	$ 4,685,867	($ 898,413)	$ 15,825,471	$ 1,644,021	$ 17,469,492

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

SINCERE NAVIGATION CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	For the year ended December 31, 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit from continuing operations before tax		$ 300,428	$ 784,899
Profit from discontinued operations before tax	6(6)	-	84,453
Profit before tax		300,428	869,352
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(19)	1,276,954	1,217,848
Amortisation	6(19)	103	59
Impairment loss determined in accordance with IFRS 9	12(2)	5,533	477
Interest income	6(15)	(175,390)	(61,383)
Interest expense	6(18)	116,468	103,869
Gain on disposal of non-current assets classified as held for sale	6(6)	-	(56,858)
Loss on lease modification	6(4)	55	-
Loss (gain) on disposal of property, plant and equipment	6(3)	9	(6,997)
Impairment loss recognised in profit or loss, property, plant and equipment	6(5)	92,380	304,882
Changes in operating assets and liabilities			
Changes in operating assets			
Current contract assets		82,567	(53,111)
Accounts receivable		(364,213)	(99,700)
Other receivables		80,984	43,136
Other receivables - related parties		62	171
Bunker inventories		53,225	(109,509)
Prepayments		(11,025)	5,508
Changes in operating liabilities			
Current contract liabilities		(33,489)	(19,195)
Other payables		12,323	42,474
Other payables - related parties		(2,848)	(5,445)
Accrued pension liabilities		(8,194)	(9,119)
Cash inflow generated from operations		1,425,932	2,166,459
Interest received		171,225	61,312
Income tax paid		(93,858)	(827)
Refund of income tax		-	251
Net cash flows from operating activities		1,503,299	2,227,195

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SINCERE NAVIGATION CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	For the year ended December 31, 2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in financial assets at amortised cost		($ 522,070)	($ 1,727,320)
Repayment of principal of financial assets at amortised cost		121,728	83,817
Decrease in other current assets		142,785	76,800
Proceeds from disposal of non-current assets classified as held for sale	6(6)	-	274,361
Acquisition of property, plant, and equipment	6(23)	(1,128,628)	(355,927)
Proceeds from disposal of property, plant and equipment		-	327,722
Acquisition of intangible assets		-	(206)
Increase in refundable deposits		(221)	-
Net cash flows used in investing activities		(1,386,406)	(1,320,753)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings	6(24)	745,000	10,000
Repayment of principal of lease liability	6(24)	(5,631)	(5,777)
Proceeds from long-term borrowings	6(24)	-	1,293,630
Repayment of long-term borrowings	6(24)	(2,464,908)	(1,016,994)
Interest paid		(113,196)	(99,694)
Cash dividends paid	6(12)	(585,353)	(292,677)
Change in non-controlling interests		(91,357)	166,991
Overdue unclaimed cash dividends		582	592
Net cash flows (used in) from financing activities		(2,514,863)	56,071
Effect of changes in foreign exchange rate		788,660	(205,048)
Net (decrease) increase in cash and cash equivalents		(1,609,310)	757,465
Cash and cash equivalents at beginning of year		5,423,323	4,665,858
Cash and cash equivalents at end of year		$ 3,814,013	$ 5,423,323

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

SINCERE NAVIGATION CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

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 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 authorised for issuance by the Board of Directors on March 9, 2023.

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") that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became 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.

(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 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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.

(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
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 - comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024

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 applied in the preparation of these consolidated financial statements 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 the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(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:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

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

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

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

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:

			Ownership (%)		
Name of investor	Name of subsidiary	Main business activities	December 31, 2022	December 31, 2021	Description
Norley	Poseidon Marine Ltd.	Shipping	100%	100%	
"	Kenmore Shipping Inc.	Oil tanker	100%	100%	
"	Maxson Shipping Inc.	Shipping	100%	100%	
"	Ocean Wise Limited	Shipping	100%	100%	
"	Jetwall Co. Ltd. (Jetwall)	Investment holdings	80%	80%	
"	Victory Navigation Inc. (Victory)	Investment holdings	55%	55%	
"	Pacifica Maritime Limited	Oil tanker	100%	100%	
"	Sky Sea Maritime Limited (Sky Sea)	Investment holdings	55%	55%	
"	Elroy Maritime Services Inc. (Elory)	Maritime service	100%	100%	
"	Glory Selah Limited (Glory)	Investment holdings	55%	55%	Note 1
"	Steady Way Limited (Steady)	Shipping	100%	-	Note 2
"	Clifford Navigation Corporation	Shipping	100%	-	Note 3
"	Brighton Shipping Inc.	Shipping	100%	-	"
"	Rockwell Shipping Limited	Shipping	100%	-	"
"	Howells Shipping Inc.	Shipping	100%	-	"
"	Helmsman Navigation Co. Ltd.	Shipping	100%	-	"
"	Keystone Shipping Co. Ltd.	Shipping	100%	-	"
"	Carmel Splendor Limited	Shipping	100%	-	Note 4
Jetwall	Everwin Maritime Limited	Oil tanker	100%	100%	
Victory	Everprime Shipping Limited	Shipping	100%	100%	
Sky Sea	Ocean Grace Limited	Shipping	100%	100%	
Elroy	Oak Maritime (Canada) Inc.	Maritime service	100%	100%	
Glory	Bridge Poiema Limited	Shipping	100%	100%	Note 1

Note 1: Glory Selah Limited and Bridge Poiema Limited were established in Marshall Islands on April 21, 2021.

Note 2: Steady Way Limited was established in Marshall Islands on April 26, 2022.

Note 3: Due to organizational restructuring, six subsidiaries of Heywood Limited transferred to Norley Coporation Inc. on August 1, 2022.

Note 4: Carmel Splendor Limited was established in Marshall Islands on November 8, 2022.

(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 (%) December 31, 2022	Ownership (%) December 31, 2021	Description
Heywood	Clifford Navigation Corporation	Shipping	-	100%	Note 2
"	Brighton Shipping Inc.	Shipping	-	100%	"
"	Rockwell Shipping Limited	Shipping	-	100%	"
"	Howells Shipping Inc.	Shipping	-	100%	"
"	Crimson Marine Company	Shipping	-	-	Note 1
"	Helmsman Navigation Co. Ltd.	Shipping	-	100%	Note 2
"	Keystone Shipping Co. Ltd.	Shipping	-	100%	"
"	Century Shipping Limited (Centutry)	Investment holdings	100%	100%	
Century	Haihu Maritime Service (Shanghai) Co., Ltd.	Maritime service	100%	100%	

Note 1: Crimson Marine Company ceased operations and was liquidated on December 9, 2021.

Note 2: Due to organizational restructuring, six subsidiaries of Heywood Limited transferred to Norley Coporation Inc. on August 1, 2022.

(c) Sincere Navigation Corporation (Singapore) Pte. Ltd. (Singapore Company)

Singapore Company, a wholly-owned subsidiary of Sincere Navigation Corporation, was established in Singapore and is engaged in shipping services.

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 December 31, 2022 and 2021, the non-controlling interest amounted to $1,664,021 and $1,442,277, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest			
		December 31, 2022		December 31, 2021	
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)
Jetwall Co. Ltd.	Marshall Islands	$403,511	20	$294,818	20
Victory Navigation Inc.	Marshall Islands	324,707	45	355,930	45
Sky Sea Maritime Limited	Marshall Islands	647,692	45	580,847	45
Glory Selah Limited	Marshall Islands	268,111	45	210,682	45

Summarised financial information of the subsidiaries:

Balance sheets

	Jetwall Co. Ltd.	
	December 31, 2022	December 31, 2021
Current assets	$ 397,098	$ 226,305
Non-current assets	1,629,443	1,564,519
Current liabilities	(8,984)	(107,861)
Non-current liabilities	-	(208,873)
Total net assets	$ 2,017,557	$ 1,474,090

	Victory Navigation Inc.	
	December 31, 2022	December 31, 2021
Current assets	$ 241,227	$ 300,523
Non-current assets	487,072	510,258
Current liabilities	(6,728)	(19,826)
Non-current liabilities	-	-
Total net assets	$ 721,571	$ 790,955

	Sky Sea Maritime Limited	
	December 31, 2022	December 31, 2021
Current assets	$ 336,129	$ 385,488
Non-current assets	1,727,599	1,686,984
Current liabilities	(624,412)	(142,292)
Non-current liabilities	-	(639,408)
Total net assets	$ 1,439,316	$ 1,290,772

	Glory Selah Limited	
	December 31, 2022	December 31, 2021
Current assets	$ 289,250	$ 47,912
Non-current assets	1,567,129	1,678,150
Current liabilities	(1,260,577)	(131,649)
Non-current liabilities	-	(1,126,230)
Total net assets	$ 595,802	$ 468,183

Statements of comprehensive income

	Jetwall Co. Ltd.	
	For the years ended December 31,	
	2022	2021
Revenue	$ 248,577	$ 255,747
Profit (loss) before income tax	60,863	(249,979)
Income tax expense	-	-
Profit (loss) for the year	60,863	(249,979)
Other comprehensive income (loss), net of tax	168,316	(46,947)
Total comprehensive income (loss) for the year	$ 229,179	($ 296,926)
Comprehensive income (loss) attributable to non-controlling interest	$ 45,836	($ 59,385)
Dividends paid to non-controlling interest	$ -	$ -

	Victory Navigation Inc.	
	For the years ended December 31,	
	2022	2021
Revenue	$ 231,368	$ 362,352
Profit before income tax	72,155	98,559
Income tax expense	-	-
Profit for the year	72,155	98,559
Other comprehensive income (loss), net of tax	81,961	(21,206)
Total comprehensive income for the year	$ 154,116	$ 77,353
Comprehensive income attributable to non-controlling interest	$ 69,352	$ 34,809
Dividends paid to non-controlling interest	$ 100,575	$ -

	Sky Sea Maritime Limited	
	For the years ended December 31,	
	2022	2021
Revenue	$ 577,954	$ 691,731
Profit before income tax	126,234	314,287
Income tax expense	-	-
Profit for the year	126,234	314,287
Other comprehensive income (loss), net of tax	141,510	(32,032)
Total comprehensive income for the year	$ 267,744	$ 282,255
Comprehensive income attributable to non-controlling interest	$ 120,484	$ 127,014
Dividends paid to non-controlling interest	$ 53,640	$ -

	Glory Selah Limited	
	For the years ended December 31,	
	2022	2021
Revenue	$ -	$ -
Profit before income tax	74,106	39,609
Income tax expense	-	-
Profit for the year	74,106	39,609
Other comprehensive income (loss), net of tax	53,513	(5,739)
Total comprehensive income for the year	$ 127,619	$ 33,870
Comprehensive income attributable to non-controlling interest	$ 57,429	$ 15,241
Dividends paid to non-controlling interest	$ -	$ -

Statements of cash flows

	Jetwall Co. Ltd.	
	For the years ended December 31,	
	2022	2021
Net cash provided by operating activities	$ 100,077	$ 74,739
Net cash provided by (used in) investing activities	18,696	(61,546)
Net cash used in financing activities	(33,023)	(252,590)
Effect of exchange rates on cash and cash equivalents	15,326	(7,372)
Increase (decrease) in cash and cash equivalents	101,076	(246,769)
Cash and cash equivalents, beginning of the year	116,093	362,862
Cash and cash equivalents, end of the year	$ 217,169	$ 116,093

	Victory Navigation Inc.	
	For the years ended December 31,	
	2022	2021
Net cash provided by operating activities	$ 73,185	$ 193,568
Net cash used in investing activities	-	(77,637)
Net cash used in financing activities	(223,500)	-
Effect of exchange rates on cash and cash equivalents	23,604	(5,499)
(Decrease) increase in cash and cash equivalents	(126,711)	110,432
Cash and cash equivalents, beginning of the year	257,568	147,136
Cash and cash equivalents, end of the year	$ 130,857	$ 257,568

	Sky Sea Maritime Limited	
	For the years ended December 31,	
	2022	2021
Net cash provided by operating activities	$ 332,905	$ 278,130
Net cash provided by (used in) investing activities	2,077	(75)
Net cash used in financing activities	(389,458)	(131,526)
Effect of exchange rates on cash and cash equivalents	16,166	(2,249)
(Decrease) increase in cash and cash equivalents	(38,310)	144,280
Cash and cash equivalents, beginning of the year	162,877	18,597
Cash and cash equivalents, end of the year	$ 124,567	$ 162,877

	Glory Selah Limited	
	For the years ended December 31,	
	2022	2021
Net cash provided by operating activities	$ 113,903	$ 46,376
Net cash provided by (used in) investing activities	132,596	(1,688,545)
Net cash (used in) provided by financing activities	(171,652)	1,727,942
Effect of exchange rates on cash and cash equivalents	7,409	(38,968)
Increase in cash and cash equivalents	82,256	46,805
Cash and cash equivalents, beginning of the year	46,805	-
Cash and cash equivalents, end of the year	$ 129,061	$ 46,805

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

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

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

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

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

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

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

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

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

(5) <u>Classification of current and non-current items</u>

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

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

(b) Assets held mainly for trading purposes;

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

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

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

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

(b) Liabilities arising mainly from trading activities;

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

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

(6) <u>Cash equivalents</u>

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

(7) <u>Accounts receivable</u>

A. Accounts receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(8) Impairment of financial assets

For debt instruments measured at financial assets at amortised cost including accounts receivable or contract assets that have a significant financing component, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(9) Derecognition of financial assets

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

(10) Bunker inventories

Inventories are bunker inventories remaining on the vessel at year end. The bunker inventories are determined using the first-in, first-out (FIFO) method.

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

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

(12) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

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

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

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

Buildings and structures	14 ~ 42 years
Vessels and equipment	2.5 ~ 20 years
Office equipment	3 ~ 8 years

(13) Leasing arrangements (lessee) - right-of-use assets and lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability; and

(b) Any lease payments made at or before the commencement date.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(14) Impairment of non-financial assets

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

(15) Borrowings

A. Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(16) Accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(17) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(18) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

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

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

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

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(19) Income tax

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

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

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

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

(20) Share capital

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

(21) Dividends

Dividends are recorded in the Group’s financial statements in the period in which they are resolved by the Board of Directors.

(22) Revenue recognition

Revenue recognition of services

Revenue from providing services is recognised in the accounting period in which the services are rendered. For contract, revenue is recognised based on the percentage of completion of service rendered. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(23) Operating segments

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

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

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

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

None.

(2) Critical accounting estimates and assumptions

Impairment assessment of tangible assets

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

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and revolving funds	$ 380	$ 432
Checking accounts and demand deposits	693,943	2,186,534
Time deposit	3,119,690	3,236,357
	$ 3,814,013	$ 5,423,323

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

Items	December 31, 2022	December 31, 2021
Current items:		
Time deposits with maturity over three months	$ 1,318	$ 1,258
Pledged time deposits	522,070	-
Bareboat charter (Note)	119,550	113,068
	$ 642,938	$ 114,326
Non-current items:		
Bareboat charter (Note)	$ 1,567,129	$ 1,520,262

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. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	For the years ended December 31,	
	2022	2021
Interest income	$ 118,191	$ 57,046

B. Information about financial assets at amortised cost that were pledged to others as collateral is provided in Note 8.

C. As at December 31, 2022 and 2021, 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 were $2,210,067 and $1,634,588, respectively.

(3) Property, plant and equipment

	Land	Buildings and structures	Vessels and equipment	Office equipment	Unfinished construction and equipment under acceptance	Total
At January 1, 2022						
Cost	$ 90,215	$ 28,191	$ 24,421,773	$ 9,589	$ -	$ 24,549,768
Accumulated depreciation	-	(17,919)	(10,858,083)	(7,423)	-	(10,883,425)
Accumulated impairment	-	-	(276,800)	-	-	(276,800)
	$ 90,215	$ 10,272	$ 13,286,890	$ 2,166	$ -	$ 13,389,543
2022						
Opening net book amount	$ 90,215	$ 10,272	$ 13,286,890	$ 2,166	$ -	$ 13,389,543
Additions	-	761	1,138,963	845	18,411	1,158,980
Disposals	-	-	-	(9)	-	(9)
Retirement - cost	-	-	268,860	-	-	268,860
Retirement - accumulated depreciation	-	-	(268,860)	-	-	(268,860)
Transfers	-	-	16,336	-	(16,336)	-
Impairment loss	-	-	(226,480)	-	-	(226,480)
Reversal of impairment loss	-	-	134,100	-	-	134,100
Depreciation	-	(681)	(1,270,255)	(687)	-	(1,271,623)
Net exchange differences	-	-	1,383,230	18	63	1,383,311
Closing net book amount	$ 90,215	$ 10,352	$ 14,462,784	$ 2,333	$ 2,138	$ 14,567,822
At December 31, 2022						
Cost	$ 90,215	$ 28,952	$ 27,941,575	$ 10,676	$ 2,138	$ 28,073,556
Accumulated depreciation	-	(18,600)	(13,076,490)	(8,343)	-	(13,103,433)
Accumulated impairment	-	-	(402,301)	-	-	(402,301)
	$ 90,215	$ 10,352	$ 14,462,784	$ 2,333	$ 2,138	$ 14,567,822

	Land	Buildings and structures	Vessels and equipment	Office equipment	Unfinished construction and equipment under acceptance	Total
At January 1, 2021						
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)
	$ 90,215	$ 10,927	$ 15,443,096	$ 1,297	$ -	$ 15,545,535
2021						
Opening net book amount	$ 90,215	$ 10,927	$ 15,443,096	$ 1,297	$ -	$ 15,545,535
Additions	-	-	297,512	1,391	1,819	300,722
Disposals	-	-	(320,725)	-	-	(320,725)
Retirement - cost	-	-	(34,287)	-	-	(34,287)
Retirement - accumulated depreciation	-	-	34,287	-	-	34,287
Transfers	-	-	1,819	-	(1,819)	-
Reclassified as non-current assets held for sale (Note)	-	-	(217,503)	-	-	(217,503)
Impairment loss	-	-	(304,882)	-	-	(304,882)
Depreciation	-	(655)	(1,210,995)	(509)	-	(1,212,159)
Net exchange differences	-	-	(401,432)	(13)	-	(401,445)
Closing net book amount	$ 90,215	$ 10,272	$ 13,286,890	$ 2,166	$ -	$ 13,389,543
At December 31, 2021						
Cost	$ 90,215	$ 28,191	$ 24,421,773	$ 9,589	$ -	$ 24,549,768
Accumulated depreciation	-	(17,919)	(10,858,083)	(7,423)	-	(10,883,425)
Accumulated impairment	-	-	(276,800)	-	-	(276,800)
	$ 90,215	$ 10,272	$ 13,286,890	$ 2,166	$ -	$ 13,389,543

Note: Information about the reclassification of non-current assets held for sale 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. Impairment information about the property, plant and equipment is provided in Note 6(5).

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

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:

	December 31, 2022	December 31, 2021
	Carrying amount	Carrying amount
Buildings	$ 4,643	$ 7,970
Other equipment	172	3,328
	$ 4,815	$ 11,298

	For the years ended December 31,	
	2022	2021
	Depreciation charge	Depreciation charge
Buildings	$ 3,751	$ 3,662
Other equipment	1,580	2,027
	5,331	5,689
Less: Depreciation charge from discontinued operations	-	(236)
	$ 5,331	$ 5,453

C. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were $0 and $2,148, respectively.

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

	For the years ended December 31,	
	2022	2021
Items affecting profit or loss		
Interest expense on lease liabilities	$ 439	$ 664
Expense on short-term lease contracts	4,941	4,326
Loss on lease modification	55	-

E. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases were $11,011 and $10,207, respectively.

(5) Impairment of non-financial assets

A. The Group recognised impairment loss amounting to $92,380 and $304,882 for the years ended December 31, 2022 and 2021, respectively. Details of the loss are as follows:

	For the years ended December 31,			
	2022		2021	
	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss-Vessels and equipment-net	$ 92,380	$ -	$ 304,882	$ -

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

	For the years ended December 31,			
	2022		2021	
	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in profit or loss	Recognised in other comprehensive income
Bulk carrier	$ 226,480	$ -	$ 24,782	$ -
Oil tanker	(134,100)	-	280,100	-
	$ 92,380	$ -	$ 304,882	$ -

C. An impairment loss was recognised on the vessel "Yue Shan" held by the Group's second-tier subsidiary "Poseidon Marine Ltd.", whose recoverable amount was lower than the book value. The Group wrote down the carrying amount of the asset based on the recoverable amount in the second and the last quarter, respectively, and then recognised total impairment losses of $107,280 (USD 3,600 thousand) for the year ended December 31, 2022. The recoverable amount is the value-in-use of the cash-generating unit, which is estimated by discounted cash flow method. The discount rate for measurement is 10.12%

D. An impairment loss was recognised on the vessel "Mineral Oak" held by the Group's second-tier subsidiary "Ocean Wise Limited", whose recoverable amount was lower than the book value. The Group wrote down the carrying amount of the asset based on the recoverable amount and recognised an impairment loss of $119,200 (USD 4,000 thousand) for the year ended December 31, 2022. The recoverable amount is the value-in-use of the cash-generating unit, which is estimated by discounted cash flow method. The discount rate for measurement is 10.12%

E. A vessel "Madonna III" held by the Group was sold at the price of $327,722, and its recoverable amount was lower than the book value, resulting in the recognition of impairment loss of the Group's property, plant and equipment. 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. The recoverable amount is the property's fair value less costs of capital, evaluated by reference to the transaction price of a property in similar type in accordance with the market approach. The fair value is classified as a level 3 fair value. The Group had completed the sale of the vessel in the third quarter of 2021.

F. An impairment loss was recognised on the vessel "Kondor" held by the Group's second-tier subsidiary "Kenmore Shipping Inc.", whose recoverable amount was lower than the book value. The Group wrote down the carrying amount of the asset based on the recoverable amount and recognised an impairment loss of $67,224 (USD 2,400 thousand) for the year ended December 31, 2021. The recoverable amount was higher than the book value, and the Group wrote up the carrying amount of the asset based on the recoverable amount, and recognised a reversal of impairment loss of $62,580 (USD 2,100 thousand) for the year ended December 31, 2022. The recoverable amount is the value-in-use of the cash-generating unit, which is estimated by discounted cash flow method. The discount rates for measurement were 7.99% and 8.15% in 2022 and 2021, respectively.

G. An impairment loss was recognised on the vessel "Maxim" held by the Group's second-tier subsidiary "Everwin Maritime Limited.", whose recoverable amount was lower than the book value. The Group wrote down the carrying amount of the asset based on the recoverable amount and recognised an impairment loss of $212,876 (USD 7,600 thousand) for the year ended December 31, 2021. The recoverable amount was higher than the book value, and the Group wrote up the carrying amount of the asset based on the recoverable amount, and recognised a reversal of impairment loss of $71,520 (USD 2,400 thousand) for the year ended December 31, 2022. The recoverable amount is the value-in-use of the cash-generating unit, which is estimated by discounted cash flow method. The discount rates for measurement were 10.12% and 8.80% in 2022 and 2021, respectively.

(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 RESOURSES (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:

	For the year ended December 31, 2021
Operating cash flows	$ 41,042
Investing cash flows	274,361
Financing cash flows	(519)
Total cash flows	$ 314,884

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

	For the year ended December 31, 2021
Profit or loss for the year from discontinued operations	
Revenue	$ 45,549
Cost	(18,372)
Gross profit from discontinued operations	27,177
Operating expenses	(476)
Operating profit from discontinued operations	26,701
Interest income	17
Other income	926
Other losses	(44)
Interest expense	(5)
Profit for the year from discontinued operations	$ 27,595
Gain on disposal of assets from discontinued operations	
Gain on disposal of assets from discontinued operations	56,858
Total profit from discontinued operations	$ 84,453
Profit attributable to:	
Owners of the parent	$ 84,453
Non-controlling interest	-
	$ 84,453

B. For profit and earnings per share from continuing and discontinued operations attributable to owners of the parent: Refer to Note 6(22).

(7) Short-term borrowings

Type of borrowings	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 575,000	1.22%~2.06%	Structures, land and promissory notes, and pledged time deposits
Unsecured borrowings	1,020,000	1.10%~2.74%	Promissory notes
	$ 1,595,000		

Type of borrowings	December 31, 2021	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 120,000	1.20%~1.22%	Structures, land and promissory notes
Unsecured borrowings	730,000	1.10%~1.44%	Promissory notes
	$ 850,000		

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

	December 31, 2022	December 31, 2021	Footnote
Jack Hsu	$ 1,100,000	$ 1,100,000	Promissory notes
Jack Hsu	400,000	400,000	Guarantee
Heywood Limited	500,000	-	Jointly guarante

(8) Long-term borrowings

Bank	Collateral	December 31, 2022	December 31, 2021
Mega Bank	Vessel-Maxim	$ -	$ 313,310
		-	(USD 11,319 thousand)
ING Bank	Vessel-Kondor	456,812	508,620
		(USD 14,875 thousand)	(USD 18,375 thousand)
Mega Bank (and syndicate)	Vessel-Oceana	-	156,945
		-	(USD 5,670 thousand)
Mega Bank (and syndicate)	Vessel-Elbhoff	-	879,186
		-	(USD 31,763 thousand)
Mega Bank (and syndicate)	Vessel-Tien Shan	580,419	755,664
		(USD 18,900 thousand)	(USD 27,300 thousand)
Sea 86 Leasing Co.	Vessel-Chou Shan	-	236,321
Limited (Note 1)		-	(USD 8,538 thousand)
Sea 87 Leasing Co.	Vessel-Chin Shan	-	245,686
Limited (Note 1)		-	(USD 8,876 thousand)
Mega Bank	(Note 2)	1,249,513	1,254,942
		(USD 40,687 thousand)	(USD 45,338 thousand)
		22,286,744	4,350,674
Less: Current portion-due within one year (shown as other current liabilities)		(379,269)	(1,245,089)
		$ 1,907,475	$ 3,105,585
Interest rates		1.33% ~ 6.28%	1.33% ~ 6.23%

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

Note 1: 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.

Note 2: The Group purchased the vessel externally and entered into a bareboat charter agreement with the same counterparty at the same time. The Group pledged the vessel to the bank as collateral and borrowed long-term borrowings.

(9) 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) The amounts recognised in the balance sheet are as follows:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	($ 41,545)	($ 50,361)
Fair value of plan assets	29,120	26,763
Net defined benefit liability	(12,425)	(23,598)
Contribution in transit of plan assets	12	-
Net liability in balance sheet	($ 12,413)	($ 23,598)

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2022			
Balance at January 1	($ 50,361)	$ 26,763	($ 23,598)
Current service cost	(326)	-	(326)
Interest (expense) income	(352)	187	(165)
	(51,039)	26,950	(24,089)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	2,002	2,002
Change in financial assumptions	1,478	-	1,478
Experience adjustments	(489)	-	(489)
	989	2,002	2,991
Pension fund contribution	-	168	168
Paid pension	8,505	-	8,505
Balance at December 31	($ 41,545)	$ 29,120	($ 12,425)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2021			
Balance at January 1	($ 58,762)	$ 25,909	($ 32,853)
Current service cost	(319)	-	(319)
Interest (expense) income	(176)	78	(98)
	(59,257)	25,987	(33,270)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	420	420
Change in demographic assumptions	(30)	-	(30)
Change in financial assumptions	1,412	-	1,412
Experience adjustments	(1,666)	-	(1,666)
	(284)	420	136
Pension fund contribution	-	356	356
Paid pension	9,180	-	9,180
Balance at December 31	($ 50,361)	$ 26,763	($ 23,598)

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2022 and 2021 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

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

	For the years ended December 31,	
	2022	2021
Discount rate	1.20%	0.70%
Future salary increases	3.25%	3.25%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2022				
Effect on present value of defined benefit obligation	($ 710)	$ 729	$ 611	($ 598)
December 31, 2021				
Effect on present value of defined benefit obligation	($ 832)	$ 856	$ 708	($ 693)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2023 amount to $150.

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 years ended December 31, 2022 and 2021 were $1,312 and $1,338, 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 years ended December 31, 2022 and 2021 were $1,296 and $1,148, respectively.

(10) Share capital-common stock

As of December 31, 2022, 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.

(11) 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.

(12) 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.

The Board of Directors can distribute all or part of the distributable dividends and bonus, capital surplus or legal reserve in the form of cash as resolved by a majority vote at their meeting attended by two-thirds of the total number of directors and report to the shareholders which the aforementioned regulation of requiring resolution from the shareholders 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 2021 and 2020 earnings had been resolved at the stockholders' meeting on June 10, 2022 and August 24, 2021, respectively. Details are summarised below:

	2021		2020	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 70,430		$ 14,118	
Special reserve	468,299		866,142	
Cash dividends	585,353	$ 1.00	292,677	$ 0.50
	$ 1,124,082		$ 1,172,937	

(b) Subsequent events: the appropriations of 2022 earnings has been proposed by the Board of Directors on March 9, 2023. Details are summarised below:

	2022	
	Amount	Dividends per share (in dollars)
Legal reserve	$ 19,955	
Cash dividends	292,677	$ 0.50
	$ 312,632	
Reversal of special reserve	$ 1,785,959	

As of March 9, 2023, aforementioned appropriations of 2022 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.

(13) Operating revenue

	For the years ended December 31,	
	2022	2021
Revenue from contracts with customers	$ 4,242,639	$ 4,297,446

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 year ended December 31, 2022			
	Bulk carrier	Oil tanker	Management service	Total
Revenue from external customer contracts	$ 3,347,533	$ 873,628	$ 21,478	$ 4,242,639
Timing of revenue recognition				
Over time	$ 3,347,533	$ 873,628	$ 21,478	$ 4,242,639

	For the year ended December 31, 2021			
	Bulk carrier	Oil tanker	Management service	Total
Revenue from external customer contracts	$ 3,823,547	$ 453,667	$ 20,232	$ 4,297,446
Timing of revenue recognition				
Over time	$ 3,823,547	$ 453,667	$ 20,232	$ 4,297,446

B. Contract assets and liabilities

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

	December 31, 2022	December 31, 2021	January 1, 2021
Contract assets - bulk carrier	$ 52,135	$ 134,702	$ 81,626
Contract liabilities - bulk carrier	$ 39,460	$ 72,949	$ 67,613
Contract liabilities - oil tanker	$ -	$ -	$ 24,531

C. Contract liabilities at the beginning of 2022 and 2021 amounting to $72,949 and $92,144, respectively, were all recognised as operating revenue for the years ended December 31, 2022 and 2021, respectively.

(14) Other income and expenses - net

	For the years ended December 31,	
	2022	2021
Claims expense	$ -	$ 8,403

(15) Interest income

	For the years ended December 31,	
	2022	2021
Interest income from bank deposits	$ 57,199	$ 4,320
Interest income from financial assets measured at amortised cost	118,191	57,046
	$ 175,390	$ 61,366

(16) Other income

	For the years ended December 31,	
	2022	2021
Rent income	$ 351	$ 366
Insurance claims	6,146	18,003
Others	18,697	5,084
	$ 25,194	$ 23,453

(17) Other gains and losses

	For the years ended December 31,	
	2022	2021
(Losses) gains on disposals of property, plant and equipment	($ 9)	$ 6,997
Currency exchange (losses) gains	(169,240)	43,088
Impairment loss on property, plant and equipment	(92,380)	(304,882)
Other losses	(2,382)	(5,639)
	($ 264,011)	($ 260,436)

(18) Finance costs

	For the years ended December 31,	
	2022	2021
Interest expense		
Interest expense on bank borrowings	$ 116,029	$ 103,200
Lease liabilities	439	664
	$ 116,468	$ 103,864

(19) Expenses by nature

Function / Nature	For the years ended December 31,					
	2022			2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense	$ 616,523	$ 109,037	$ 725,560	$ 487,963	$ 120,816	$ 608,779
Depreciation	1,271,744	5,210	1,276,954	1,212,932	4,916	1,217,848
Amortisation	-	103	103	-	59	59

(20) Employee benefit expense

Nature \ Function	For the years ended December 31,					
	2022			2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Wages and salaries	$ 501,171	$ 96,237	$ 597,408	$ 390,282	$ 107,986	$ 498,268
Labor and health insurance fees	798	3,141	3,939	868	3,350	4,218
Pension costs	-	3,099	3,099	-	2,903	2,903
Other personnel expenses	114,554	6,560	121,114	96,813	6,577	103,390
Total	$ 616,523	$ 109,037	$ 725,560	$ 487,963	$ 120,816	$ 608,779

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' 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 years ended December 31, 2022 and 2021, employees' compensation were accrued at $5,067 and $7,303, respectively; while directors' remuneration were accrued at $5,067 and $7,303, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 3% of distributable profit of current year for the year ended December 31, 2022. The employees' compensation and directors' remuneration resolved by the Board of Directors were both $5,067, and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' remuneration for 2021 were both $7,303 as resolved by the Board of Directors and were in agreement with those amounts recognised in the 2021 financial statements.

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 (benefit) expense

(a) Components of income tax (benefit) expense:

	For the years ended December 31,	
	2022	2021
Current tax:		
Current tax on profits for the year	$ 6,887	$ 91,467
Prior year income tax under estimation	655	859
Total current tax	7,542	92,326
Deferred tax:		
Origination and reversal of temporary differences	($ 39,068)	($ 80,772)
Total deferred tax	(39,068)	(80,772)
Income tax (benefit) expense	($ 31,526)	$ 11,554

(b) The income tax credit relating to components of other comprehensive income is as follows:

	2022	2021
Remeasurement of defined benefit obligations	$ 598	$ 27

B. Reconciliation between income tax (benefit) expense and accounting profit:

	For the years ended December 31,	
	2022	2021
Tax calculated based on profit before tax and statutory tax rate (Note)	$ 38,636	$ 143,149
Income disallowed by tax regulation	(70,817)	(130,358)
Prior year income tax underestimation	655	859
Effects from backward remittance of earnings	-	(2,096)
Income tax (benefit) expense	($ 31,526)	$ 11,554

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
- Deferred tax assets:				
Net operating losses carryforwards	$ -	$ 1,024	$ -	$ 1,024
Unfunded pension expense	4,720	(1,639)	(598)	2,483
Unused compensated absences	303	(50)	-	253
Unrealised exchange loss	-	4,080	-	4,080
Others	5	(5)	-	-
	5,028	3,410	(598)	7,840
- Deferred tax liabilities:				
Unrealised exchange gain	(35,658)	35,658	-	-
	($ 30,630)	$ 39,068	($ 598)	$ 7,840

	2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
- Deferred tax assets:				
Unfunded pension expense	$ 6,570	($ 1,823)	($ 27)	$ 4,720
Unused compensated absences	288	15	-	303
Others	-	5	-	5
	6,858	(1,803)	(27)	5,028
- Deferred tax liabilities:				
Unrealised investment income	(91,136)	91,136	-	-
Unrealised exchange gain	(27,097)	(8,561)	-	(35,658)
	(118,233)	82,575	-	(35,658)
	($ 111,375)	$ 80,772	($ 27)	($ 30,630)

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2022				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2022	$ 5,120	$ 5,120	$ -	2032

E. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2022 and 2021, the temporary differences unrecognised as deferred tax liabilities were $18,092,427 and $15,959,503, respectively.

F. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(22) Earnings per share

	For the year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit from continuing operations attributable to ordinary shareholders of the parent	$ 197,158	585,353	$ 0.34
Profit from discontinued operations attributable to the parent	-	-	-
Profit attributable to ordinary shareholders	$ 197,158	585,353	$ 0.34
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 197,158	585,353	$ 0.34
Assumed conversion of all dilutive potential ordinary shares			
- employees' compensation	-	260	-
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 197,158	585,613	$ 0.34

	For the year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit from continuing operations attributable to ordinary shareholders of the parent	$ 619,736	585,353	$ 1.06
Profit from discontinued operations attributable to the parent	84,453	-	0.14
Profit attributable to ordinary shareholders	$ 704,189	585,353	$ 1.20
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 619,736	585,353	$ 1.06
Profit from discontinued operations attributable to the parent	84,453	-	0.14
Assumed conversion of all dilutive potential ordinary shares			
- employees' compensation	-	259	-
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 704,189	585,612	$ 1.20

(23) Supplemental cash flow information

A. Investing activities with partial cash payments:

	For the years ended December 31, 2022	2021
Purchase of property, plant and equipment	$ 1,158,980	$ 300,722
Less: Beginning balance of prepayment on equipment (Note 1)	(25,164)	(1,040)
Add: Ending balance of prepayment on equipment (Note 1)	-	25,164
Add: Beginning balance of payable on equipment (Note 2)	-	31,081
Less: Ending balance of payable on equipment (Note 2)	(5,188)	-
Cash paid during the year	$ 1,128,628	$ 355,927

Note 1: Shown as other non-current assets.
Note 2: Shown as other payables.

(24) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2022	$ 850,000	$ 4,350,674	$ 12,364	$ 5,213,038
Proceeds from borrowings	745,000	-	-	745,000
Repayment of borrowings	-	(2,464,908)	-	(2,464,908)
Payment of principal	-	-	(5,631)	(5,631)
Impact of changes in foreign exchange rate	-	400,978	(1,040)	399,938
At December 31, 2022	$ 1,595,000	$ 2,286,744	$ 5,693	$ 3,887,437

	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	10,000	1,293,630	-	1,303,630
Repayment of borrowings	-	(1,016,994)	-	(1,016,994)
Payment of principal	-	-	(5,777)	(5,777)
Impact of changes in foreign exchange rate	-	(112,117)	1,764	(110,353)
At December 31, 2021	$ 850,000	$ 4,350,674	$ 12,364	$ 5,213,038

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Name of related parties	Relationship with the Group
Jack Hsu	Chairman
Kairos Marine Limited (Formerly Oak Agencies Limited)	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 years ended December 31,	
	2022	2021
Management revenue:		
Other related party	$ 21,478	$ 20,232

Management revenue is the agent revenue arising from vessel agent contracts. 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 years ended December 31,	
	2022	2021
Commission fee:		
Other related party	$ 43,110	$ 58,822

Commission fee is the commission expenses arising from vessel agent contracts. Sales of services are based on the price lists in force and terms that would be available to third parties.

C. Other receivables

Amounts prepaid on behalf of related parties and agents:

	December 31, 2022	December 31, 2021
Other receivables:		
Other related party	$ -	$ 62

D. Other payables

Advances from related parties and agency payable:

	December 31, 2022		December 31, 2021	
Other payables:				
Other related party	$	13,953	$	16,801

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

(3) Key management compensation

	For the years ended December 31,			
	2022		2021	
Salaries and other short-term employee benefits	$	25,990	$	27,571
Post-employment benefits		607		530
	$	26,597	$	28,101

8. PLEDGED ASSETS

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

	Book value				
Pledged assets	December 31, 2022		December 31, 2021		Pledge purpose
Time deposits (shown as "financial assets at amortised cost")	$	522,070	$	-	Short-term loans
Bank deposits (shown as "other current assets")		115,515		258,300	Long-term loans
Guarantee deposits paid (shown as "other non-current assets")		7,672		7,430	Deposit of golf certificates and
Property, plant and equipment					
Vessels and equipment-net		6,925,059		11,904,371	Long-term loans and short-term
Land and building and structures		99,185		99,114	Credit lines of short-term borrowings
	$	7,669,501	$	12,269,215	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingent liabilities

Oil tanker, Elbhoff, owned by Pacifica Maritime Limited which is a 100% owned subsidiary of the Company, joined the Tanker International's pool operation and was assigned to provide charter service to SeaRiver Maritime LLC. Due to its engine failure which caused the delay for loading time, SeaRiver terminated the contract and hired substitute vessels. Subsequently, SeaRiver filed arbitration against Tanker International claiming $195,590 (US$7,066 thousand) as substitute rental costs and related port charges. Pacifica, as vessel owner, has potential liability and the claim has been filed for arbitration in New York, USA and the documents were exchanged on January 25, 2022, New York Time. The arbitration case is still in the early stage of negotiation and no specific consensus has been reached. The result of the negotiation is difficult to assess and therefore the impact on the financial statements cannot be assessed.

(2) Commitments

A. The Company has outstanding notes payable for bank financing amounting to $1,125,000.

B. As of December 31, 2022, the outstanding balance arising from the acquisition of vessel's equipment amounted to $36,691 (US$1,195 thousand).

C. Following the arbitration case for the sub-subsidiary of Norley Corporation Inc. (Norley), Pacifica Maritime Limited (Pacifica). As since SeaRiver Maritime LLC, the claimant, requests a lumpsum of $216,956 (US$7,300 thousand) in security, Norley commissioned United States Fire Insurance Company (USFIC) to issue a Surety Bond and Norley as an indemnitor/guarantor also provided a Counter-Security Bond to USFIC. Subsequently, the United Kingdom Mutual Steam Ship Assurance Association Limited (the "UK club") issued a Letter of Undertaking (LOU) to SeaRiver Maritime LLC. Oak Maritime (Canada) Inc. on behalf of the owner of M/T Elbhoff, agreed to pay UK Club a commission of 0.25% of the LOU amount in advance on an annual basis, amounting to $542 (US$18 thousand). Refer to Note 13(1)B for details of endorsements and guarantees that Norley Corporation Inc. and Oak Maritime (Canada) Inc. provided to Pacifica.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The Company's Board of Directors proposed for the appropriation of 2022 earnings. Please refer to Note 6(12)D.

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

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	$ 3,814,013	$ 5,423,323
Financial assets at amortised cost (including current portion)	2,210,067	1,634,588
Accounts receivable, net	638,737	280,224
Other receivables	46,776	123,458
Other receivables - related parties	-	62
Other financial assets	115,515	258,300
Guarantee deposits paid (shown as "other non-current assets")	7,672	7,430
	$ 6,832,780	$ 7,727,385
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 1,595,000	$ 850,000
Other payables	236,197	213,825
Other payables - related parties	13,953	16,801
Long-term borrowings (including current portion)	2,286,744	4,350,674
	$ 4,131,894	$ 5,431,300
Lease liabilities	$ 5,693	$ 12,364

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:

	December 31, 2022				
		Foreign currency amount (In thousands)	Exchange rate		Book value (NTD)
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD：NTD	$	3,558	30.71	$	109,278
NTD：USD		3,890	0.03		3,890
Financial liabilities					
Monetary items					
USD：NTD	$	55,000	30.71	$	1,689,050

	December 31, 2021				
		Foreign currency amount (In thousands)	Exchange rate		Book value (NTD)
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD：NTD	$	15,780	27.68	$	436,887
NTD：USD		4,708	0.04		4,708
Financial liabilities					
Monetary items					
USD：NTD	$	60,226	27.68	$	1,667,181

iii. The unrealized exchange (loss) gain arising from significant foreign exchange variation on the monetary items held by the Group for 2022 and 2021 amounted to ($198,689) and $42,805, respectively.

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

	For the year ended December 31, 2022				
	Sensitivity analysis				
	Degree of variation	Effect on profit or loss		Effect on other comprehensive income	
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD：NTD	1%	$	1,093	$	-
NTD：USD	1%		39		-
Financial liabilities					
Monetary items					
USD：NTD	1%	$	16,891	$	-

	For the year ended December 31, 2021				
	Sensitivity analysis				
	Degree of variation	Effect on profit or loss		Effect on other comprehensive income	
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD：NTD	1%	$	4,369	$	-
NTD：USD	1%		47		-
Financial liabilities					
Monetary items					
USD：NTD	1%	$	16,672	$	-

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 years ended December 31, 2022 and 2021, the Group's borrowings at variable rate were denominated in United States dollars.

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

iii. At December 31, 2022 and 2021, if interest rates on USD-denominated borrowings had been 1% higher/lower with all other variables held constant, pre-tax profit (loss) for the years ended December 31, 2022 and 2021 would have been $22,867 and $38,687 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 was used in the assessment of customers' credit quality through customers' past default records, current financial status and the economic situation and forecast of the industry. According to the Group's historical experience of credit loss, there were no significant differences in losses from different customers' groups, thus, the Group set expected credit loss rate based on the age of accounts receivable and did not distinguish customer groups. The Group used provision matrix method to calculate lifetime expected credit losses.

iii. The Group adopts the following assumption under IFRS 15 and 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 180 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 15 and IFRS 9, that is, the default occurs when the contract payments are past due over 3 years.

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 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 December 31, 2022 and 2021, the Group's written-off financial assets that are still under recourse procedures amounted to $0 and $477, respectively.

vii. 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 December 31, 2022 and 2021, the provision matrix is as follows:

December 31, 2022	Expected loss rate	Total book value	Loss allowance
0 to 180 days	0%	$ 633,088	$ -
181 days -3 years	50%-100%	11,298	5,649
Over 3 years	100%	-	-
Total		$ 644,386	$ 5,649

December 31, 2021	Expected loss rate	Total book value	Loss allowance
0 to 180 days	0%	$ 280,224	$ -
181 days -3 years	50%-100%	-	-
Over 3 years	100%	-	-
Total		$ 280,224	$ -

viii. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable are as follows:

	2022	2021
January 1	$ -	$ -
Provision for impairment	5,533	-
Write-offs	(51)	-
Effect of exchange rate changes	167	-
December 31	$ 5,649	$ -

(c) Liquidity risk

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

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

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

Non-derivative financial liabilities December 31, 2022	Less than one year	Between one and five years	Over five years
Short-term borrowings	$ 1,595,000	$ -	$ -
Other payables (including related parties)	250,150	-	-
Lease liability	4,657	1,215	-
Long-term borrowings (including current portion)	635,288	1,652,725	732,342

Non-derivative financial liabilities December 31, 2021	Less than one year	Between one and five years	Over five years
Short-term borrowings	$ 850,000	$ -	$ -
Other payables (including related parties)	230,626	-	-
Lease liability	5,982	6,995	-
Long-term borrowings (including current portion)	1,311,427	2,340,006	935,712

(3) Fair value information

A. Financial instruments, which are not measured at fair value, includes cash and cash equivalents, accounts receivable, other receivables, other financial assets, short-term borrowings, and other payables. The carrying amounts of these instruments are approximate to their fair values.

B. Finance department is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of non-financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value. Investment property is evaluated regularly by the Group’s financial department based on the valuation methods and assumptions announced by the Finance Supervisory Commission, Securities and Futures Bureau or through outsourced appraisal performed by the external valuer.

The Group has no financial assets and liabilities and non-financial assets and liabilities measured at fair value as at December 31, 2022 and 2021.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Refer to table 1.

B. Provision of endorsements and guarantees to others: 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: Refer to table 3.

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: Refer to table 4.

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

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

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Refer to table 7.

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%: Refer to table 8.

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 year.

(2) Measurement of segment information

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

(3) Information about segment profit or loss

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

	For the year ended December 31, 2022			
	Bulk carrier	Oil tanker	Other segments	Total
Revenues from third parties	$ 3,347,533	$ 873,628	$ 21,478	$ 4,242,639
Segment income	$ 389,291	$ 54,368	$ 95,584	$ 539,243
Depreciation and amortization charge	$ 782,992	$ 494,065	$ -	$ 1,277,057

	For the year ended December 31, 2021			
	Bulk carrier	Oil tanker	Other segments	Total
Revenues from third parties	$ 3,823,547	$ 453,667	$ 20,232	$ 4,297,446
Segment income (loss)	$ 1,286,447	($ 341,851)	$ 77,286	$ 1,021,882
Depreciation and amortization charge	$ 733,744	$ 470,732	$ -	$ 1,204,476

(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 years ended December 31,	
	2022	2021
Reportable segment income	$ 443,659	$ 1,001,650
Other segment income	95,584	20,232
Total operating segment income	539,243	1,021,882
Others	(238,815)	(236,983)
Income from continuing operations before tax	$ 300,428	$ 784,899

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

(6) Major customer information

For the years ended December 31, 2022 and 2021, major customers with revenue representing 10% or above of the Group's total revenue are as follows:

	For the years ended December 31,			
	2022		2021	
	Revenues	Segment	Revenues	Segment
Customer A	$ 1,046,206	Bulk carrier	$ 552,612	Bulk carrier
Customer B	873,628	Oil tanker	252,363	Oil tanker
Customer C	855,007	Bulk carrier	899,305	Bulk carrier

Sincere Navigation Corporation and Subsidiaries

Loans to others

For the year ended December 31, 2022

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 year ended December 31, 2022	Balance at December 31, 2022	Actual amount drawn down	Interest rate	Nature of loan (Note 3)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 2)	Footnote
0	Sincere Navigation Corporation	None													$ 4,747,641	$ 6,330,188	
1	Norley Corporation Inc.	Sincere Navigation Corporation	Receivables from related parties	Y	$ 1,047,900	$ 767,750	$ 767,750	-	2	-	Working capital	-	-	-	12,413,938	12,413,938	The maximun amount amounted to USD 35,000 thousand for the current period, and the actual amount was USD 25,000 thousand at the end of year.
1	Norley Corporation Inc.	Elroy Maritime Service Inc.	Receivables from related parties	Y	5,153	-	-	-	2	-	Working capital	-	-	-	12,413,938	12,413,938	The maximun amount amounted to USD 180 thousand for the current period, and the actual amount was USD 0 at the end of year.
2	Heywood Limited	Sincere Navigation Corporation	Receivables from related parties	Y	1,646,700	921,300	921,300	-	2	-	Working capital	-	-	-	5,909,694	5,909,694	The maximun amount amounted to USD 55,000 thousand for the current period, and the actual amount was USD 30,000 thousand at the end of year.
2	Heywood Limited	Norley Corporation Inc.	Receivables from related parties	Y	3,532,937	3,367,365	3,367,365	-	2	-	Working capital	-	-	-	5,909,694	5,909,694	The Maximun amount amounted to USD 114,650 thousand for the current period, and the actual amount was USD 109,650 thousand at the end of year.
3	Elroy Maritime Service Inc.	Oak Maritime (Canada) Inc.	Receivables from related parties	Y	5,800	5,528	5,528	-	2	-	Working capital	-	-	-	12,329	12,329	The maximun amount amounted to USD 180 thousand for the current period, and the actual amount was USD 180 thousand at the end of year.

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, limit on total financial shall not exceed 40% of the Company's net value.
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 year ended December 31, 2022

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2022 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2022 (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
0	Sincere Navigation Corporation	Helmsman Navigation Co. Ltd.	2	$ 15,825,471	$ 238,395	$ -	$ -	$ -	15.95%	$ 39,563,678	Y	N	N	Guarantee balance is US$ 0
0	〃	Everwin Maritime Limited	2	15,825,471	459,400	-	-	-	15.95%	39,563,678	Y	N	N	Guarantee balance is US$ 0
0	〃	Pacifica Maritime Limited	2	15,825,471	1,240,037	-	-	-	15.95%	39,563,678	Y	N	N	Guarantee balance is US$ 0
0	〃	Ocean Grace Limited	2	15,825,471	1,150,254	1,096,347	580,419	-	15.95%	39,563,678	Y	N	N	Guarantee balance is US$ 35,700 thousand
0	〃	Brighton Shipping Inc.	2	15,825,471	34,482	-	-	-	15.95%	39,563,678	Y	N	N	Guarantee balance is US$ 0
0	〃	Rockwell Shipping Limited	2	15,825,471	23,288	-	-	-	15.95%	39,563,678	Y	N	N	Guarantee balance is US$ 0
0	〃	Bridge Poiema Limited	2	15,825,471	1,498,230	1,428,015	1,249,513	-	15.95%	39,563,678	Y	N	N	Guarantee balance is US$ 46,500 thousand
1	Norley Corporation Inc.	Kenmore Shipping Inc.	2	12,413,938	508,620	456,811	456,811	-	5.49%	31,034,845	N	N	N	Guarantee balance is US$ 14,875 thousand
1	〃	Pacifica Maritime Limited	2	12,413,938	235,206	224,183	224,183	-	5.49%	31,034,845	N	N	N	Guarantee balance is US$ 7,300 thousand (Note 9)
1	〃	Steady Way Limited	2	12,413,938	829,665	-	-	-	5.49%	31,034,845	N	Y	N	Guarantee balance is US$ 0
2	Heywood Limited	Sincere Navigation Corporation	3	5,909,694	500,000	500,000	455,000	522,070	8.46%	14,774,235	N	N	N	Guarantee balance is US$ 500,000 thousand
3	Victory Navigation Inc.	Norley Corporation Inc.	3	721,571	644,400	614,200	-	-	85.12%	1,803,928	N	N	N	Guarantee balance is US$ 20,000 thousand (Note 8)
4	Everprime Shipping Limited	Norley Corporation Inc.	3	718,041	644,400	614,200	-	-	85.54%	1,795,103	N	N	N	Guarantee balance is US$ 20,000 thousand (Note 8)

Sincere Navigation Corporation and Subsidiaries

Provision of endorsements and guarantees to others

For the year ended December 31, 2022

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2022 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2022 (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
5	Ocean Wise Limited	Norley Corporation Inc.	3	$ 927,896	$ 926,325	$ 844,525	$ -	$ -	91.02%	$ 2,319,740	N	N	N	Guarantee balance is US$ 27,500 thousand (Note 8)
6	Poseidon Marine Ltd.	Norley Corporation Inc.	3	1,326,242	926,325	844,525	-	-	63.68%	3,315,605	N	N	N	Guarantee balance is US$ 27,500 thousand (Note 8)
7	Maxson Shipping Inc.	Norley Corporation Inc.	3	1,097,278	926,325	844,525	-	-	76.97%	2,743,195	N	N	N	Guarantee balance is US$ 27,500 thousand (Note 8)
8	Oak Maritime (Canada) Inc.	Pacifica Maritime Limited	4	2,340	588	560	560	-	23.93%	5,850	N	N	N	Guarantee balance is US$ 18 thousand (Note 9)

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$ 27.5 million.

Note 9: Please refer to Note 9(2)C.

Sincere Navigation Corporation and Subsidiaries

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

For the year ended December 31, 2022

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

							If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:						
Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
Steady Way Limited	Rebekah	2022.12.19	$ 790,783	$ 790,783	GREEN SPANKER SHIPPING S.A.	None	-	-	-	$ -	Based on mutual agreement	In consideration of overall operation of the Group.	None

Sincere Navigation Corporation and Subsidiaries

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

For the year ended December 31, 2022

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022	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	$ 767,750 (USD 25,000 thousand)	-	-	-	-	-
Heywood Limited (Heywood)	Sincere Navigation Corporation	Heywood's parent company	$ 921,300 (USD 30,000 thousand)	-	-	-	-	-
Heywood Limited (Heywood)	Norley Corporation Inc. (Norley)	Associates	$ 3,367,365 (USD 109,650 thousand)	-	-	-	-	-

Sincere Navigation Corporation and Subsidiaries

Significant inter-company transactions during the reporting period

For the year ended December 31, 2022

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
0	Sincere Navigation Corporation	Ocean Grace Limited	1	Guarantees	$ 1,096,347	As per the Company's policy	5.06%
0	〃	Bridge Poiema Limited	1	〃	1,428,015	〃	6.59%
1	Norley Corporation Inc.	Kenmore Shipping Inc.	1	〃	456,811	〃	2.11%
1	〃	Pacifica Maritime Limited	1	〃	224,183	〃	1.03%
1	〃	Sincere Navigation Corporation	2	Other receivables	767,750	〃	3.54%
2	Heywood Limited	Sincere Navigation Corporation	2	Guarantees	500,000	〃	2.31%
2	〃	Sincere Navigation Corporation	2	Other receivables	921,300	〃	4.25%
2	〃	Norley Corporation Inc.	3	〃	3,367,365	〃	15.54%
3	Victory Navigation Inc.	Norley Corporation Inc.	2	Guarantees (Note 5)	614,200	〃	2.83%
4	Everprime Shipping Limited	Norley Corporation Inc.	2	〃	614,200	〃	2.83%
5	Ocean Wise Limited	Norley Corporation Inc.	2	〃	844,525	〃	3.90%
6	Poseidon Marine Ltd.	Norley Corporation Inc.	2	〃	844,525	〃	3.90%
7	Maxson Shipping Inc.	Norley Corporation Inc.	2	〃	844,525	〃	3.90%

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$ 27.5 million.

Sincere Navigation Corporation and Subsidiaries

Information on investees

For the year ended December 31, 2022

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

				Initial investment amount (Note 1)		Shares held as at December 31, 2022 (Note 2)					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2022 (Note 2)	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
Sincere Navigation Corporation	Norley Corporation Inc.	Republic of Liberia	Investment holdings	$ 30,710 (USD 1,000 thousand)	$ 27,680 (USD 1,000 thousand)	500	100%	$ 12,410,836	$ 51,845	$ 48,835	Subsidiary
〃	Heywood Limited	Marshall Islands	〃	30,710 (USD 1,000 thousand)	27,680 (USD 1,000 thousand)	500	100%	5,909,694	262,880	262,880	Subsidiary
〃	SINCERE NAVIGATION CORPORATION (SINGAPORE) PTE. LTD.	Singapore	Shipping	3,071 (USD 100 thousand)	- (USD -)	100,000	100%	39,398	35,532	35,249	Subsidiary
Norley Corporation Inc.	Kenmore Shipping Inc.	Marshall Islands	Oil tanker	1,416,038 (USD 46,110 thousand)	1,276,325 (USD 46,110 thousand)	500	100%	1,836,073	58,095	-	Second-tier subsidiary
〃	Jetwall Co. Ltd.	〃	Investment holdings	1,083,940 (USD 35,296 thousand)	746,696 (USD 26,976 thousand)	400	80%	1,614,046	60,863	-	Second-tier subsidiary
〃	Victory Navigation Inc.	〃	〃	169 (USD 6 thousand)	152 (USD 6 thousand)	275	55%	396,864	72,155	-	Second-tier subsidiary
〃	Poseidon Marine Ltd	〃	Shipping	245,987 (USD 8,010 thousand)	221,717 (USD 8,010 thousand)	500	100%	1,326,242	(169,692)	-	Second-tier subsidiary
〃	Maxson Shipping Inc.	〃	〃	322,455 (USD 10,500 thousand)	290,640 (USD 10,500 thousand)	500	100%	1,097,278	73,105	-	Second-tier subsidiary
〃	Ocean Wise Limited	Republic of Liberia	〃	686,982 (USD 22,370 thousand)	619,201 (USD 22,370 thousand)	500	100%	927,896	(210,378)	-	Second-tier subsidiary

				Initial investment amount (Note 1)		Shares held as at December 31, 2022 (Note 2)					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2022 (Note 2)	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
Norley Corporation Inc.	Pacifica Maritime Limited	Marshall Islands	Oil tanker	$ 2,542,481 (USD 82,790 thousand)	$ 1,461,227 (USD 52,790 thousand)	500	100%	$ 2,834,723	$ 23,951	$ -	Second-tier subsidiary
〃	Sky Sea Maritime Limited	〃	Investment holdings	491,682 (USD 16,011 thousand)	443,171 (USD 16,011 thousand)	275	55%	791,624	126,234	-	Second-tier subsidiary
〃	Elroy Maritime Service Inc.	〃	Maritime service	11,670 (USD 380 thousand)	5,536 (USD 200 thousand)	500	100%	12,329	3,359	-	Second-tier subsidiary
〃	Glory Selah Limited	〃	Investment holdings	261,803 (USD 8,525 thousand)	235,972 (USD 8,525 thousand)	500	55%	327,691	74,106	-	Second-tier subsidiary
〃	Steady Way Limited	〃	Shipping	791,090 (USD 25,760 thousand)	- (USD -)	500	100%	788,680	(2,338)	-	Second-tier subsidiary
〃	Clifford Navigation Corporation	〃	〃	384,296 (USD 12,514 thousand)	- (USD -)	500	100%	439,194	53,271	-	Second-tier subsidiary
〃	Brighton Shipping Inc.	〃	〃	618,666 (USD 20,145 thousand)	- (USD -)	500	100%	438,990	4,448	-	Second-tier subsidiary
〃	Rockwell Shipping Limited	〃	〃	546,817 (USD 17,806 thousand)	- (USD -)	500	100%	513,163	56,743	-	Second-tier subsidiary
〃	Howells Shipping Inc.	〃	〃	697,208 (USD 22,703 thousand)	- (USD -)	500	100%	705,821	8,357	-	Second-tier subsidiary
〃	Helmsman Navigation Co. Ltd.	〃	〃	743,068 (USD 24,196 thousand)	- (USD -)	500	100%	738,687	(4,252)	-	Second-tier subsidiary
〃	Keystone Shipping Co. Ltd.	〃	〃	70,209 (USD 2,286 thousand)	- (USD -)	500	100%	33,218	(35,894)	-	Second-tier subsidiary
〃	Carmel Splendor Limited	〃	〃	307 (USD 10 thousand)	- (USD -)	500	100%	285	(22)	-	Second-tier subsidiary
Jetwall Co. Ltd.	Everwin Maritime Limited	〃	Oil tanker	1,354,925 (USD 44,120 thousand)	933,370 (USD 33,720 thousand)	500	100%	2,018,417	60,849	-	Third-tier subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount (Note 1) Balance as at December 31, 2022	Balance as at December 31, 2021	Shares held as at December 31, 2022 (Note 2) Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2022 (Note 2)	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
Victory Navigation Inc.	Everprime Shipping Limited	Marshall Islands	Shipping	$ 307 (USD 10 thousand)	$ 277 (USD 10 thousand)	500	100%	$ 718,041	$ 72,054	$ -	Third-tier subsidiary
Sky Sea Maritime Limited	Ocean Grace Limited	"	"	893,968 (USD 29,110 thousand)		500	100%	1,439,183	125,751	-	Third-tier subsidiary
Elroy Maritime Service Inc.	Oak Maritime (Canada) Inc.	Canada	Maritime serive	3,947 (USD 128 thousand)	3,558 (USD 128 thousand)	1,000	100%	2,340	2,013	-	Third-tier subsidiary
Glory Selah Limited	Bridge Poiema Limited	Marshall Islands	Shipping	476,005 (USD 15,500 thousand)	429,040 (USD 15,500 thousand)	500	100%	596,011	74,204	-	Third-tier subsidiary
Heywood Limited	Century Shipping Limited	HongKong	Investment holdings	15,355 (USD 500 thousand)	13,840 (USD 500 thousand)	50,000	100%	7,379	1,824	-	Second-tier subsidiary

Note 1: The above balances of initial investments as at December 31, 2022 and 2021 were translated at the closing exchange rates at the balance sheet date.

Note 2: The above carrying amounts of shares held as at December 31, 2022 and net profit (loss) of the investee for the year ended December 31, 2022 were translated at the closing exchange rates at the balance sheet and the average exchange rates for the year ended December 31, 2022, respectively.

Sincere Navigation Corporation and Subsidiaries

Information on investments in Mainland China

For the year ended December 31, 2022

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method （Note 1）	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	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 (USD500 thousand)	$1,824 (RMB 412 thousand)	100%	$1,824 (RMB 412 thousand)	$7,379 (RMB 1,673 thousand)	$ -	

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

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

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

(3) Others.

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

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Haihu Maritime Service (Shanghai) Co., Ltd.	$ 15,855	$ 95,130	$ 9,495,283

Sincere Navigation Corporation and Subsidiaries
Major shareholders information
For the year ended December 31, 2022

Table 8

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 reports which was set by the trustee. As for the shareholder who 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.

SINCERE NAVIGATION CORPORATION

PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2022 AND 2021

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' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Sincere Navigation Corporation

Opinion

We have audited the accompanying parent company only balance sheets of Sincere Navigation Corporation (the "Company") as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan
110208 臺北市信義區基隆路一段 333 號 27 樓
27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei 110208, Taiwan
T: +886 (2) 2729 6666, F:+ 886 (2) 2729 6686, www.pwc.tw

Key audit matters for the Company's 2022 parent company only financial statements are as follows:

Reasonableness of investments accounted for using equity method — subsidiaries' V/C (voyage charterer) revenue recognition timing

Description

As of December 31, 2022, the Company's subsidiaries recorded as investments accounted for using equity method amounted to NT$18,359,928 thousand, constituting 96% of the Company's total assets, while the share of profit of the investments constituted 210% of the Company's profit before tax for the year then ended. Given that the investments significantly affect the Company's financial performance, we considered the cut-off of V/C revenue recognition as a key audit matter.

For accounting policy on revenue recognition and related details of revenue, refer to Notes 4(22) and 6(14) in the financial statements.

Subsidiaries' V/C revenue is recognised as revenue based on the percentage of completion of service rendered. Many factors are involved in the progress of revenue recognition, such as the length of the negotiated period of contracts, conditions of vessels and equipment, the changes of port of discharge and loading and so on.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the procedures of management in recognising V/C revenue, and confirmed the evidence of revenue recognition and the appropriateness of approval procedures.
2. Checked the contracts for V/C around the period of the balance sheet date, and based on our understanding of the client's operating conditions, assessed the reasonableness of voyage planning developed by management.
3. Obtained the location information reported by the crew of each vessel on the balance sheet date, and compared it with management's voyage planning to verify whether revenue has been recognised properly in accordance with the completion of voyage.
4. Obtained the related settlement vouchers in subsequent period to evaluate the reasonableness of revenue recognition.

Impairment of vessels and equipment

Description

For accounting policy, accounting estimates and assumptions applied on impairment of property, plant and equipment and related impairment explanation, refer to Notes 4(12) and 5(2) of parent company only financial statements and Notes 4(14), 5(2) and 6(5) of consolidated financial statements.

The Group engages in bulk shipping service. Vessels are the Company's significant operating assets. Bulk shipping service is closely related with the demand for bulk commodities, and is significantly affected by global economy. Therefore, the impairment of vessels is the Company's material risk. The valuation of impairment is evaluated by the management by comparing the book value to the recoverable amount based on the analysis of industry dynamics and the Company's operating plan. As at December 31, 2022, the Group's vessel equipment amounted to NT$14,462,784 thousand, constituting 67% of total assets.

The main assumptions adopted in measuring the recoverable amount are subject to management's judgement, which include the estimation of residual value, useful life, future freight rate and the rate used to discount projected future cash flows. The results of accounting estimates have a significant effect on evaluating the recoverable amount. Therefore, we considered the impairment of vessels and equipment as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained the information that management used to assess whether there was an indication that the assets were impaired. Inspected the accuracy of the information which was obtained from internal and external sources, and assessed the reasonableness of the assessment result.
2. Obtained the valuation information used by management in determining the recoverable amount. Discussed the operating plan with management about the income and expenses that may occur in the future and reviewed performance conditions of previous operating plan to assess management's performance intention and ability. Obtained subsequent information within a certain period and compared with the original plan.
3. Compared the discount rate used in the valuation model with the rate of return on assets of similar assets in the market, and checked the assumptions used in calculating the weighted average cost of capital (WACC) with actual proportion of equity capital, industrial risk coefficient and market risk

premium.

4. Checked the parameters and the formula used in the valuation model.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting

from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lin, Yi-Fan	Liao, Fu-Ming

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 9, 2023

The accompanying parent company only 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 parent company only 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.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

SINCERE NAVIGATION CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Assets	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 123,883	1	$ 217,931	1
1140	Current contract assets	6(11)	-	-	133,402	1
1170	Accounts receivable, net		10,212	-	63,021	1
1199	Finance lease receivable due from related parties, net	6(4) and 7	29,969	-	-	-
1200	Other receivables		425	-	25,201	-
1210	Other receivables - related parties	7	2,152	-	3,675	-
1220	Current income tax assets		1,238	-	-	-
1410	Prepayments	7	1,349	-	16,869	-
11XX	**Total current assets**		169,228	1	460,099	3
	Non-current assets					
1550	Investments accounted for under equity method	6(2)	18,359,928	96	16,224,007	93
1600	Property, plant and equipment	6(3)(5) and 8	102,484	-	659,873	4
1755	Right-of-use assets		-	-	508	-
1780	Intangible assets		146	-	249	-
1840	Deferred income tax assets	6(18)	7,840	-	5,028	-
1900	Other non-current assets	6(4), 7 and 8	512,530	3	6,922	-
15XX	**Total non-current assets**		18,982,928	99	16,896,587	97
1XXX	**Total assets**		$ 19,152,156	100	$ 17,356,686	100

(Continued)

SINCERE NAVIGATION CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			December 31, 2022		December 31, 2021	
	Liabilities and Equity	Notes	AMOUNT	%	AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(6) and 8	$ 1,595,000	8	$ 850,000	5
2130	Current contract liabilities	6(11)	-	-	49,455	-
2200	Other payables		19,600	-	29,863	-
2220	Other payables - related parties	7	10,622	-	190,070	1
2230	Current income tax liabilities		-	-	92,040	1
2280	Current lease liabilities		-	-	470	-
21XX	**Total current liabilities**		1,625,222	8	1,211,898	7
	Non-current liabilities					
2570	Deferred income tax liabilities	6(18)	-	-	35,658	-
2620	Long-term notes and accounts payable - related parties	7	1,689,050	9	1,660,800	10
2640	Net defined benefit liability, non-current	6(7)	12,413	-	23,598	-
25XX	**Total non-current liabilities**		1,701,463	9	1,720,056	10
2XXX	**Total liabilities**		3,326,685	17	2,931,954	17
	Equity					
	Share capital	6(8)				
3110	Common stock		5,853,533	31	5,853,533	34
	Capital surplus	6(9)				
3200	Capital surplus		243,785	1	243,203	1
	Retained earnings	6(10)				
3310	Legal reserve		3,256,327	17	3,185,897	18
3320	Special reserve		2,684,372	14	2,216,073	13
3350	Unappropriated retained earnings		4,685,867	25	5,610,398	32
	Other equity interest					
3400	Other equity interest		(898,413)	(5)	(2,684,372)	(15)
3XXX	**Total equity**		15,825,471	83	14,424,732	83
	Significant contingent liabilities and unrecognised contractual commitments	9				
	Significant events after balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 19,152,156	100	$ 17,356,686	100

The accompanying notes are an integral part of these parent company only financial statements.

SINCERE NAVIGATION CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE)

			Year ended December 31			
			2022		2021	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(11) and 7	$ 127,635	100	$ 261,512	100
5000	Operating costs	6(16)(17) and 7	(44,614)	(35)	(123,731)	(47)
5900	Net operating profit		83,021	65	137,781	53
	Operating expenses	6(16)(17)				
6200	General and administrative expenses		(96,005)	(75)	(94,611)	(37)
6450	Impairment loss determined in accordance with IFRS 9		-	-	(477)	-
6000	Total operating expenses		(96,005)	(75)	(95,088)	(37)
6900	Operating (loss) profit		(12,984)	(10)	42,693	16
	Non-operating income and expenses					
7100	Interest income	6(12)	1,768	1	108	-
7010	Other income	6(13) and 7	10,262	8	5,453	2
7020	Other gains and losses	6(14)	(171,480)	(134)	25,868	10
7050	Finance costs	6(15)	(15,785)	(12)	(10,167)	(4)
7070	Share of profit of associates and joint ventures accounted for using equity method, net	6(2)	346,964	272	651,788	250
7000	Total non-operating income and expenses		171,729	135	673,050	258
7900	**Profit before income tax**		158,745	125	715,743	274
7950	Income tax benefit (expense)	6(18)	38,413	30	(11,554)	(5)
8200	**Profit for the year**		$ 197,158	155	$ 704,189	269
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial gain on defined benefit plan	6(7)	$ 2,991	2	$ 136	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(18)	(598)	-	(27)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		1,785,959	1399	(468,299)	(179)
8500	**Total comprehensive income for the year**		$ 1,985,510	1556	$ 235,999	90
	Earnings per share					
9750	Basic earnings per share (in dollars)	6(19)	$ 0.34		$ 1.20	
9850	Diluted earnings per share (in dollars)	6(19)	$ 0.34		$ 1.20	

The accompanying notes are an integral part of these parent company only financial statements.

SINCERE NAVIGATION CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			Capital Reserves			Retained Earnings				
	Notes	Share capital - common stock	Treasury stock transactions	Difference between consideration and carrying amount of subsidiaries acquired	Capital surplus, others	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Total equity
For the year ended December 31, 2021										
Balance at January 1, 2021		$ 5,853,533	$ 39,243	$ 199,339	$ 4,029	$ 3,171,779	$ 1,349,931	$ 6,079,037	($ 2,216,073)	$ 14,480,818
Profit for the year		-	-	-	-	-	-	704,189	-	704,189
Other comprehensive income (loss) for the year		-	-	-	-	-	-	109	(468,299)	(468,190)
Total comprehensive income (loss)		-	-	-	-	-	-	704,298	(468,299)	235,999
Appropriations of 2020 earnings:	6(10)									
Legal reserve		-	-	-	-	14,118	-	(14,118)	-	-
Special reserve		-	-	-	-	-	866,142	(866,142)	-	-
Cash dividends		-	-	-	-	-	-	(292,677)	-	(292,677)
Overdue unclaimed cash dividends		-	-	-	592	-	-	-	-	592
Balance at December 31, 2021		$ 5,853,533	$ 39,243	$ 199,339	$ 4,621	$ 3,185,897	$ 2,216,073	$ 5,610,398	($ 2,684,372)	$ 14,424,732
For the year ended December 31, 2022										
Balance at January 1, 2022		$ 5,853,533	$ 39,243	$ 199,339	$ 4,621	$ 3,185,897	$ 2,216,073	$ 5,610,398	($ 2,684,372)	$ 14,424,732
Profit for the year		-	-	-	-	-	-	197,158	-	197,158
Other comprehensive income		-	-	-	-	-	-	2,393	1,785,959	1,788,352
Total comprehensive income		-	-	-	-	-	-	199,551	1,785,959	1,985,510
Appropriations of 2021 earnings:	6(10)									
Legal reserve		-	-	-	-	70,430	-	(70,430)	-	-
Special reserve		-	-	-	-	-	468,299	(468,299)	-	-
Cash dividends		-	-	-	-	-	-	(585,353)	-	(585,353)
Overdue unclaimed cash dividends		-	-	-	582	-	-	-	-	582
Balance at December 31, 2022		$ 5,853,533	$ 39,243	$ 199,339	$ 5,203	$ 3,256,327	$ 2,684,372	$ 4,685,867	($ 898,413)	$ 15,825,471

The accompanying notes are an integral part of these parent company only financial statements.

SINCERE NAVIGATION CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	For the years ended December 31, 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 158,745	$ 715,743
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(16)	34,486	58,424
Amortisation	6(16)	103	59
Impairment loss determined in accordance with IFRS 9	12(2)	-	477
Interest income	6(12)	(968)	(108)
Interest income of finance lease	6(4)(12)	(800)	-
Interest expense	6(15)	15,785	10,153
Investment income accounted for using the equity method	6(2)	(346,964)	(651,788)
Impairment loss recognised in profit or loss, property, plant and equipment	6(3)(14)	-	24,782
Gain on disposal of property, plant and equipment	6(14)	-	(6,997)
Changes in operating assets and liabilities			
Changes in operating assets			
Current contract assets		133,402	(107,331)
Accounts receivable		52,809	(62,295)
Other receivables		25,111	(12,170)
Other receivables - related partiy		1,523	(899)
Prepayments		15,520	(13,491)
Changes in operating liabilities			
Current contract liabilities		(49,455)	48,378
Other payables		(11,018)	2,801
Other payables - related party		(179,448)	162,617
Accrued pension liabilities		(8,194)	(9,119)
Cash (outflow) inflow generated from operations		(159,363)	159,236
Interest received		633	108
Income tax paid		(93,933)	(827)
Refund of income tax		-	106
Dividends received	7	-	445,200
Net cash flows (used in) from operating activities		(252,663)	603,823
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	6(3)	(17,856)	(578,990)
Proceeds from disposal of property, plant and equipment		-	327,722
Acquisition of intangible assets		-	(206)
Increase in investments	6(2)	(2,998)	-
Net cash flows used in investing activities		(20,854)	(251,474)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans	6(20)	745,000	10,000
Finance lease received		3,336	-
Interest paid		(15,030)	(10,313)
Repayment of principal of lease liabilities		(473)	(362)
Cash dividends paid	6(10)	(585,353)	(292,677)
Overdue unclaimed cash dividends		582	592
(Decrease) increase in loan from related party		(168,650)	138,400
Net cash flows used in financing activities		(20,588)	(154,360)
Effect of changes in foreign exchange rate		200,057	(44,001)
Net (decrease) increase in cash and cash equivalents		(94,048)	153,988
Cash and cash equivalents at beginning of year		217,931	63,943
Cash and cash equivalents at end of year		$ 123,883	$ 217,931

The accompanying notes are an integral part of these parent company only financial statements.

SINCERE NAVIGATION CORPORATION
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

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 1989. The Company is engaged in tug and barge services, and operating a shipping agency.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only financial statements were authorised for issuance by the Board of Directors on March 9, 2023.

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") that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became 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 Company's financial condition and financial performance based on the Company's assessment.

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

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 Company’s financial condition and financial performance based on the Company’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
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

These parent company only financial statements of the Company have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

(2) Basis of preparation

A. Except for the following items, the parent company only 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 Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

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

Foreign currency transactions and balances

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

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

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

D. All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
   (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
   (b) Assets held mainly for trading purposes;
   (c) Assets that are expected to be realised within twelve months from the balance sheet date;
   (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
   (a) Liabilities that are expected to be settled within the normal operating cycle;
   (b) Liabilities arising mainly from trading activities;
   (c) Liabilities that are to be settled within twelve months from the balance sheet date;
   (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Accounts receivable

A. Accounts receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(6) Impairment of financial assets

Financial assets at amortised cost including accounts receivable or contract assets that have a significant financing component, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(7) Derecognition of financial assets

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

(8) Leasing arrangements (lessor)－lease receivables

Based on the terms of a lease contract, a lease is classified as a finance lease if the lessee assumes substantially all the risks and rewards incidental to ownership of the leased asset.

A. At commencement of the lease term, the lessor should record a finance lease in the balance sheet as ‘lease receivables’ at an amount equal to the gross investment in the lease (including initial direct costs). The difference between gross lease receivable and the present value of the receivable is recognised as ‘unearned finance income of finance lease’.

B. The lessor should allocate finance income over the lease term based on a systematic and rational basis reflecting a constant periodic rate of return on the lessor’s net investment in the finance lease.

C. Lease payments (excluding costs for services) during the lease term are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.

(9) Investments accounted for using equity method / subsidiaries

A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

B. Inter-company transactions, balances and unrealised gains or losses on transactions between the Company and its subsidiaries are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

C. The Company’s share of its subsidiaries’ post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company’s share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise the losses in proportion to the ownership.

D. Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

E. Pursuant to the Rules Governing the Preparation of Financial Statements by Securities Issuers, profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(10) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

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

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

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

Buildings and structures	42 years
Vessels and equipment	2.5 ~ 20 years
Office equipment	3 ~ 7 years

(11) Leasing arrangements (lessee) - right-of-use assets / lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
   (a) The amount of the initial measurement of lease liability; and
   (b) Any lease payments made at or before the commencement date.

   The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss.

(12) Impairment of non-financial assets

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

(13) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(14) Accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(15) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(16) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plan

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

(b) Defined benefit plan

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurements arising on defined benefit plan are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

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

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(17) Income tax

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

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

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

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

(18) Share capital

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

(19) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Board of Directors.

(20) Revenue recognition

A. Revenue recognition of services

Revenue from providing services is recognised in the accounting period in which the services are rendered. For contracts, revenue is recognised based on the percentage of completion of service rendered. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

B. Leases of vessels service revenue

The Company provides leases of vessels service. Rental revenue is recognised when the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the Company. As customers can obtain and have rights of performance benefits at the same time, and thus the relevant revenue is recognised when the service is provided.

C. Incremental costs of obtaining a contract

Given that the contractual period lasts less than one year, the Group recognises the incremental costs of obtaining a contract as an expense when incurred although the Group expects to recover those costs.

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

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

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

None.

(2) Critical accounting estimates and assumptions

Impairment assessment of tangible assets

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

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and petty cash	$ 12	$ 12
Checking accounts and demand deposits	62,451	217,919
Time deposits	61,420	-
	$ 123,883	$ 217,931

A. The Company 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 Company's cash and cash equivalents pledged to others as collateral were classified as other non-current assets. Related information is provided in Note 8.

(2) Investments accounted for using equity method

A. The details of investments are as follows:

	December 31, 2022	December 31, 2021
Norley Corporation Inc.	$ 12,410,836	$ 11,141,053
Heywood Limited	5,909,694	5,082,954
Sincere Navigation Corporation (Singapore) Pte. Ltd.	39,398	-
	$ 18,359,928	$ 16,224,007

B. The Company's share of profit of subsidiaries accounted for using equity method is listed below:

	For the years ended December 31,	
	2022	2021
Norley Corporation Inc.	$ 48,835	($ 59,102)
Heywood Limited	262,880	710,890
Sincere Navigation Corporation (Singapore) Pte. Ltd.	35,249	-
	$ 346,964	$ 651,788

C. Details of the Company's subsidiaries are provided in Note 4(3) of the Company's consolidated financial statements for the year ended December 31, 2022.

D. On June 9, 2022, the Company increased its long-term equity investment in Sincere Navigation Corporation (Singapore) Pte. Ltd. in the amount of to $2,998 (USD $10 thousand).

(3) Property, plant and equipment

	Land	Buildings and structures	Vessels and equipment	Office equipment	Total
At January 1, 2022					
Cost	$ 90,215	$ 28,191	$ 577,801	$ 2,997	$ 699,204
Accumulated depreciation	-	(17,920)	(20,109)	(1,302)	(39,331)
	$ 90,215	$ 10,271	$ 557,692	$ 1,695	$ 659,873
2022					
Opening net book amount	$ 90,215	$ 10,271	$ 557,692	$ 1,695	$ 659,873
Additions	-	762	16,354	740	17,856
Finance lease	-	-	(541,267)	-	(541,267)
Retirement-cost	-	-	(4,630)	-	(4,630)
Retirement-accumulated depreciation	-	-	4,630	-	4,630
Depreciation	-	(681)	(32,779)	(518)	(33,978)
Closing net book amount	$ 90,215	$ 10,352	$ -	$ 1,917	$ 102,484
At December 31, 2022					
Cost	$ 90,215	$ 28,953	$ -	$ 3,737	$ 122,905
Accumulated depreciation	-	(18,601)	-	(1,820)	(20,421)
	$ 90,215	$ 10,352	$ -	$ 1,917	$ 102,484

	Land	Buildings and structures	Vessels and equipment	Office equipment	Total
At January 1, 2021					
Cost	$ 90,215	$ 28,191	$ 938,931	$ 1,808	$ 1,059,145
Accumulated depreciation	-	(17,264)	(556,435)	(986)	(574,685)
	$ 90,215	$ 10,927	$ 382,496	$ 822	$ 484,460
2021					
Opening net book amount	$ 90,215	$ 10,927	$ 382,496	$ 822	$ 484,460
Additions	-	-	577,801	1,189	578,990
Disposal	-	-	(320,725)	-	(320,725)
Impairment loss	-	-	(24,782)	-	(24,782)
Depreciation	-	(656)	(57,098)	(316)	(58,070)
Closing net book amount	$ 90,215	$ 10,271	$ 557,692	$ 1,695	$ 659,873
At December 31, 2021					
Cost	$ 90,215	$ 28,191	$ 577,801	$ 2,997	$ 699,204
Accumulated depreciation	-	(17,920)	(20,109)	(1,302)	(39,331)
	$ 90,215	$ 10,271	$ 557,692	$ 1,695	$ 659,873

A. The estimated useful lives of the Company'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.

E. Information of finance lease for vessels is provided in Note 6(4).

(4) Leasing arrangements－lessor

A. The Company leases vessels and equipment to others under finance lease. Based on the terms of the lease contracts, the lessees have the right to purchase vessels when the leases expire. Information on profit and loss accounts relating to lease contracts is as follows:

	For the years ended December 31,	
	2022	2021
Finance income from the net investment in the finance lease	$ 800	$ -

B. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

	December 31, 2022
2022	$ 3,336
2023	39,232
2024	39,340
2025	39,232
2026	39,232
2027	39,232
After 2028	412,628
Total	$ 612,232

C. Reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided as follows:

	December 31, 2022		December 31, 2021	
	Current	Non-current	Current	Non-current
Undiscounted lease payments	$ 39,232	$ 569,664	$ -	$ -
Unearned finance income	(9,263)	(64,056)	-	-
Net investment in the lease	$ 29,969	$ 505,608	$ -	$ -

The Company had a significant increase in the net investment in the finance lease by $535,577 arising from the financial lease of the Company's vessels and equipment to the subsidiary, Sincere Navigation Corporation (Singapore) Pte. Ltd., from December 1, 2022.

(5) Impairment of non-financial assets

A. The Company recognised impairment loss amounting to $0 and $24,782 for the years ended December 31, 2022 and 2021, respectively. Details of the loss are as follows:

	For the year ended December 31, 2022	
	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss-Vessels and equipment-net	$ -	$ -

	For the year ended December 31, 2021	
	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss-Vessels and equipment-net	$ 24,782	$ -

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

	For the year ended December 31, 2022		For the year ended December 31, 2021	
	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in profit or loss	Recognised in other comprehensive income
Bulk carrier	$ -	$ -	$ 24,782	$ -

C. A vessel "Madonna III" held by the Company, whose recoverable amount was lower than the book value, resulted in the recognition of impairment loss. The Company 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. The Company had completed the sale of the vessel in the third quarter of 2021.

(6) Short-term borrowings

Type of borrowings	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 575,000	1.22%-2.06%	Land, buildings, promissory notes and pledged time deposits
Unsecured borrowings	1,020,000	1.10%~2.74%	Promissory notes
	$ 1,595,000		

Type of borrowings	December 31, 2021	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 120,000	1.20%-1.22%	Land, buildings and promissory notes
Unsecured borrowings	730,000	1.10%~1.44%	Promissory notes
	$ 850,000		

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

	December 31, 2022	December 31, 2021	Footnote
Jack Hsu	$ 1,100,000	$ 1,100,000	Guarantee
Jack Hsu	400,000	400,000	Promissory notes
Heywood Limited	500,000	-	Jointly guarante

(7) Pensions

A. Defined benefit pension plan

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

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	($ 41,545)	($ 50,361)
Fair value of plan assets	29,120	26,763
Net defined benefit liability	(12,425)	(23,598)
Contributions in transit of plan assets	12	-
Net liability recognised in the balance sheet	($ 12,413)	($ 23,598)

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2022			
Balance at January 1	($ 50,361)	$ 26,763	($ 23,598)
Current service cost	(326)	-	(326)
Interest (expense) income	(352)	187	(165)
	(51,039)	26,950	(24,089)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	2,002	2,002
Change in financial assumptions	1,478	-	1,478
Experience adjustments	(489)	-	(489)
	989	2,002	2,991
Pension fund contribution	-	168	168
Paid pension	8,505	-	8,505
Balance at December 31	($ 41,545)	$ 29,120	($ 12,425)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2021			
Balance at January 1	($ 58,762)	$ 25,909	($ 32,853)
Current service cost	(319)	-	(319)
Interest (expense) income	(176)	78	(98)
	(59,257)	25,987	(33,270)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	420	420
Change in demographic assumptions	(30)	-	(30)
Change in financial assumptions	1,412	-	1,412
Experience adjustments	(1,666)	-	(1,666)
	(284)	420	136
Pension fund contribution	-	356	356
Paid pension	9,180	-	9,180
Balance at December 31	($ 50,361)	$ 26,763	($ 23,598)

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2022 and 2021 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

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

	For the years ended December 31,	
	2022	2021
Discount rate	1.20%	0.70%
Future salary increases	3.25%	3.25%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2022				
Effect on present value of defined benefit obligation	($ 710)	$ 729	$ 611	($ 598)
December 31, 2021				
Effect on present value of defined benefit obligation	($ 832)	$ 856	$ 708	($ 693)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2023 amount to $150.

B. Defined contribution pension plan

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 years ended December 31, 2022 and 2021 were $1,312 and $1,338, respectively.

(8) Share capital

As of December 31, 2022 and 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.

(9) 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.

(10) 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.

The Board of Directors can distribute all or part of the distributable dividends and bonus, capital surplus or legal reserve in the form of cash as resolved by a majority vote at their meeting attended by two-thirds of the total number of directors and report to the shareholders which the aforementioned regulation of requiring resolution from the shareholders 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 2021 and 2020 earnings had been resolved at the stockholders' meeting on June 10, 2022 and August 24, 2021, respectively. Details are summarised below:

	2021		2020	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 70,430		$ 14,118	
Special reserve	468,299		866,142	
Cash dividends	585,353	1.00	292,677	$ 0.50
	$ 1,124,082		$ 1,172,937	

(b) Subsequent events: the appropriations of 2022 earnings had been proposed by the Board of Directors on March 9, 2023. Details are summarised below:

	2022	
	Amount	Dividends per share (in dollars)
Legal reserve	$ 19,955	
Cash dividends	292,677	$ 0.50
	$ 312,632	
Reversal of special reserve	$ 1,785,959	

As of March 9, 2023, aforementioned appropriations of 2022 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.

(11) Operating revenue

	For the years ended December 31,	
	2022	2021
Revenue from contracts with customers	$ 42,098	$ 261,512
Rental revenue	85,537	-
Total	$ 127,635	$ 261,512

A. Disaggregation of revenue from contracts with customers

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

For the year ended December 31, 2022	Bulk carrier	Management service	Total
Revenue from external customer contracts	$ 39,448	$ 2,650	$ 42,098
Timing of revenue recognition			
Over time	$ 39,448	$ 2,650	$ 42,098

For the year ended December 31, 2021	Bulk carrier	Management service	Total
Revenue from external customer contracts	$ 258,976	$ 2,536	$ 261,512
Timing of revenue recognition			
Over time	$ 258,976	$ 2,536	$ 261,512

B. Contract assets and liabilities

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

	December 31, 2022	December 31, 2021	January 1, 2021
Contract assets-bulk carrier	$ -	$ 133,402	$ 26,106
Contract liabilities-bulk carrier	$ -	$ 49,455	$ 1,077

C. For the years ended December 31, 2022 and 2021, contract liabilities at the beginning of the year amounted to $49,455 and $1,077, respectively, which were fully recognised as operating revenue in the same year.

(12) Interest income

	For the years ended December 31,	
	2022	2021
Interest income from bank deposits	$ 968	$ 108
Interest income from finance lease	800	-
	$ 1,768	$ 108

(13) Other income

	For the years ended December 31,	
	2022	2021
Fee income from endorsements and guarantees	$ 1,830	$ 3,418
Rent income	351	366
Other income - others	8,081	1,669
	$ 10,262	$ 5,453

(14) Other gains and losses

	For the years ended December 31,	
	2022	2021
Net currency exchange (loss) gain	($ 170,028)	$ 43,690
Gains on disposals of property, plant and equipment	-	6,997
Impairment loss on property, plant and equipment	-	(24,782)
Claim loss	(1,440)	-
Other losses	(12)	(37)
	($ 171,480)	$ 25,868

(15) Finance costs

	For the years ended December 31,	
	2022	2021
Interest expense:		
Interest expense on bank borrowings	$ 15,778	$ 10,153
Lease liabilities	7	14
	$ 15,785	$ 10,167

(16) Expenses by nature

	For the years ended December 31,					
	2022			2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense	$ -	$ 65,755	$ 65,755	$ -	$ 67,771	$ 67,771
Depreciation	33,287	1,199	34,486	57,452	972	58,424
Amortisation	-	103	103	-	59	59

(17) Employee benefit expense

	For the years ended December 31,					
	2022			2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Wages and salaries	$ -	$ 52,134	$ 52,134	$ -	$ 52,305	$ 52,305
Labor and health insurance fees	-	3,141	3,141	-	3,350	3,350
Pension costs	-	1,803	1,803	-	1,755	1,755
Directors' remuneration	-	7,027	7,027	-	9,173	9,173
Other personnel expenses	-	1,650	1,650	-	1,188	1,188
Total	$ -	$ 65,755	$ 65,755	$ -	$ 67,771	$ 67,771

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' and supervisors' remuneration.

B. For the years ended December 31, 2022 and 2021, employees' compensation was accrued at $5,067 and $7,303, respectively; while directors' and supervisors' remuneration was accrued at $5,067 and $7,303, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 3% of distributable profit of current year for the year ended December 31, 2022. The employees' compensation and directors' and supervisors' remuneration resolved by the Board of Directors were both $5,067, and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' and supervisors' remuneration for 2021 was $7,303 as resolved by the Board of Directors which was in agreement with the amount recognised in the 2021 financial statements.

Information about employees' compensation and directors' and supervisors' 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.

C. For the years ended December 31, 2022 and 2021, the average number of the Company's employees per month was 33 employees, of which 6 directors were not the Company's employees.

D. (a) For the years ended December 31, 2022 and 2021, the average employee benefit expense was $2,175 and $2,170, respectively.

(b) For the years ended December 31, 2022 and 2021, the average employee salary expense was $1,931 and $1,937, respectively.

(c) Change in adjustments of the average employee salaries and wages was (0.3%).

E. The Company adopts an independent director system and has no supervisor.

F. The Company's salary and compensation policy (including directors, supervisors, managers and employees) is as follows:

(a) The remuneration committee has established the policy and periodically reviews the performance assessment of directors and managers as well as the policy, system, standard and structure of remuneration, and shall report the recommendations, if any, to the Board of Directors for discussion. Salaries were paid by reference to the industry salary standard, the Company's operational situation and organisational structure, and the necessary adjustments shall be made according to the market salary dynamics, changes in the overall economic and industrial climate, and in compliance with the related laws and regulations.

(b) The directors' remuneration shall not be distributed for variable remuneration other than the annual fixed transportation allowance and the remuneration according to the Articles of Incorporation of the Company. The Company's operating objectives, financial position and directors' responsibilities were fully considered for the directors' remuneration which were linked to the business performance and profit, then shall be reported to the Board of Directors for resolution after the review by the remuneration committee.

(c) The salary and compensation of managers and employees are based on their education and work background, professional knowledge and expertise, professional seniority as well as personal performance. The salary will be adjusted annually, corresponding to individual performance, according to the overall operating situation of the Company.

(d) The Company shall distribute year-end bonus according to operating performance and distribute employees' compensation according to pre-tax profit situation, the amount distributed shall be linked to the operating performance and profit, and shall be reported to the Board of Directors for resolution after the review by the remuneration committee.

(18) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the years ended December 31,	
	2022	2021
Current tax:		
Current tax on profits for the year	$ -	$ 91,467
Prior year income tax underestimation	655	859
Total current tax	655	92,326
Deferred tax:		
Origination and reversal of temporary differences	(39,068)	(80,772)
Total deferred tax	(39,068)	(80,772)
Income tax (benefit) expense	($ 38,413)	$ 11,554

(b) The income tax credit relating to components of other comprehensive income is as follows:

	For the years ended December 31,	
	2022	2021
Remeasurement of defined benefit obligations	$ 598	$ 27

B. Reconciliation between income tax expense and accounting profit:

	For the years ended December 31,	
	2022	2021
Tax calculated based on profit before tax and statutory tax rate	$ 31,749	$ 143,149
Tax exempt income by tax regulation	(70,817)	(130,358)
Prior year income tax underestimation	655	859
Effects from backward remittance of earnings	-	(2,096)
Income tax (benefit) expense	($ 38,413)	$ 11,554

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
－Deferred tax assets:				
Net operating loss carryforwards	$ -	$ 1,024	$ -	$ 1,024
Unfunded pension expense	4,720	(1,639)	(598)	2,483
Unused compensated absences	303	(50)	-	253
Unrealised exchange loss	-	4,080	-	4,080
Other	5	(5)	-	-
	5,028	3,410	(598)	7,840
－Deferred tax liabilities:				
Unrealised exchange gain	(35,658)	35,658	-	-
	($ 30,630)	$ 39,068	($ 598)	$ 7,840

	2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
－Deferred tax assets:				
Unfunded pension expense	$ 6,570	($ 1,823)	($ 27)	$ 4,720
Unused compensated absences	288	15	-	303
Other	-	5	-	5
	6,858	(1,803)	(27)	5,028
－Deferred tax liabilities:				
Unrealised investment income	(91,136)	91,136	-	-
Unrealised exchange gain	(27,097)	(8,561)	-	(35,658)
	(118,233)	82,575	-	(35,658)
	($ 111,375)	$ 80,772	($ 27)	($ 30,630)

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2022				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2022	$ 5,120	$ 5,120	$ -	2032

E. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2022 and 2021, the amounts of temporary differences unrecognised as deferred tax liabilities were $18,092,427 and $15,959,503, respectively.

F. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(19) Earnings per share

	For the year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 197,158	585,353	$ 0.34
Diluted earnings per share			
Profit attributable to ordinary shareholders	197,158	585,353	
Assumed conversion of all dilutive potential ordinary shares - employees' compensation	-	260	-
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 197,158	585,613	$ 0.34

	For the year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 704,189	585,353	$ 1.20
Diluted earnings per share			
Profit attributable to ordinary shareholders	704,189	585,353	
Assumed conversion of all dilutive potential ordinary shares - employees' compensation	-	259	-
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 704,189	585,612	$ 1.20

(20) Changes in liabilities from financing activities

	Short-term borrowings	Lease liabilities	Long-term notes and accounts payable - related parties	Liabilities from financing activities-gross
At January 1, 2022	$ 850,000	$ 470	$ 1,660,800	$ 2,511,270
Proceeds from borrowings	745,000	-	-	745,000
Payment of principal	-	(473)	(168,650)	(169,123)
Impact of changes in foreign exchange rate	-	3	196,900	196,903
At December 31, 2022	$1,595,000	$ -	$ 1,689,050	$ 3,284,050

	Short-term borrowings	Lease liabilities	Long-term notes and accounts payable - related parties	Liabilities from financing activities-gross
At January 1, 2021	$ 840,000	$ -	$ 1,566,400	$ 2,406,400
Proceeds from borrowings	10,000	-	-	10,000
Additions	-	-	138,400	138,400
Payment of principal	-	(362)	-	(362)
Impact of changes in foreign exchange rate	-	(1)	(44,000)	(44,001)
Changes in cash flow from financing activities	-	833	-	833
At December 31, 2021	$ 850,000	$ 470	$ 1,660,800	$ 2,511,270

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Jack Hsu	Chairman
Heywood Limited (Heywood)	Subsidiary of the Company
Norley Corporation Inc. (Norley)	Subsidiary of the Company
Kairos Marine Limited (Formerly Oak Agencies Limited)	Other related party
Asia Century Navigation Co., Ltd.	Other related party
Diamonds Ocean Limited	Other related party
World Sea Navigation Limited	Other related party

Note: For names and relationship of subsidiaries, second-tier subsidiaries and third-tier subsidiaries, refer to Note 4(3) in the consolidated financial statements.

(2) Significant related party transactions and balances

A. Operating revenue

	For the years ended December 31, 2022	2021
Management revenue:		
Other related parties	$ 2,650	$ 2,536
Rental revenue:		
Keystone Shipping Co. Ltd.	$ 85,537	$ -

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 the third parties. The Company rented PALONA to Keystone Shipping Co. Ltd., the second-tier subsidiary, on February 18, 2022. This bareboat charter rental contract was completed in the fourth quarter of 2022.

B. Operating costs

	For the years ended December 31,	
	2022	2021
Cost of services:		
Heywood Limited	$ 7,155	$ 37,217
Commission expense:		
Other related party	$ 519	$ 6,709

Note: Commission fee of $6,709 for the year ended December 31, 2021 includes the deduction item of other gains and losses amounting to $3,343.

C. Other income

	For the years ended December 31,	
	2022	2021
(a) Fee income from endorsements and guarantees:		
Pacifica Maritime Limited	$ -	$ 879
Ocean Grace Limited	580	756
Bridge Poiema Limited	1,250	1,255
Second-tier subsidiaries	-	528
	$ 1,830	$ 3,418
(b) Other income (Note)		
Heywood Limited	$ 1,851	$ -
Norley Corporation Inc.	5,280	-
	$ 7,131	$ -

Note: Increase the income for the year ended 2019 and 2020, on endorsements and guarantees, and rendering transportation services from Heywood Limited and Norley Corporation Inc., amounted to $2,102 and $5,029, respectively.

D. Other receivables / payables

Other receivables / payables arising from agent revenue, prepayments on behalf of other related parties or agents, advances and fee income from endorsements and guarantees are as follows:

	December 31, 2022	December 31, 2021
Receivables:		
Norley Corporation Inc.	$ 1,922	$ 3,313
Other related parties	230	362
	$ 2,152	$ 3,675

	December 31, 2022	December 31, 2021
Payables:		
Heywood Limited	-	4,723
Norley Corporation Inc.	410	-
Other related parties	-	696
	$ 410	$ 5,419

E. Acquisition of property, plant and equipment:

	For the years ended December 31,	
	2022	2021
Keystone Shipping Co. Ltd.	$ -	$ 577,801

F. Received the dividends from subsidiaries

	For the years ended December 31,	
	2022	2021
Norley Corporation Inc.	$ -	$ 445,200
		(USD 16,000 thousand)

On April 21, 2021, the Board of Directors of Norley Corporation resolved to distribute dividends which were received by the Company in May 2021.

G. Leasing arrangements - lessor

(a) The Company leases vessels and equipment to Sincere Navigation Corporation (Singapore) Pte. Ltd. Rents are paid at the end of the month.

(b) Finance lease receivable

	December 31, 2022	December 31, 2021
Associates	$ 535,577	$ -

H. Financing (shown as 'long-term notes and accounts payable - related parties' and 'other payables - related parties')

	For the year ended December 31, 2022			
	Maximum balance	Ending balance	Interest rate	Total interest expense
Norley Corporation Inc.	$ 1,047,900	$ 767,750	-	$ -
Heywood Limited	1,646,700	921,300	-	-
	$ 2,694,600	$ 1,689,050		$ -
	(US$ 90,000 thousand)	(US$ 55,000 thousand)		

	For the year ended December 31, 2021			
	Maximum balance	Ending balance	Interest rate	Total interest expense
Norley Corporation Inc.	$ 998,900	$ 968,800	-	$ -
Heywood Limited	696,250	692,000	-	-
	$ 1,695,150	$ 1,660,800		$ -
	(US$ 60,000 thousand)	(US$ 60,000 thousand)		

I. The Company was contracted to render transportation services for the years ended December 31, 2022 and 2021 and executed the contract by sub-contracting it to its second-tier subsidiary who provides chartered ship services with the same contractual terms. The revenue and costs arising from this transaction are expressed as a consolidated net amount in the financial statements. The details of the transactions are as follows:

	For the year ended December 31, 2022		
	Amount	Ending balance of payables	Ending balance of prepayments
Ocean Grace Limited	$ 545,792	$ 10,212	$ -
Maxson Shipping Inc.	153,841	-	-
Howells Shipping Inc.	140,429	-	-
Clifford Navigation Corporation	45,490	-	-
Poseidon Marine Ltd.	34,601	-	-
Everprime Shipping Limited	23,254	-	-
Ocean Wise Limited	19,297	-	-
	$ 962,704	$ 10,212	$ -

	For the year ended December 31, 2021		
	Amount	Ending balance of payables	Ending balance of prepayments
Ocean Grace Limited	$ 687,067	$ 73,172	$ -
Poseidon Marine Ltd.	346,694	13,322	-
Everprime Shipping Limited	339,034	-	13,783
Rockwell Shipping Limited	287,138	10,546	-
Maxson Shipping Inc.	230,494	23,478	-
Ocean Wise Limited	215,315	55,926	-
Second-tier subsidiaries	94,916	8,207	-
	$ 2,200,658	$ 184,651	$ 13,783

J. The Company issued promissory notes to Mega Bank as collateral for the indirect investees as resolved by the Board of Directors. Refer to Note 13(1)B.

K. Other guarantee transactions

Refer to Note 6(6) for details.

(3) Key management compensation

	For the years ended December 31,	
	2022	2021
Salaries and other short-term employee benefits	$ 25,990	$ 27,571
Post-employment benefits	607	530
	$ 26,597	$ 28,101

8. PLEDGED ASSETS

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

	December 31, 2022	December 31, 2021	Purpose
Guarantee deposits paid (shown as other non-current assets)	$ 6,922	$ 6,922	Deposit of golf certificates
Land, building and structures	99,185	99,114	Credit lines of short-term borrowings
	$ 106,107	$ 106,036	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. For the details on the endorsements and guarantees provided by the Company to the indirect investees, refer to Note 7(2) J.

B. The Company has outstanding notes payable for bank financing amounting to $1,125,000.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

For the details of the appropriation of 2022 earnings as proposed by the Board of Directors, refer to Note 6(10) D.

12. OTHERS

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company'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 Company 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

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	$ 123,883	$ 217,931
Accounts receivable, net	10,212	63,021
Other receivables	425	25,201
Other receivables - related parties	2,152	3,675
Guarantee deposits paid	6,922	6,922
	$ 143,594	$ 316,750
Finance lease receivable due from related parties, net	$ 535,577	$ -
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 1,595,000	$ 850,000
Other payables	19,600	29,863
Other payables - related parties	10,622	190,070
Long-term notes and accounts payable - related parties	1,689,050	1,660,800
	$ 3,314,272	$ 2,730,733
Lease liabilities	$ -	$ 470

B. Financial risk management policies

(a) The Company'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 Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial position and financial performance.

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD and JPY. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

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

	December 31, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD：NTD	$ 21,057	30.71	$ 646,664
Long-term equity investments accounted for using the equity method			
USD：NTD	$ 597,849	30.71	$ 18,359,928
Financial liabilities			
Monetary items			
USD：NTD	$ 55,346	30.71	$ 1,699,672

	December 31, 2021		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 15,905	27.68	$ 440,353
Long-term equity investments accounted for using the equity method			
USD:NTD	$ 586,127	27.68	$ 16,224,007
Financial liabilities			
Monetary items			
USD:NTD	$ 67,065	27.68	$ 1,856,583

iii. The unrealised exchange (loss) gain arising from significant foreign exchange variation on the monetary items held by the Company for 2022 and 2021 amounted to ($198,689) and $42,811, respectively.

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

	For the year ended December 31, 2022		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 7,200	$ -
Long-term equity investments accounted for using the equity mehtod			
USD:NTD	1%	$ -	$ 183,567
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 16,997	$ -

	For the year ended December 31, 2021		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 4,404	$ -
Long-term equity investments accounted for using the equity mehtod			
USD:NTD	1%	$ -	$ 162,240
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 18,566	$ -

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company 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 Company manages its credit risk taking into consideration the entire group's concern. According to the Group's credit policy, the Company is responsible for managing and analysing the credit risk for each of the 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 Company 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 180 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 Company adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 3 years.

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 Company classifies customers' accounts receivable in accordance with customer types. The Company applies the modified approach using the provision matrix to estimate expected credit loss.

vii. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights. As of December 31, 2022 and 2021, the Company's written-off financial assets that are still under recourse procedures amounted to $0 and $477, respectively.

viii. The Company 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. As of December 31, 2022 and 2021, the provision matrix is as follows:

December 31, 2022	Not past due	Total
Expected loss rate	Approximately 0.03%	
Total book value	$ 10,212	$ 10,212
Loss allowance	$ -	$ -

December 31, 2021	Not past due	Total
Expected loss rate	Approximately 0.03%	
Total book value	$ 63,021	$ 63,021
Loss allowance	$ -	$ -

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

	December 31, 2022	December 31, 2021
Not past due	$ 10,212	$ 63,021

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company'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 Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company'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 Company treasury.

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

Non-derivative financial liabilities December 31, 2022	Up to 1 year	Between 1 year and 5 years	Over 5 years
Short-term borrowings	$ 1,595,000	$ -	$ -
Other payables	19,600	-	-
Other payables - related parties	10,622	-	-
Long-term notes and accounts payable - related parties	-	1,689,050	-

Non-derivative financial liabilities: December 31, 2021	Up to 1 year	Between 1 year and 5 years	Over 5 years
Short-term borrowings	$ 850,000	$ -	$ -
Other payables	29,863	-	-
Other payables - related parties	190,070	-	-
Lease liabilities	473	-	-
Long-term notes and accounts payable - related parties	-	1,660,800	-

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Refer to table 1.

B. Provision of endorsements and guarantees to others: 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: Refer to table 3.

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: Refer to table 4.

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

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

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Refer to table 7.

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%: Refer to table 8.

14. SEGMENT INFORMATION

Not applicable.

SINCERE NAVIGATION CORPORATION
DETAILS OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Summary	Amount	
Cash on hand and petty cash			$ 12
Checking accounts			2
Demand deposits			
— NTD		$ 25,097	
— USD	USD 1,215 thousand rate 30.71	37,310	
— JPY	JPY 183 thousand rate 0.2324	42	
			62,449
Time deposits			
— USD	USD 2,000 thousand rate 30.71		61,420
			$ 123,883

SINCERE NAVIGATION CORPORATION
DETAILS OF INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Balance at January 1, 2022		Investment income	Additions	Reductions (Note)	Cumulative translation adjustment	Balance at December 31, 2022				
Name	Number of Shares	Amount	Amount	Amount	Amount	Amount	Number of Shares	Ownership	Amount	Net assets	Collateral
Norley Corporation Inc.	500	$ 11,141,053	$ 48,835	$ -	$ -	$ 1,220,948	500	100%	$ 12,410,836	$ 12,413,938	None
Heywood Limited	500	5,082,954	262,880	-	-	563,860	500	100%	5,909,694	5,909,694	"
Sincere Navigation Corporation (Singapore) Pte. Ltd.	100,000	-	35,249	2,998	-	1,151	100,000	100%	39,398	39,689	"
		$ 16,224,007	$ 346,964	$ 2,998	$ -	$ 1,785,959			$ 18,359,928	$ 18,363,321	

SINCERE NAVIGATION CORPORATION
SHORT-TERM LOANS
DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Type	Bank	Balance at December 31, 2022	Term of contract	Interest rate (%)	Loan Commitments	Collateral	Note
Guaranteed borrowings	Mega Bank	$ 120,000	within one year	1.22%-2.06%	$ 225,000	Land, buildings, and promissory notes	
"	E.SUN Bank	455,000	within one year	1.25%-1.52%	500,000	Promissory notes, guaranteed by Heywood Limited	
Unsecured borrowings	First Bank	500,000	within one year	1.19%-1.75%	500,000	Guaranteed by the chairman	
"	Fubon Bank	200,000	within one year	1.10%-2.16%	200,000	Promissory notes, guaranteed by the chairman	
"	Taiwan Bank	200,000	within one year	1.19%-1.72%	200,000	Promissory notes, guaranteed by the chairman	
"	Chang Hwa	120,000	within one year	1.20%-2.74%	200,000	Guaranteed by the chairman	
		$ 1,595,000					

SINCERE NAVIGATION CORPORATION
DETAILS OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Summary		Amount	
Time charter	Average rent per day ×	Total days	$	39,448
	$ 844,703	46.7		
Bareboat charter-rental revenue	Rent USD $10,000 per day			85,537
Management service				2,650
			$	127,635

SINCERE NAVIGATION CORPORATION
DETAILS OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Amount	
Commission	$	1,031
Insurance		698
Depreciation		33,287
Fuel cost		2,462
Crew agency fee		5,964
Other cost		1,172
	$	44,614

SINCERE NAVIGATION CORPORATION
DETAILS OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Amount
Payroll expenses	$ 52,134
Directors' remuneration	7,027
Pension	1,803
Office supplies expenses	308
Travelling expenses	250
Postage and phone/Fax expense	1,320
Repairs and maintenance expenses	33
Utility fee	109
Insurance	3,608
Entertainment	264
Taxes	438
Depreciation	1,199
Amortisation	103
Meals expenses	790
Employee benefits	689
Professional service fees	5,463
Other expenses	20,467
	$ 96,005

SINCERE NAVIGATION CORPORATION
DETAILS OF LABOR, DEPRECIATION AND AMORTIZATIION BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Refer to Note 6.(16)(17) of the Financial Report.

Sincere Navigation Corporation

Loans to others

For the year ended December 31, 2022

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 year ended December 31, 2022	Balance at December 31, 2022	Actual amount drawn down	Interest rate	Nature of loan （Note 3）	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party （Note 2）	Ceiling on total loans granted （Note 2）	Footnote
0	Sincere Navigation Corporation	None													$ 4,747,641	$ 6,330,188	
1	Norley Corporation Inc.	Sincere Navigation Corporation	Receivables from related parties	Y	$ 1,047,900	$ 767,750	$ 767,750	-	2	-	Working capital	-	-	-	12,413,938	12,413,938	The maximun amount amounted to USD 35,000 thousand for the current period, and the actual amount was USD 25,000 thousand at the end of year.
1	Norley Corporation Inc.	Elroy Maritime Service Inc.	Receivables from related parties	Y	5,153	-	-	-	2	-	Working capital	-	-	-	12,413,938	12,413,938	The maximun amount amounted to USD 180 thousand for the current period, and the actual amount was USD 0 at the end of year.
2	Heywood Limited	Sincere Navigation Corporation	Receivables from related parties	Y	1,646,700	921,300	921,300	-	2	-	Working capital	-	-	-	5,909,694	5,909,694	The maximun amount amounted to USD 55,000 thousand for the current period, and the actual amount was USD 30,000 thousand at the end of year.
2	Heywood Limited	Norley Corporation Inc.	Receivables from related parties	Y	3,532,937	3,367,365	3,367,365	-	2	-	Working capital	-	-	-	5,909,694	5,909,694	The Maximun amount amounted to USD 114,650 thousand for the current period, and the actual amount was USD 109,650 thousand at the end of year.
3	Elroy Maritime Service Inc.	Oak Maritime (Canada) Inc.	Receivables from related parties	Y	5,800	5,528	5,528	-	2	-	Working capital	-	-	-	12,329	12,329	The maximun amount amounted to USD 180 thousand for the current period, and the actual amount was USD 180 thousand at the end of year.

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, limit on total financial shall not exceed 40% of the Company's net value.
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

Provision of endorsements and guarantees to others

For the year ended December 31, 2022

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2022 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2022 (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
0	Sincere Navigation Corporation	Helmsman Navigation Co. Ltd.	2	$ 15,825,471	$ 238,395	$ -	$ -	$ -	15.95%	$ 39,563,678	Y	N	N	Guarantee balance is US$ 0
0	"	Everwin Maritime Limited	2	15,825,471	459,400	-	-	-	15.95%	39,563,678	Y	N	N	Guarantee balance is US$ 0
0	"	Pacifica Maritime Limited	2	15,825,471	1,240,037	-	-	-	15.95%	39,563,678	Y	N	N	Guarantee balance is US$ 0
0	"	Ocean Grace Limited	2	15,825,471	1,150,254	1,096,347	580,419	-	15.95%	39,563,678	Y	N	N	Guarantee balance is US$ 35,700 thousand
0	"	Brighton Shipping Inc.	2	15,825,471	34,482	-	-	-	15.95%	39,563,678	Y	N	N	Guarantee balance is US$ 0
0	"	Rockwell Shipping Limited	2	15,825,471	23,288	-	-	-	15.95%	39,563,678	Y	N	N	Guarantee balance is US$ 0
0	"	Bridge Poiema Limited	2	15,825,471	1,498,230	1,428,015	1,249,513	-	15.95%	39,563,678	Y	N	N	Guarantee balance is US$ 46,500 thousand
1	Norley Corporation Inc.	Kenmore Shipping Inc.	2	12,413,938	508,620	456,811	456,811	-	5.49%	31,034,845	N	N	N	Guarantee balance is US$ 14,875 thousand
1	"	Pacifica Maritime Limited	2	12,413,938	235,206	224,183	224,183	-	5.49%	31,034,845	N	N	N	Guarantee balance is US$ 7,300 thousand (Note 9)
1	"	Steady Way Limited	2	12,413,938	829,665	-	-	-	5.49%	31,034,845	N	Y	N	Guarantee balance is US$ 0
2	Heywood Limited	Sincere Navigation Corporation	3	5,909,694	500,000	500,000	455,000	522,070	8.46%	14,774,235	N	N	N	Guarantee balance is US$ 500,000 thousand
3	Victory Navigation Inc.	Norley Corporation Inc.	3	721,571	644,400	614,200	-	-	85.12%	1,803,928	N	N	N	Guarantee balance is US$ 20,000 thousand (Note 8)
4	Everprime Shipping Limited	Norley Corporation Inc.	3	718,041	644,400	614,200	-	-	85.54%	1,795,103	N	N	N	Guarantee balance is US$ 20,000 thousand (Note 8)

Sincere Navigation Corporation

Provision of endorsements and guarantees to others

For the year ended December 31, 2022

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2022 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2022 (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
5	Ocean Wise Limited	Norley Corporation Inc.	3	$ 927,896	$ 926,325	$ 844,525	$ -	$ -	91.02%	$ 2,319,740	N	N	N	Guarantee balance is US$ 27,500 thousand (Note 8)
6	Poseidon Marine Ltd.	Norley Corporation Inc.	3	1,326,242	926,325	844,525	-	-	63.68%	3,315,605	N	N	N	Guarantee balance is US$ 27,500 thousand (Note 8)
7	Maxson Shipping Inc.	Norley Corporation Inc.	3	1,097,278	926,325	844,525	-	-	76.97%	2,743,195	N	N	N	Guarantee balance is US$ 27,500 thousand (Note 8)
8	Oak Maritime (Canada) Inc.	Pacifica Maritime Limited	4	2,340	588	560	560	-	23.93%	5,850	N	N	N	Guarantee balance is US$ 18 thousand (Note 9)

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$ 27.5 million.

Note 9: Please refer to Note 9(2)C.

Sincere Navigation Corporation

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

For the year ended December 31, 2022

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

							If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:						
Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
Steady Way Limited	Rebekah	2022.12.19	$ 790,783	$ 790,783	GREEN SPANKER SHIPPING S.A.	None	-	-	-	$ -	Based on mutual agreement	In consideration of overall operation of the Group.	None

Sincere Navigation Corporation

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

For the year ended December 31, 2022

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022	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	$ 767,750 (USD 25,000 thousand)	-	-	-	-	-
Heywood Limited (Heywood)	Sincere Navigation Corporation	Heywood's parent company	$ 921,300 (USD 30,000 thousand)	-	-	-	-	-
Heywood Limited (Heywood)	Norley Corporation Inc. (Norley)	Associate	$ 3,367,365 (USD 109,650 thousand)	-	-	-	-	-

Sincere Navigation Corporation

Significant inter-company transactions during the reporting period

For the year ended December 31, 2022

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction				
				General ledger account		Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Sincere Navigation Corporation	Ocean Grace Limited	1	Guarantees	$	1,096,347	As per the Company's policy	5.06%
0	〃	Bridge Poiema Limited	1	〃		1,428,015	〃	6.59%
1	Norley Corporation Inc.	Kenmore Shipping Inc.	1	〃		456,811	〃	2.11%
1	〃	Pacifica Maritime Limited	1	〃		224,183	〃	1.03%
1	〃	Sincere Navigation Corporation	2	Other receivables		767,750	〃	3.54%
2	Heywood Limited	Sincere Navigation Corporation	2	Guarantees		500,000	〃	2.31%
2	〃	Sincere Navigation Corporation	2	Other receivables		921,300	〃	4.25%
2	〃	Norley Corporation Inc.	3	〃		3,367,365	〃	15.54%
3	Victory Navigation Inc.	Norley Corporation Inc.	2	Guarantees (Note 5)		614,200	〃	2.83%
4	Everprime Shipping Limited	Norley Corporation Inc.	2	〃		614,200	〃	2.83%
5	Ocean Wise Limited	Norley Corporation Inc.	2	〃		844,525	〃	3.90%
6	Poseidon Marine Ltd.	Norley Corporation Inc.	2	〃		844,525	〃	3.90%
7	Maxson Shipping Inc.	Norley Corporation Inc.	2	〃		844,525	〃	3.90%

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$ 27.5 million.

Sincere Navigation Corporation

Information on investees

For the year ended December 31, 2022

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

				Initial investment amount (Note 1)		Shares held as at December 31, 2022 (Note 2)					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2022 (Note 2)	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
Sincere Navigation Corporation	Norley Corporation Inc.	Republic of Liberia	Investment holdings	$ 30,710 (USD 1,000 thousand)	$ 27,680 (USD 1,000 thousand)	500	100%	$ 12,410,836	$ 51,845	$ 48,835	Subsidiary
〃	Heywood Limited	Marshall Islands	〃	30,710 (USD 1,000 thousand)	27,680 (USD 1,000 thousand)	500	100%	5,909,694	262,880	262,880	Subsidiary
〃	SINCERE NAVIGATION CORPORATION (SINGAPORE) PTE. LTD.	Singapore	Shipping	3,071 (USD 100 thousand)	- (USD -)	100,000	100%	39,398	35,532	35,249	Subsidiary
Norley Corporation Inc.	Kenmore Shipping Inc.	Marshall Islands	Oil tanker	1,416,038 (USD 46,110 thousand)	1,276,325 (USD 46,110 thousand)	500	100%	1,836,073	58,095	-	Second-tier subsidiary
〃	Jetwall Co. Ltd.	〃	Investment holdings	1,083,940 (USD 35,296 thousand)	746,696 (USD 26,976 thousand)	400	80%	1,614,046	60,863	-	Second-tier subsidiary
〃	Victory Navigation Inc.	〃	〃	169 (USD 6 thousand)	152 (USD 6 thousand)	275	55%	396,864	72,155	-	Second-tier subsidiary
〃	Poseidon Marine Ltd	〃	Shipping	245,987 (USD 8,010 thousand)	221,717 (USD 8,010 thousand)	500	100%	1,326,242	(169,692)	-	Second-tier subsidiary
〃	Maxson Shipping Inc.	〃	〃	322,455 (USD 10,500 thousand)	290,640 (USD 10,500 thousand)	500	100%	1,097,278	73,105	-	Second-tier subsidiary
〃	Ocean Wise Limited	Republic of Liberia	〃	686,982 (USD 22,370 thousand)	619,201 (USD 22,370 thousand)	500	100%	927,896	(210,378)	-	Second-tier subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount (Note 1) Balance as at December 31, 2022	Initial investment amount (Note 1) Balance as at December 31, 2021	Shares held as at December 31, 2022 (Note 2) Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2022 (Note 2)	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
Norley Corporation Inc.	Pacifica Maritime Limited	Marshall Islands	Oil tanker	$ 2,542,481 (USD 82,790 thousand)	$ 1,461,227 (USD 52,790 thousand)	500	100%	$ 2,834,723	$ 23,951	$ -	Second-tier subsidiary
〃	Sky Sea Maritime Limited	〃	Investment holdings	491,682 (USD 16,011 thousand)	443,171 (USD 16,011 thousand)	275	55%	791,624	126,234	-	Second-tier subsidiary
〃	Elroy Maritime Service Inc.	〃	Maritime service	11,670 (USD 380 thousand)	5,536 (USD 200 thousand)	500	100%	12,329	3,359	-	Second-tier subsidiary
〃	Glory Selah Limited	〃	Investment holdings	261,803 (USD 8,525 thousand)	235,972 (USD 8,525 thousand)	500	55%	327,691	74,106	-	Second-tier subsidiary
〃	Steady Way Limited	〃	Shipping	791,090 (USD 25,760 thousand)	- (USD -)	500	100%	788,680	(2,338)	-	Second-tier subsidiary
〃	Clifford Navigation Corporation	〃	〃	384,296 (USD 12,514 thousand)	- (USD -)	500	100%	439,194	53,271	-	Second-tier subsidiary
〃	Brighton Shipping Inc.	〃	〃	618,666 (USD 20,145 thousand)	- (USD -)	500	100%	438,990	4,448	-	Second-tier subsidiary
〃	Rockwell Shipping Limited	〃	〃	546,817 (USD 17,806 thousand)	- (USD -)	500	100%	513,163	56,743	-	Second-tier subsidiary
〃	Howells Shipping Inc.	〃	〃	697,208 (USD 22,703 thousand)	- (USD -)	500	100%	705,821	8,357	-	Second-tier subsidiary
〃	Helmsman Navigation Co. Ltd.	〃	〃	743,068 (USD 24,196 thousand)	- (USD -)	500	100%	738,687	(4,252)	-	Second-tier subsidiary
〃	Keystone Shipping Co. Ltd.	〃	〃	70,209 (USD 2,286 thousand)	- (USD -)	500	100%	33,218	(35,894)	-	Second-tier subsidiary
〃	Carmel Splendor Limited	〃	〃	307 (USD 10 thousand)	- (USD -)	500	100%	285	(22)	-	Second-tier subsidiary
Jetwall Co. Ltd.	Everwin Maritime Limited	〃	Oil tanker	1,354,925 (USD 44,120 thousand)	933,370 (USD 33,720 thousand)	500	100%	2,018,417	60,849	-	Third-tier subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount (Note 1) Balance as at December 31, 2022	Initial investment amount (Note 1) Balance as at December 31, 2021	Shares held as at December 31, 2022 (Note 2) Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2022 (Note 2)	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
Victory Navigation Inc.	Everprime Shipping Limited	Marshall Islands	Shipping	$ 307 (USD 10 thousand)	$ 277 (USD 10 thousand)	500	100%	$ 718,041	$ 72,054	$ -	Third-tier subsidiary
Sky Sea Maritime Limited	Ocean Grace Limited	"	"	893,968 (USD 29,110 thousand)	805,765 (USD 29,110 thousand)	500	100%	1,439,183	125,751	-	Third-tier subsidiary
Elroy Maritime Service Inc.	Oak Maritime (Canada) Inc.	Canada	Maritime serive	3,947 (USD 128 thousand)	3,558 (USD 128 thousand)	1,000	100%	2,340	2,013	-	Third-tier subsidiary
Glory Selah Limited	Bridge Poiema Limited	Marshall Islands	Shipping	476,005 (USD 15,500 thousand)	429,040 (USD 15,500 thousand)	500	100%	596,011	74,204	-	Third-tier subsidiary
Heywood Limited	Century Shipping Limited	HongKong	Investment holdings	15,355 (USD 500 thousand)	13,840 (USD 500 thousand)	50,000	100%	7,379	1,824	-	Second-tier subsidiary

Note 1: The above balances of initial investments as at December 31, 2022 and 2021 were translated at the closing exchange rates at the balance sheet date.

Note 2: The above carrying amounts of shares held as at December 31, 2022 and net profit (loss) of the investee for the year ended December 31, 2022 were translated at the closing exchange rates at the balance sheet and the average exchange rates for the year ended December 31, 2022, respectively.

Sincere Navigation Corporation

Information on investments in Mainland China

For the year ended December 31, 2022

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method （Note 1）	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	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 (USD500 thousand)	$1,824 (RMB 412 thousand)	100%	$1,824 (RMB 412 thousand)	$7,379 (RMB 1,673 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 audited by the Company's CPA.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Haihu Maritime Service (Shanghai) Co., Ltd.	$ 15,855	$ 95,130	$ 9,495,283

Sincere Navigation Corporation
Major shareholders information
For the year ended December 31, 2022

Table 8

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 reports which was set by the trustee. As for the shareholder who 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.