

**SINCERE NAVIGATION CORPORATION
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
JUNE 30, 2023 AND 2022**

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

INDEPENDENT AUDITORS' REVIEW REPORT

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Sincere Navigation Corporation and subsidiaries (the “Group”) as at June 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the six-month periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2023 and 2022, and of its consolidated financial performance for the three-month and six-month periods then ended and its consolidated cash flows for the six-month periods then ended in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.



Lin, Yi-Fan



Liao, Fu-Ming

For and on Behalf of PricewaterhouseCoopers, Taiwan

August 8, 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
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets	Notes	June 30, 2023		December 31, 2022		June 30, 2022		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 4,584,225	20	\$ 3,794,497	17	\$ 4,614,939	22
1136	Current financial assets at amortised cost	6(2) and 8	1,855,664	8	642,938	3	113,205	-
1140	Current contract assets	6(13)	22,101	-	52,135	-	179,406	1
1170	Accounts receivable		479,906	2	638,737	3	295,265	1
1200	Other receivables		180,212	1	46,776	-	91,985	-
1220	Current tax assets		1,238	-	1,238	-	-	-
130X	Bunker inventories		67,246	-	156,094	1	373,351	2
1410	Prepayments		39,749	-	43,256	-	34,652	-
1470	Other current assets	8	140,982	1	135,031	1	146,743	1
11XX	Total current assets		<u>7,371,323</u>	<u>32</u>	<u>5,510,702</u>	<u>25</u>	<u>5,849,546</u>	<u>27</u>
Non-current assets								
1535	Non-current financial assets at amortised cost	6(2)	1,525,636	7	1,567,129	7	1,576,349	8
1600	Property, plant and equipment	6(3)(5)(6)(7) and 8	13,882,873	61	14,567,822	68	13,877,333	65
1755	Right-of-use assets	6(4)	3,017	-	4,815	-	8,970	-
1840	Deferred income tax assets		5,913	-	7,840	-	3,350	-
1900	Other non-current assets	8	100,269	-	7,818	-	12,057	-
15XX	Total non-current assets		<u>15,517,708</u>	<u>68</u>	<u>16,155,424</u>	<u>75</u>	<u>15,478,059</u>	<u>73</u>
1XXX	Total assets		<u>\$ 22,889,031</u>	<u>100</u>	<u>\$ 21,666,126</u>	<u>100</u>	<u>\$ 21,327,605</u>	<u>100</u>

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

Liabilities and Equity		Notes	June 30, 2023		December 31, 2022		June 30, 2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2100	Short-term borrowings	6(7)	\$ 2,360,000	10	\$ 1,595,000	7	\$ 850,000	4
2130	Current contract liabilities	6(13)	38,024	-	39,460	-	13,777	-
2200	Other payables		539,785	3	236,197	1	899,903	4
2220	Other payables - related parties	7	60,997	-	13,953	-	23,249	-
2230	Current income tax liabilities		32,298	-	7,174	-	1,178	-
2280	Current lease liabilities		3,566	-	4,473	-	5,315	-
2320	Long-term liabilities, current portion	6(8)	684,302	3	379,269	2	772,200	4
21XX	Total current liabilities		<u>3,718,972</u>	<u>16</u>	<u>2,275,526</u>	<u>10</u>	<u>2,565,622</u>	<u>12</u>
Non-current liabilities								
2540	Long-term borrowings	6(8)	1,442,171	7	1,907,475	9	2,029,505	10
2570	Deferred income tax liabilities		-	-	-	-	12,593	-
2580	Non-current lease liabilities		43	-	1,220	-	4,631	-
2600	Other non-current liabilities		12,564	-	12,413	-	15,234	-
25XX	Total non-current liabilities		<u>1,454,778</u>	<u>7</u>	<u>1,921,108</u>	<u>9</u>	<u>2,061,963</u>	<u>10</u>
2XXX	Total liabilities		<u>5,173,750</u>	<u>23</u>	<u>4,196,634</u>	<u>19</u>	<u>4,627,585</u>	<u>22</u>
Equity attributable to owners of parent								
Share capital 6(10)								
3110	Share capital - common stock		5,853,533	26	5,853,533	27	5,853,533	28
Capital surplus 6(11)								
3200	Capital surplus		244,338	1	243,785	1	243,785	1
Retained earnings 6(12)								
3310	Legal reserve		3,276,282	14	3,256,327	15	3,256,327	15
3320	Special reserve		898,413	4	2,684,372	12	2,684,372	13
3350	Unappropriated retained earnings		6,386,695	28	4,685,867	22	4,539,353	21
Other equity interest								
3400	Other equity interest		(635,568)	(3)	(898,413)	(4)	(1,484,574)	(7)
31XX	Equity attributable to owners of the parent		<u>16,023,693</u>	<u>70</u>	<u>15,825,471</u>	<u>73</u>	<u>15,092,796</u>	<u>71</u>
36XX	Non-controlling interest	4(3)	1,691,588	7	1,644,021	8	1,607,224	7
3XXX	Total equity		<u>17,715,281</u>	<u>77</u>	<u>17,469,492</u>	<u>81</u>	<u>16,700,020</u>	<u>78</u>
Significant contingent liabilities and unrecognised contract commitments 9								
3X2X	Total liabilities and equity		<u>\$ 22,889,031</u>	<u>100</u>	<u>\$ 21,666,126</u>	<u>100</u>	<u>\$ 21,327,605</u>	<u>100</u>

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

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

	Items	Notes	Three months ended June 30				Six months ended June 30			
			2023		2022		2023		2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(13) and 7	\$ 1,023,853	100	\$ 934,545	100	\$ 2,030,377	100	\$ 1,722,050	100
5000	Operating costs	6(18)(19) and 7	(727,295)	(71)	(778,897)	(83)	(1,635,637)	(81)	(1,456,732)	(84)
5900	Net operating margin		296,558	29	155,648	17	394,740	19	265,318	16
	Operating expenses	6(18)(19) and 7								
6200	General and administrative expenses		(63,696)	(7)	(46,564)	(5)	(121,299)	(6)	(96,290)	(6)
6450	Impairment (loss) profit determined in accordance with IFRS 9	12(2)	(244)	-	69	-	(8,242)	-	(18,752)	(1)
6000	Total operating expenses		(63,940)	(7)	(46,495)	(5)	(129,541)	(6)	(115,042)	(7)
6900	Operating profit		232,618	22	109,153	12	265,199	13	150,276	9
	Non-operating income and expenses									
7100	Interest income	6(14)	87,313	8	33,707	3	160,346	8	62,760	4
7010	Other income	6(15)	978	-	6,434	1	2,030	-	22,978	1
7020	Other gains and losses	6(16)	(86,515)	(8)	(85,576)	(9)	(39,526)	(2)	(135,635)	(8)
7050	Finance costs	6(17)	(43,769)	(4)	(24,970)	(3)	(86,029)	(4)	(50,548)	(3)
7000	Total non-operating income and expenses		(41,993)	(4)	(70,405)	(8)	36,821	2	(100,445)	(6)
7900	Profit before income tax		190,625	18	38,748	4	302,020	15	49,831	3
7950	Income tax (expense) benefit	6(20)	(41,170)	(4)	11,911	1	(34,324)	(2)	19,648	1
8000	Profit for the period from continuing operations		149,455	14	50,659	5	267,696	13	69,479	4
8100	Profit for the period from discontinued operations	6(6)	8,053	1	33,632	4	14,438	1	40,237	2
8200	Profit for the period		\$ 157,508	15	\$ 84,291	9	\$ 282,134	14	\$ 109,716	6

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

Items	Notes	Three months ended June 30				Six months ended June 30			
		2023		2022		2023		2022	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Other comprehensive income									
Components of other comprehensive income that will be reclassified to profit or loss									
8361	Financial statements translation differences of foreign operations	\$ 455,185	45	\$ 700,514	75	\$ 286,169	14	\$ 1,308,066	76
8300	Total other comprehensive income for the period	<u>\$ 455,185</u>	<u>45</u>	<u>\$ 700,514</u>	<u>75</u>	<u>\$ 286,169</u>	<u>14</u>	<u>\$ 1,308,066</u>	<u>76</u>
8500	Total comprehensive income for the period	<u>\$ 612,693</u>	<u>60</u>	<u>\$ 784,805</u>	<u>84</u>	<u>\$ 568,303</u>	<u>28</u>	<u>\$ 1,417,782</u>	<u>82</u>
Profit attributable to:									
8610	Owners of the parent	\$ 102,012	10	\$ 56,162	6	\$ 227,501	11	\$ 53,037	3
8620	Non-controlling interest	<u>55,496</u>	<u>5</u>	<u>28,129</u>	<u>3</u>	<u>54,633</u>	<u>3</u>	<u>56,679</u>	<u>3</u>
		<u>\$ 157,508</u>	<u>15</u>	<u>\$ 84,291</u>	<u>9</u>	<u>\$ 282,134</u>	<u>14</u>	<u>\$ 109,716</u>	<u>6</u>
Comprehensive income attributable to:									
8710	Owners of the parent	\$ 519,892	51	\$ 698,561	75	\$ 490,346	24	\$ 1,252,835	72
8720	Non-controlling interest	<u>92,801</u>	<u>9</u>	<u>86,244</u>	<u>9</u>	<u>77,957</u>	<u>4</u>	<u>164,947</u>	<u>10</u>
		<u>\$ 612,693</u>	<u>60</u>	<u>\$ 784,805</u>	<u>84</u>	<u>\$ 568,303</u>	<u>28</u>	<u>\$ 1,417,782</u>	<u>82</u>
Earnings per share (in dollars) 6(21)									
9710	Basic earnings per share from continuing operations	\$	0.16	\$	0.04	\$	0.36	\$	0.02
9720	Basic earnings per share from discontinued operations		<u>0.02</u>		<u>0.06</u>		<u>0.03</u>		<u>0.07</u>
9750	Total basic earnings per share	<u>\$</u>	<u>0.18</u>	<u>\$</u>	<u>0.10</u>	<u>\$</u>	<u>0.39</u>	<u>\$</u>	<u>0.09</u>
Diluted earnings per share (in dollars) 6(21)									
9810	Diluted earnings per share from continuing operations	\$	0.16	\$	0.04	\$	0.36	\$	0.02
9820	Diluted earnings per share from discontinued operations		<u>0.02</u>		<u>0.06</u>		<u>0.03</u>		<u>0.07</u>
9850	Total diluted earnings per share	<u>\$</u>	<u>0.18</u>	<u>\$</u>	<u>0.10</u>	<u>\$</u>	<u>0.39</u>	<u>\$</u>	<u>0.09</u>

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

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

		Equity attributable to owners of the parent										
		Capital Reserves				Retained Earnings						
				Difference between consideration and carrying amount of subsidiaries acquired					Financial statements translation differences of foreign operations			
Notes	Share capital - common stock	Treasury stock transactions		Others	Legal reserve	Special reserve	Unappropriated retained earnings			Total	Non-controlling interest	Total equity
For the six-month period ended June 30, 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
	-	-	-	-	-	-	53,037	-		53,037	56,679	109,716
	-	-	-	-	-	-	-	1,199,798		1,199,798	108,268	1,308,066
	-	-	-	-	-	-	53,037	1,199,798		1,252,835	164,947	1,417,782
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)
Overdue unclaimed cash dividends	-	-	-	582	-	-	-	-		582	-	582
Balance at June 30, 2022	<u>\$ 5,853,533</u>	<u>\$ 39,243</u>	<u>\$ 199,339</u>	<u>\$ 5,203</u>	<u>\$ 3,256,327</u>	<u>\$ 2,684,372</u>	<u>\$ 4,539,353</u>	<u>(\$ 1,484,574)</u>		<u>\$ 15,092,796</u>	<u>\$ 1,607,224</u>	<u>\$ 16,700,020</u>
For the six-month period ended June 30, 2023												
	\$ 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
	-	-	-	-	-	-	227,501	-		227,501	54,633	282,134
	-	-	-	-	-	-	-	262,845		262,845	23,324	286,169
	-	-	-	-	-	-	227,501	262,845		490,346	77,957	568,303
Appropriations of 2022 earnings: 6(12)												
Legal reserve	-	-	-	-	19,955	-	(19,955)	-		-	-	-
Special reserve	-	-	-	-	-	(1,785,959)	1,785,959	-		-	-	-
Cash dividends	-	-	-	-	-	-	(292,677)	-		(292,677)	-	(292,677)
Change in non-controlling interest	-	-	-	-	-	-	-	-		-	(30,390)	(30,390)
Overdue unclaimed cash dividends	-	-	-	553	-	-	-	-		553	-	553
Balance at June 30, 2023	<u>\$ 5,853,533</u>	<u>\$ 39,243</u>	<u>\$ 199,339</u>	<u>\$ 5,756</u>	<u>\$ 3,276,282</u>	<u>\$ 898,413</u>	<u>\$ 6,386,695</u>	<u>(\$ 635,568)</u>		<u>\$ 16,023,693</u>	<u>\$ 1,691,588</u>	<u>\$ 17,715,281</u>

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

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

	Notes	For the six-month periods ended June 30,	
		2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit from continuing operations before tax		\$ 302,020	\$ 49,831
Profit from discontinued operations before tax	6(6)	14,438	40,237
Profit before tax		316,458	90,068
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(18)	694,280	605,100
Amortisation	6(18)	26	50
Impairment loss determined in accordance with IFRS 9	12(2)	8,242	18,752
Interest income	6(14)	(162,398)	(62,969)
Interest expense	6(17)	86,029	50,565
(Gain) loss on disposal of property, plant and equipment	6(16)	(141,715)	9
Impairment loss recognised in profit or loss, property, plant and equipment	6(5)	70,265	28,720
Changes in operating assets and liabilities			
Changes in operating assets			
Current contract assets		30,034	(44,704)
Accounts receivable		150,430	(34,444)
Other receivables		(128,136)	33,399
Other receivables - related parties		-	62
Bunker inventories		64,130	(164,032)
Prepayments		3,507	(2,421)
Changes in operating liabilities			
Current contract liabilities		(1,436)	(59,172)
Other payables		(7,991)	97,770
Other payables - related parties		42,584	6,448
Accrued pension liabilities		151	(8,364)
Cash inflow generated from operations		1,024,460	554,837
Interest received		157,256	61,122
Income tax paid		(7,268)	(92,601)
Net cash flows from operating activities		1,174,448	523,358

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

	Notes	For the six-month periods ended June 30,	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortised cost		(\$ 1,176,175)	\$ -
Repayment of principal of financial assets at amortised cost		57,518	63,287
(Increase) decrease in other current assets		(5,951)	111,557
Acquisition of property, plant, and equipment	6(22)	(164,082)	(166,784)
Proceeds from disposal of property, plant and equipment		446,030	-
Increase in refundable deposits		(77,296)	(214)
Net cash flows (used in) from investing activities		(919,956)	7,846
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(23)	765,000	-
Repayment of principal of lease liability		(2,209)	(3,144)
Repayment of long-term borrowings	6(23)	(188,646)	(1,806,704)
Interest paid		(84,547)	(55,791)
Change in non-controlling interests		(30,390)	-
Overdue unclaimed cash dividends		553	582
Net cash flows from (used in) financing activities		459,761	(1,865,057)
Effect of changes in foreign exchange rate		75,475	525,469
Net increase (decrease) in cash and cash equivalents		789,728	(808,384)
Cash and cash equivalents at beginning of period		3,794,497	5,423,323
Cash and cash equivalents at end of period		\$ 4,584,225	\$ 4,614,939

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

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

1. HISTORY AND ORGANISATION

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

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

These consolidated financial statements were authorised for issuance by the Board of Directors on August 8, 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 2023 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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.

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

None.

(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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2022, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

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

B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2022.

(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 that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The basis for preparation of consolidated financial statements is consistent with that for the year ended December 31, 2022.

B. Subsidiaries included in the consolidated financial statements:

(a) Norley Corporation Inc. (Norley)

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

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2023	December 31, 2022	June 30, 2022	
Norley	Poseidon Marine Ltd.	Shipping	100%	100%	100%	
"	Kenmore Shipping Inc.	Oil tanker	100%	100%	100%	
"	Maxson Shipping Inc.	Shipping	100%	100%	100%	
"	Ocean Wise Limited	Shipping	100%	100%	100%	
"	Jetwall Co. Ltd. (Jetwall)	Investment holdings	80%	80%	80%	
"	Victory Navigation Inc. (Victory)	Investment holdings	55%	55%	55%	
"	Pacifica Maritime Limited	Oil tanker	100%	100%	100%	
"	Sky Sea Maritime Limited (Sky Sea)	Investment holdings	55%	55%	55%	
"	Elroy Maritime Services Inc. (Elory)	Maritime service	100%	100%	100%	
"	Glory Selah Limited (Glory)	Investment holdings	55%	55%	55%	
"	Steady Way Limited (Steady)	Shipping	100%	100%	100%	Note 1
"	Clifford Navigation Corporation	Shipping	100%	100%	-	Note 2
"	Brighton Shipping Inc.	Shipping	100%	100%	-	"
"	Rockwell Shipping Limited	Shipping	100%	100%	-	"
"	Howells Shipping Inc.	Shipping	100%	100%	-	"
"	Helmsman Navigation Co. Ltd.	Shipping	100%	100%	-	"
"	Keystone Shipping Co. Ltd.	Shipping	100%	100%	-	"
"	Carmel Splendor Limited	Shipping	100%	100%	-	Note 3
"	Sharon Glory Limited	Shipping	100%	-	-	Note 4

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2023	December 31, 2022	June 30, 2022	
Jetwall	Everwin Maritime Limited	Oil tanker	100%	100%	100%	
Victory	Everprime Shipping Limited	Shipping	100%	100%	100%	
Sky Sea	Ocean Grace Limited	Shipping	100%	100%	100%	
Elroy	Oak Maritime (Canada) Inc.	Maritime service	100%	100%	100%	
Glory	Bridge Poiema Limited	Shipping	100%	100%	100%	

Note 1: Steady Way Limited was established in Marshall Islands on April 26, 2022.

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

Note 3: Carmel Splendor Limited was established in Marshall Islands on November 8, 2022.

Note 4: Sharon Glory Limited was established in Marshall Islands on June 29, 2023.

(b) Heywood Limited (Heywood)

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

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2023	December 31, 2022	June 30, 2022	
Heywood	Clifford Navigation Corporation	Shipping	-	-	100%	Note
"	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%	"
"	Century Shipping Limited (Century)	Investment holdings	100%	100%	100%	
Century	Haihu Maritime Service (Shanghai) Co., Ltd.	Maritime service	100%	100%	100%	

Note : 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 June 30, 2023, December 31, 2022 and June 30, 2022, the non-controlling interest amounted to \$1,691,588, \$1,664,021 and \$1,607,224, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest					
		June 30, 2023		December 31, 2022		June 30, 2022	
		Amount	Ownership (%)	Amount	Ownership (%)	Amount	Ownership (%)
Jetwall Co. Ltd.	Marshall Islands	\$ 427,331	20	\$ 403,511	20	\$ 299,347	20
Victory Navigation Inc.	Marshall Islands	327,503	45	324,707	45	403,042	45
Sky Sea Maritime Limited	Marshall Islands	655,673	45	647,692	45	658,468	45
Glory Selah Limited	Marshall Islands	281,081	45	268,111	45	246,367	45

Summarised financial information of the subsidiaries:

Balance sheets

	Jetwall Co. Ltd.		
	June 30, 2023	December 31, 2022	June 30, 2022
Current assets	\$ 451,543	\$ 397,098	\$ 183,930
Non-current assets	1,695,466	1,629,443	1,598,475
Current liabilities	(10,354)	(8,984)	(285,670)
Non-current liabilities	-	-	-
Total net assets	<u>\$ 2,136,655</u>	<u>\$ 2,017,557</u>	<u>\$ 1,496,735</u>

	Victory Navigation Inc.		
	June 30, 2023	December 31, 2022	June 30, 2022
Current assets	\$ 286,852	\$ 241,227	\$ 392,031
Non-current assets	455,109	487,072	509,617
Current liabilities	(14,175)	(6,728)	(5,999)
Non-current liabilities	-	-	-
Total net assets	<u>\$ 727,786</u>	<u>\$ 721,571</u>	<u>\$ 895,649</u>

	Sky Sea Maritime Limited		
	June 30, 2023	December 31, 2022	June 30, 2022
Current assets	\$ 274,135	\$ 336,129	\$ 520,091
Non-current assets	1,733,940	1,727,599	1,769,940
Current liabilities	(551,024)	(624,412)	(327,473)
Non-current liabilities	-	-	(499,296)
Total net assets	<u>\$ 1,457,051</u>	<u>\$ 1,439,316</u>	<u>\$ 1,463,262</u>

	Glory Selah Limited		
	June 30, 2023	December 31, 2022	June 30, 2022
Current assets	\$ 305,210	\$ 289,250	\$ 88,355
Non-current assets	1,525,636	1,567,129	1,742,588
Current liabilities	(1,206,222)	(1,260,577)	(143,326)
Non-current liabilities	-	-	(1,140,134)
Total net assets	<u>\$ 624,624</u>	<u>\$ 595,802</u>	<u>\$ 547,483</u>

Statements of comprehensive income

	Jetwall Co. Ltd.	
	For the three-month periods ended June 30,	
	2023	2022
Revenue	\$ 131,637	\$ 25,345
Profit (loss) before income tax	178,707	(38,220)
Income tax expense	-	-
Profit (loss) for the period	178,707	(38,220)
Other comprehensive income, net of tax	46,427	56,180
Total comprehensive income for the period	<u>\$ 225,134</u>	<u>\$ 17,960</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 45,027</u>	<u>\$ 3,591</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

	Jetwall Co. Ltd.	
	For the six-month periods ended June 30,	
	2023	2022
Revenue	\$ 260,963	\$ 52,675
Profit (loss) before income tax	241,877	(83,101)
Income tax expense	-	-
Profit (loss) for the period	241,877	(83,101)
Other comprehensive income, net of tax	29,171	105,746
Total comprehensive income for the period	<u>\$ 271,048</u>	<u>\$ 22,645</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 54,210</u>	<u>\$ 4,529</u>
Dividends paid to non-controlling interest	<u>(\$ 30,390)</u>	<u>\$ -</u>

Victory Navigation Inc.		
For the three-month periods ended June 30,		
	2023	2022
Revenue	\$ 47,381	\$ 54,499
Profit before income tax	11,475	16,117
Income tax expense	-	-
Profit for the period	11,475	16,117
Other comprehensive income, net of tax	16,169	32,050
Total comprehensive income for the period	<u>\$ 27,644</u>	<u>\$ 48,167</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 12,440</u>	<u>\$ 21,675</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

Victory Navigation Inc.		
For the six-month periods ended June 30,		
	2023	2022
Revenue	\$ 101,941	\$ 118,687
(Loss) profit before income tax	(3,815)	44,839
Income tax expense	-	-
(Loss) profit for the period	(3,815)	44,839
Other comprehensive income, net of tax	10,030	59,853
Total comprehensive income for the period	<u>\$ 6,215</u>	<u>\$ 104,692</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 2,797</u>	<u>\$ 47,111</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

Sky Sea Maritime Limited		
For the three-month periods ended June 30,		
	2023	2022
Revenue	\$ 143,953	\$ 151,099
Profit before income tax	22,628	42,394
Income tax expense	-	-
Profit for the period	22,628	42,394
Other comprehensive income, net of tax	32,342	52,692
Total comprehensive income for the period	<u>\$ 54,970</u>	<u>\$ 95,086</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 24,736</u>	<u>\$ 42,789</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

Sky Sea Maritime Limited		
For the six-month periods ended June 30,		
	2023	2022
Revenue	\$ 212,740	\$ 275,873
(Loss) profit before income tax	(2,372)	74,758
Income tax expense	-	-
(Loss) profit for the period	(2,372)	74,758
Other comprehensive income, net of tax	20,107	97,732
Total comprehensive income for the period	<u>\$ 17,735</u>	<u>\$ 172,490</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 7,980</u>	<u>\$ 77,621</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

Glory Selah Limited		
For the three-month periods ended June 30,		
	2023	2022
Revenue	\$ -	\$ -
Profit before income tax	9,796	20,985
Income tax expense	-	-
Profit for the period	9,796	20,985
Other comprehensive income, net of tax	13,754	19,434
Total comprehensive income for the period	<u>\$ 23,550</u>	<u>\$ 40,419</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 10,598</u>	<u>\$ 18,189</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

Glory Selah Limited		
For the six-month periods ended June 30,		
	2023	2022
Revenue	\$ -	\$ -
Profit before income tax	20,092	43,290
Income tax expense	-	-
Profit for the period	20,092	43,290
Other comprehensive income, net of tax	8,730	36,012
Total comprehensive income for the period	<u>\$ 28,822</u>	<u>\$ 79,302</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 12,970</u>	<u>\$ 35,686</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

Statements of cash flows

		Jetwall Co. Ltd.	
		For the six-month periods ended June 30,	
		2023	2022
Net cash provided by operating activities	\$	11,933	\$ 2,972
Net cash (used in) provided by investing activities	(	11,805)	1,695
Net cash used in financing activities	(	152,750)	(57,119)
Effect of exchange rates on cash and cash equivalents		93	6,729
Decrease in cash and cash equivalents	(	152,529)	(45,723)
Cash and cash equivalents, beginning of the period		217,169	116,093
Cash and cash equivalents, end of the period	\$	64,640	\$ 70,370

		Victory Navigation Inc.	
		For the six-month periods ended June 30,	
		2023	2022
Net cash provided by operating activities	\$	114,502	\$ 85,477
Net cash used in investing activities	(	1,267)	-
Net cash used in financing activities		-	-
Effect of exchange rates on cash and cash equivalents		4,020	21,958
Increase in cash and cash equivalents		117,255	107,435
Cash and cash equivalents, beginning of the period		130,857	257,568
Cash and cash equivalents, end of the period	\$	248,112	\$ 365,003

		Sky Sea Maritime Limited	
		For the six-month periods ended June 30,	
		2023	2022
Net cash provided by operating activities	\$	61,317	\$ 191,115
Net cash used in investing activities	(	33,068)	(828)
Net cash used in financing activities	(	81,735)	(67,453)
Effect of exchange rates on cash and cash equivalents		711	16,281
(Decrease) increase in cash and cash equivalents	(	52,775)	139,115
Cash and cash equivalents, beginning of the period		124,567	162,877
Cash and cash equivalents, end of the period	\$	71,792	\$ 301,992

Glory Selah Limited			
For the six-month periods ended June 30,			
	2023		2022
Net cash provided by operating activities	\$ 58,462	\$	55,235
Net cash provided by investing activities	58,988		57,247
Net cash used in financing activities	(108,740)	(	77,116)
Effect of exchange rates on cash and cash equivalents	1,702		4,681
Increase in cash and cash equivalents	10,412		40,047
Cash and cash equivalents, beginning of the period	109,545		46,805
Cash and cash equivalents, end of the period	\$ 119,957	\$	86,852

(4) Employee benefits

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

(5) Income tax

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

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

There was no significant change in the reporting period. Refer to Note 5 in the consolidated financial statements for the year ended December 31, 2022.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2023	December 31, 2022	June 30, 2022
Cash on hand and revolving funds	\$ 364	\$ 380	\$ 482
Checking accounts and demand deposits	1,636,479	674,427	2,641,470
Time deposit	2,947,382	3,119,690	1,972,987
	<u>\$ 4,584,225</u>	<u>\$ 3,794,497</u>	<u>\$ 4,614,939</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

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

(2) Financial assets at amortised cost

Items	June 30, 2023	December 31, 2022	June 30, 2022
Current items:			
Time deposits with maturity over three months	\$ 437,325	\$ 1,318	\$ 1,338
Pledged time deposits	1,292,310	522,070	-
Bareboat charter (Note)	<u>126,029</u>	<u>119,550</u>	<u>111,867</u>
	<u>\$ 1,855,664</u>	<u>\$ 642,938</u>	<u>\$ 113,205</u>
Non-current items:			
Bareboat charter (Note)	<u>\$ 1,525,636</u>	<u>\$ 1,567,129</u>	<u>\$ 1,576,349</u>

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

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

	For the three-month periods ended June 30,	
	2023	2022
Interest income	\$ 36,424	\$ 28,587
	For the six-month periods ended June 30,	
	2023	2022
Interest income	\$ 69,388	\$ 56,289

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

C. As at June 30, 2023, December 31, 2022 and June 30, 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$3,381,300, \$2,210,067 and \$1,689,554, respectively.

(3) Property, plant and equipment

	Land	Buildings and structures	Vessels and equipment	Office equipment	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2023</u>						
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)
	<u>\$ 90,215</u>	<u>\$ 10,352</u>	<u>\$ 14,462,784</u>	<u>\$ 2,333</u>	<u>\$ 2,138</u>	<u>\$ 14,567,822</u>
<u>2023</u>						
Opening net book amount	\$ 90,215	\$ 10,352	\$ 14,462,784	\$ 2,333	\$ 2,138	\$ 14,567,822
Additions	-	-	163,044	54	-	163,098
Disposals	-	-	(271,109)	(36)	-	(271,145)
Retirement - cost	-	-	(105,578)	-	-	(105,578)
Retirement - accumulated depreciation	-	-	105,578	-	-	105,578
Impairment loss	-	-	(183,300)	-	-	(183,300)
Reversal of impairment loss	-	-	113,035	-	-	113,035
Depreciation	-	(352)	(691,687)	(337)	-	(692,376)
Net exchange differences	-	-	185,704	4	31	185,739
Closing net book amount	<u>\$ 90,215</u>	<u>\$ 10,000</u>	<u>\$ 13,778,471</u>	<u>\$ 2,018</u>	<u>\$ 2,169</u>	<u>\$ 13,882,873</u>
<u>At June 30, 2023</u>						
Cost	\$ 90,215	\$ 28,952	\$ 27,295,208	\$ 10,497	\$ 2,169	\$ 27,427,041
Accumulated depreciation	-	(18,952)	(13,037,181)	(8,479)	-	(13,064,612)
Accumulated impairment	-	-	(479,556)	-	-	(479,556)
	<u>\$ 90,215</u>	<u>\$ 10,000</u>	<u>\$ 13,778,471</u>	<u>\$ 2,018</u>	<u>\$ 2,169</u>	<u>\$ 13,882,873</u>

	Land	Buildings and structures	Vessels and equipment	Office equipment	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2022</u>						
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)
	<u>\$ 90,215</u>	<u>\$ 10,272</u>	<u>\$ 13,286,890</u>	<u>\$ 2,166</u>	<u>\$ -</u>	<u>\$ 13,389,543</u>
<u>2022</u>						
Opening net book amount	\$ 90,215	\$ 10,272	\$ 13,286,890	\$ 2,166	\$ -	\$ 13,389,543
Additions	-	-	178,512	778	15,815	195,105
Disposals	-	-	-	(9)	-	(9)
Retirement - cost	-	-	(152,489)	-	-	(152,489)
Retirement - accumulated depreciation	-	-	152,489	-	-	152,489
Impairment loss	-	-	(28,720)	-	-	(28,720)
Depreciation	-	(328)	(601,473)	(311)	-	(602,112)
Net exchange differences	-	-	923,023	21	482	923,526
Closing net book amount	<u>\$ 90,215</u>	<u>\$ 9,944</u>	<u>\$ 13,758,232</u>	<u>\$ 2,645</u>	<u>\$ 16,297</u>	<u>\$ 13,877,333</u>
<u>At June 30, 2022</u>						
Cost	\$ 90,215	\$ 28,191	\$ 26,206,149	\$ 10,705	\$ 16,297	\$ 26,351,557
Accumulated depreciation	-	(18,247)	(12,120,997)	(8,060)	-	(12,147,304)
Accumulated impairment	-	-	(326,920)	-	-	(326,920)
	<u>\$ 90,215</u>	<u>\$ 9,944</u>	<u>\$ 13,758,232</u>	<u>\$ 2,645</u>	<u>\$ 16,297</u>	<u>\$ 13,877,333</u>

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

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

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

C. Information about the property, plant and equipment that were pledged to others as 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:

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings	\$ 2,885	\$ 4,643	\$ 6,600
Other equipment	132	172	2,370
	<u>\$ 3,017</u>	<u>\$ 4,815</u>	<u>\$ 8,970</u>

	<u>For the three-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings	\$ 937	\$ 946
Other equipment	23	578
	960	1,524
Less: Depreciation charge from discontinued operations	-	(194)
	<u>\$ 960</u>	<u>\$ 1,330</u>

	<u>For the six-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings	\$ 1,859	\$ 1,851
Other equipment	45	1,137
	<u>1,904</u>	<u>2,988</u>
Less: Depreciation charge from discontinued operations	<u>-</u>	<u>(370)</u>
	<u>\$ 1,904</u>	<u>\$ 2,618</u>

C. For the six-month periods ended June 30, 2023 and 2022, there were no additions to right-of-use assets.

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

	<u>For the three-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 54	\$ 114
Expense on short-term lease contracts	1,264	1,243
	<u>For the six-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 120	\$ 238
Expense on short-term lease contracts	2,524	2,451

E. For the six-month periods ended June 30, 2023 and 2022, the Group's total cash outflow for leases were \$4,853 and \$5,850, respectively.

(5) Impairment of non-financial assets

A. The Group recognised impairment loss amounting to \$70,265 and \$28,720 for the six-month periods ended June 30, 2023 and 2022, respectively. Details of the loss are as follows:

	<u>For the six-month periods ended June 30,</u>			
	<u>2023</u>		<u>2022</u>	
	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive income</u>	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive income</u>
Impairment loss-Vessels and equipment-net	<u>\$ 70,265</u>	<u>\$ -</u>	<u>\$ 28,720</u>	<u>\$ -</u>

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

	For the six-month periods ended June 30,			
	2023		2022	
	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in profit or loss	Recognised in other comprehensive income
Bulk carrier	\$ 183,300	\$ -	\$ 28,720	\$ -
Oil tanker	(113,035)	-	-	-
	<u>\$ 70,265</u>	<u>\$ -</u>	<u>\$ 28,720</u>	<u>\$ -</u>

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 and recognised impairment losses of \$183,300 (USD 6,000 thousand) and \$28,720 (USD 1,000 thousand) in the second quarter of 2023 and 2022, respectively. 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 10.26% and 10.65% in the second quarter of 2023 and 2022, respectively.

D. An impairment loss was recognised on the vessel “Maxim” held by the Group’s third-tier subsidiary “Everwin Maritime Limited.”, whose recoverable amount was higher than the book value. The Group wrote up the carrying amount of the asset based on the recoverable amount and recognised a reversal of impairment loss of \$113,035 (USD 3,700 thousand) in the second quarter of 2023. 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 10.26%.

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

A. On March 9, 2023, the Board of Directors of the second-tier subsidiary, Clifford Navigation Corporation, resolved to sell and transfer the vessel “Huang Shan” to its associate - Sincere Navigation Corporation (Singapore) Pte. Ltd., when the current shipments are discharged from the vessel, based on the carrying amount of the vessel on the return date of the vessel by the charter. The transaction was settled on March 16, 2023 upon the delivery of the vessel as per the agreement. However, on March 17, 2023, the Board of Directors of Sincere Navigation Corporation (Singapore) Pte. Ltd., resolved to sell the vessel “Huang Shan” and entered into a sale agreement with an external third party, Gaia Shipping Ltd. On the same date, the disposal of the vessel met the definition of discontinued operations and was classified as a discontinued operation. The transaction was completed on March 30, 2023 upon the delivery of the vessel as per the agreement.

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

	<u>For the six-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Operating cash flows	\$ 20,322	\$ 88,385
Investing cash flows	-	-
Financing cash flows	(412,425)	(316,299)
Total cash flows	<u>(\$ 392,103)</u>	<u>(\$ 227,914)</u>

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

	<u>For the three-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Profit or loss for the period from discontinued operations		
Revenue	\$ 4,320	\$ 60,803
Cost	<u>2,435</u>	<u>(27,106)</u>
Gross profit from discontinued operations	6,755	33,697
Operating expenses	<u>(112)</u>	<u>(203)</u>
Operating profit from discontinued operations	6,643	33,494
Interest income	1,408	120
Other income	2	27
Interest expense	<u>-</u>	<u>(9)</u>
Profit for the period from discontinued operations	<u>\$ 8,053</u>	<u>\$ 33,632</u>
Profit attributable to:		
Owners of the parent	\$ 8,053	\$ 33,632
Non-controlling interest	<u>-</u>	<u>-</u>
	<u>\$ 8,053</u>	<u>\$ 33,632</u>

	<u>For the six-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Profit or loss for the period from discontinued operations		
Revenue	\$ 38,439	\$ 144,759
Cost	(25,389)	(104,309)
Gross profit from discontinued operations	13,050	40,450
Operating expenses	(351)	(438)
Operating profit from discontinued operations	12,699	40,012
Interest income	2,052	209
Other losses and gains	(313)	33
Interest expense	-	(17)
Profit for the period from discontinued operations	<u>\$ 14,438</u>	<u>\$ 40,237</u>
Profit attributable to:		
Owners of the parent	\$ 14,438	\$ 40,237
Non-controlling interest	-	-
	<u>\$ 14,438</u>	<u>\$ 40,237</u>

B. For profit and earnings per share from continuing and discontinued operations attributable to owners of the parent: Refer to Note 6(21).

(7) Short-term borrowings

Type of borrowings	June 30, 2023	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	\$ 1,340,000	1.67%~2.10%	Structures, land and promissory notes, and pledged time deposits
Unsecured borrowings	1,020,000	1.97%~2.44%	Promissory notes
	<u>\$ 2,360,000</u>		

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
	<u>\$ 1,595,000</u>		

Type of borrowings	June 30, 2022	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	\$ 120,000	1.22%~1.23%	Structures, land and promissory notes
Unsecured borrowings	730,000	1.10%~1.69%	Promissory notes
	<u>\$ 850,000</u>		

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

	June 30, 2023	December 31, 2022	June 30, 2022	Footnote
Jack Hsu	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	Promissory notes
Jack Hsu	400,000	400,000	400,000	Guarantee
Heywood Limited	500,000	500,000	-	Joint guarantee/ Guarantee
Heywood Limited and Norley Corporation Inc.	1,500,000	-	-	"

(8) Long-term borrowings

Bank	Collateral	June 30, 2023	December 31, 2022	June 30, 2022
Mega Bank	Vessel-Maxim	\$ -	\$ -	\$ 280,334
		-	-	(USD 9,433 thousand)
ING Bank	Vessel-Kondor	408,713	456,812	494,095
		(USD 13,125 thousand)	(USD 14,875 thousand)	(USD 16,625 thousand)
Mega Bank (and syndicate)	Vessel-Tien Shan	523,152	580,419	748,944
		(USD 16,800 thousand)	(USD 18,900 thousand)	(USD 25,200 thousand)
Mega Bank	(Note)	1,194,608	1,249,513	1,278,332
		(USD 38,363 thousand)	(USD 40,687 thousand)	(USD 43,013 thousand)
		2,126,473	2,286,744	2,801,705
Less: Current portion-due within one year (shown as other current liabilities)		(684,302)	(379,269)	(772,200)
		\$ 1,442,171	\$ 1,907,475	\$ 2,029,505
Interest rates		5.61% ~ 6.99%	1.33% ~ 6.28%	1.33% ~ 3.77%

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

Note : 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) For the aforementioned pension plan, the Group recognized pension costs of \$118, \$122, \$235 and \$245 for the three-month and six-month periods ended June 30, 2023 and 2022, respectively.
- (C) 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 three-month and six-month periods ended June 30, 2023 and 2022 were \$392, \$136, \$805 and \$513, respectively.
- (b) The Company’s mainland China subsidiary, Haihu Maritime Service (Shanghai) Co., Ltd., has a defined contribution retirement plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on the employees’ monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations. The pension costs for the three-month and six-month periods ended June 30, 2023 and 2022 were \$221, \$316, \$521 and \$630, respectively.
- (c) Partial overseas subsidiaries of the Company contribute the pension to a certain percentage of the employees’ monthly salaries and wages in accordance with each local laws and pension regulation. Other than the monthly contributions, the Group has no further obligations. The pension costs for the three-month and six-month periods ended June 30, 2023 and 2022 were \$30, \$0, \$62 and \$0, respectively.

(10) Share capital-common stock

As of June 30, 2023, 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

The appropriations of 2022 and 2021 earnings had been resolved at the stockholders' meeting on June 9, 2023 and June 10, 2022, respectively. Details are summarised below:

	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 19,955		\$ 70,430	
Special reserve	-		468,299	
Cash dividends	292,677	\$ 0.50	585,353	\$ 1.00
	<u>\$ 312,632</u>		<u>\$ 1,124,082</u>	
Reversal of special reserve	<u>\$ 1,785,959</u>		<u>\$ -</u>	

(13) Operating revenue

	For the three-month periods ended June 30,	
	2023	2022
Revenue from contracts with customers	<u>\$ 1,023,853</u>	<u>\$ 934,545</u>

	For the six-month periods ended June 30,	
	2023	2022
Revenue from contracts with customers	<u>\$ 2,030,377</u>	<u>\$ 1,722,050</u>

A. Disaggregation of revenue from contracts with customers

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

	For the three-month period ended June 30, 2023			
	Bulk carrier	Oil tanker	Management service	Total
Revenue from external customer contracts	<u>\$ 683,379</u>	<u>\$ 335,637</u>	<u>\$ 4,837</u>	<u>\$ 1,023,853</u>
Timing of revenue recognition				
Over time	<u>\$ 683,379</u>	<u>\$ 335,637</u>	<u>\$ 4,837</u>	<u>\$ 1,023,853</u>

	For the three-month period ended June 30, 2022			
	Bulk carrier	Oil tanker	Management service	Total
Revenue from external customer contracts	<u>\$ 822,823</u>	<u>\$ 106,427</u>	<u>\$ 5,295</u>	<u>\$ 934,545</u>
Timing of revenue recognition				
Over time	<u>\$ 822,823</u>	<u>\$ 106,427</u>	<u>\$ 5,295</u>	<u>\$ 934,545</u>

	For the six-month period ended June 30, 2023			
	Bulk carrier	Oil tanker	Management service	Total
Revenue from external customer contracts	<u>\$ 1,316,692</u>	<u>\$ 704,062</u>	<u>\$ 9,623</u>	<u>\$ 2,030,377</u>
Timing of revenue recognition				
Over time	<u>\$ 1,316,692</u>	<u>\$ 704,062</u>	<u>\$ 9,623</u>	<u>\$ 2,030,377</u>

	For the six-month period ended June 30, 2022			
	Bulk carrier	Oil tanker	Management service	Total
Revenue from external customer contracts	\$ 1,546,281	\$ 165,430	\$ 10,339	\$ 1,722,050
Timing of revenue recognition Over time	\$ 1,546,281	\$ 165,430	\$ 10,339	\$ 1,722,050

B. Contract assets and liabilities

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

	June 30, 2023	December 31, 2022	June 30, 2022	January 1, 2022
Contract assets				
- bulk carrier	\$ 22,101	\$ 52,135	\$ 179,406	\$ 134,702
Contract liabilities				
- bulk carrier	\$ 38,024	\$ 39,460	\$ 13,777	\$ 72,949

C. Contract liabilities at the beginning of 2023 and 2022 amounting to \$39,460 and \$72,949, respectively, were all recognised as operating revenue for the six-month periods ended June 30, 2023 and 2022, respectively.

(14) Interest income

	For the three-month periods ended June 30,	
	2023	2022
Interest income from bank deposits	\$ 50,889	\$ 5,120
Interest income from financial assets measured at amortised cost	36,424	28,587
	\$ 87,313	\$ 33,707
	For the six-month periods ended June 30,	
	2023	2022
Interest income from bank deposits	\$ 90,958	\$ 6,471
Interest income from financial assets measured at amortised cost	69,388	56,289
	\$ 160,346	\$ 62,760

(15) Other income

	For the three-month periods ended June 30,	
	2023	2022
Rent income	\$ 45	\$ 92
Insurance claims	927	5,905
Others	6	437
	<u>\$ 978</u>	<u>\$ 6,434</u>
	For the six-month periods ended June 30,	
	2023	2022
Rent income	\$ 91	\$ 183
Insurance claims	1,798	5,905
Others	141	16,890
	<u>\$ 2,030</u>	<u>\$ 22,978</u>

(16) Other gains and losses

	For the three-month periods ended June 30,	
	2023	2022
Gains (losses) on disposals of property, plant and equipment	\$ 707	(\$ 9)
Currency exchange losses	(15,844)	(56,488)
Impairment loss on property, plant and equipment	(70,265)	(28,720)
Compensation losses	(540)	-
Other losses	(573)	(359)
	<u>(\$ 86,515)</u>	<u>(\$ 85,576)</u>
	For the six-month periods ended June 30,	
	2023	2022
Gains (losses) on disposals of property, plant and equipment	\$ 141,715	(\$ 9)
Currency exchange losses	(7,234)	(106,535)
Impairment loss on property, plant and equipment	(70,265)	(28,720)
Compensation losses	(103,106)	-
Other losses	(636)	(371)
	<u>(\$ 39,526)</u>	<u>(\$ 135,635)</u>

(17) Finance costs

	For the three-month periods ended June 30,	
	2023	2022
Interest expense		
Interest expense on bank borrowings	\$ 43,715	\$ 24,856
Lease liabilities	54	114
	<u>\$ 43,769</u>	<u>\$ 24,970</u>
	For the six-month periods ended June 30,	
	2023	2022
Interest expense		
Interest expense on bank borrowings	\$ 85,909	\$ 50,310
Lease liabilities	120	238
	<u>\$ 86,029</u>	<u>\$ 50,548</u>

(18) Expenses by nature

Function \ Nature	For the three-month periods ended June 30,					
	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense	\$ 143,939	\$ 40,405	\$ 184,344	\$ 144,321	\$ 24,234	\$ 168,555
Depreciation	345,346	1,306	346,652	308,110	1,295	309,405
Amortisation	-	13	13	-	25	25
Function \ Nature	For the six-month periods ended June 30,					
	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense	\$ 306,574	\$ 74,980	\$ 381,554	\$ 286,924	\$ 51,187	\$ 338,111
Depreciation	691,687	2,593	694,280	602,566	2,534	605,100
Amortisation	-	26	26	-	50	50

(19) Employee benefit expense

Function Nature		For the three-month periods ended June 30,					
		2023			2022		
		Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Wages and salaries		\$ 118,002	\$ 36,486	\$ 154,488	\$ 120,698	\$ 21,759	\$ 142,457
Labor and health insurance fees		290	966	1,256	193	251	444
Pension costs		-	761	761	-	574	574
Other personnel expenses		25,647	2,192	27,839	23,430	1,650	25,080
Total		\$ 143,939	\$ 40,405	\$ 184,344	\$ 144,321	\$ 24,234	\$ 168,555
Function Nature		For the six-month periods ended June 30,					
		2023			2022		
		Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Wages and salaries		\$ 253,321	\$ 67,082	\$ 320,403	\$ 235,131	\$ 45,008	\$ 280,139
Labor and health insurance fees		556	1,949	2,505	438	1,423	1,861
Pension costs		-	1,623	1,623	-	1,388	1,388
Other personnel expenses		52,697	4,326	57,023	51,355	3,368	54,723
Total		\$ 306,574	\$ 74,980	\$ 381,554	\$ 286,924	\$ 51,187	\$ 338,111

- 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 six-month periods ended June 30, 2023 and 2022, employees' compensation were accrued at \$2,682 and \$342, respectively; while directors' remuneration were accrued at \$5,364 and \$342, 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 2022 were both \$5,067 as resolved by the Board of Directors and were in agreement with those amounts recognised in the 2022 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.

(20) Income tax

A. Income tax expense (benefit)

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

	For the three-month periods ended June 30,	
	2023	2022
Current tax:		
Current tax on profits for the period	\$ 18,330	\$ 909
Tax on undistributed surplus earnings	13,206	-
Prior year income tax under estimation	3	91
Total current tax	<u>31,539</u>	<u>1,000</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>9,631</u>	<u>(12,911)</u>
Total deferred tax	<u>9,631</u>	<u>(12,911)</u>
Income tax expense (benefit)	<u>\$ 41,170</u>	<u>(\$ 11,911)</u>

	For the six-month periods ended June 30,	
	2023	2022
Current tax:		
Current tax on profits for the period	\$ 19,170	\$ 1,084
Tax on undistributed surplus earnings	13,206	-
Prior year income tax under estimation	21	655
Total current tax	<u>32,397</u>	<u>1,739</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>1,927</u>	<u>(21,387)</u>
Total deferred tax	<u>1,927</u>	<u>(21,387)</u>
Income tax expense (benefit)	<u>\$ 34,324</u>	<u>(\$ 19,648)</u>

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

(21) Earnings per share

	For the three-month period ended June 30, 2023		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit from continuing operations attributable to ordinary shareholders of the parent	\$ 93,959	585,353	\$ 0.16
Profit from discontinued operations attributable to the parent	<u>8,053</u>	<u>-</u>	<u>0.02</u>
Profit attributable to ordinary shareholders	<u>\$ 102,012</u>	<u>585,353</u>	<u>\$ 0.18</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 93,959	585,353	\$ 0.16
Profit from discontinued operations attributable to the parent	8,053	-	0.02
Assumed conversion of all dilutive potential ordinary shares			
- employees' compensation	<u>-</u>	<u>75</u>	<u>-</u>
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 102,012</u>	<u>585,428</u>	<u>\$ 0.18</u>

For the three-month period ended June 30, 2022

	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit from continuing operations attributable to ordinary shareholders of the parent	\$ 22,530	585,353	\$ 0.04
Profit from discontinued operations attributable to the parent	33,632	-	0.06
Profit attributable to ordinary shareholders	<u>\$ 56,162</u>	<u>585,353</u>	<u>\$ 0.10</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 22,530	585,353	\$ 0.04
Profit from discontinued operations attributable to the parent	33,632	-	0.06
Assumed conversion of all dilutive potential ordinary shares			
- employees' compensation	-	18	-
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 56,162</u>	<u>585,371</u>	<u>\$ 0.10</u>

For the six-month period ended June 30, 2023

	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit from continuing operations attributable to ordinary shareholders of the parent	\$ 213,063	585,353	\$ 0.36
Profit from discontinued operations attributable to the parent	14,438	-	0.03
Profit attributable to ordinary shareholders	<u>\$ 227,501</u>	<u>585,353</u>	<u>\$ 0.39</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 213,063	585,353	\$ 0.36
Profit from discontinued operations attributable to the parent	14,438	-	0.03
Assumed conversion of all dilutive potential ordinary shares			
- employees' compensation	-	137	-
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 227,501</u>	<u>585,490</u>	<u>\$ 0.39</u>

For the six-month period ended June 30, 2022

	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit from continuing operations attributable to ordinary shareholders of the parent	\$ 12,800	585,353	\$ 0.02
Profit from discontinued operations attributable to the parent	40,237	-	0.07
Profit attributable to ordinary shareholders	<u>\$ 53,037</u>	<u>585,353</u>	<u>\$ 0.09</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 12,800	585,353	\$ 0.02
Profit from discontinued operations attributable to the parent	40,237	-	0.07
Assumed conversion of all dilutive potential ordinary shares			
- employees' compensation	-	18	-
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 53,037</u>	<u>585,371</u>	<u>\$ 0.09</u>

(22) Supplemental cash flow information

A. Investing activities with partial cash payments:

	For the six-month periods ended June 30,	
	2023	2022
Purchase of property, plant and equipment	\$ 163,098	\$ 195,105
Less: Beginning balance of prepayment on equipment (Note 1)	-	(25,164)
Add: Ending balance of prepayment on equipment (Note 1)	13,685	4,195
Add: Beginning balance of payable on equipment (Note 2)	5,188	-
Less: Ending balance of payable on equipment (Note 2)	(17,889)	(7,352)
Cash paid during the period	<u>\$ 164,082</u>	<u>\$ 166,784</u>

Note 1: Shown as other non-current assets.

Note 2: Shown as other payables.

B. Financing activities with no cash flow effects:

	For the six-month periods ended June 30,	
	2023	2022
Cash dividends yet to be paid	<u>\$ 292,677</u>	<u>\$ 585,353</u>

(23) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2023	\$ 1,595,000	\$ 2,286,744	\$ 5,693	\$ 3,887,437
Proceeds from borrowings	765,000	-	-	765,000
Repayment of borrowings	-	(188,646)	-	(188,646)
Payment of principal	-	-	(2,209)	(2,209)
Impact of changes in foreign exchange rate	-	28,375	125	28,500
At June 30, 2023	<u>\$ 2,360,000</u>	<u>\$ 2,126,473</u>	<u>\$ 3,609</u>	<u>\$ 4,490,082</u>

	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	-	-	-	-
Repayment of borrowings	-	(1,806,704)	-	(1,806,704)
Payment of principal	-	-	(3,144)	(3,144)
Impact of changes in foreign exchange rate	-	257,735	726	258,461
At June 30, 2022	<u>\$ 850,000</u>	<u>\$ 2,801,705</u>	<u>\$ 9,946</u>	<u>\$ 3,661,651</u>

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
Rajaish Bajpae	Other related party

(2) Significant related party transactions and balances

A. Operating revenue

	For the three-month periods ended June 30,	
	2023	2022
Management revenue:		
Other related party	\$ <u>4,837</u>	\$ <u>5,295</u>
	For the six-month periods ended June 30,	
	2023	2022
Management revenue:		
Other related party	\$ <u>9,623</u>	\$ <u>10,339</u>

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

	<u>For the three-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Commission fee:		
Other related party (Note)	\$ <u>8,977</u>	\$ <u>11,842</u>
	<u>For the six-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Commission fee:		
Other related party (Note)	\$ <u>22,059</u>	\$ <u>21,727</u>

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.

Note : The commission fee of \$22,059 for the six-month period ended June 30, 2023 includes the deduction of other gains and losses amounting to \$4,460, and profit from discontinued operations amounting to \$499 and \$1,840, for the six-month periods ended June 30, 2023 and 2022, respectively.

C. Operating expenses

	<u>For the three-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Consultancy fee:		
Other related party	\$ <u>576</u>	\$ <u>-</u>
	<u>For the six-month periods ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Consultancy fee:		
Other related party	\$ <u>1,146</u>	\$ <u>-</u>

D. Other payables

Advances from related parties and agency payable:

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Other payables:			
Other related party	\$ <u>60,997</u>	\$ <u>13,953</u>	\$ <u>23,249</u>

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 three-month periods ended June 30,	
	2023	2022
Salaries and other short-term employee benefits	\$ 10,214	\$ 5,496
Post-employment benefits	151	147
	<u>\$ 10,365</u>	<u>\$ 5,643</u>
	For the six-month periods ended June 30,	
	2023	2022
Salaries and other short-term employee benefits	\$ 16,595	\$ 12,295
Post-employment benefits	301	312
	<u>\$ 16,896</u>	<u>\$ 12,607</u>

8. PLEGDED ASSETS

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

Pledged assets	Book value			Pledge purpose
	June 30, 2023	December 31, 2022	June 30, 2022	
Time deposits (shown as "financial assets at amortised cost")	\$ 1,292,310	\$ 522,070	\$ -	Short-term loans
Bank deposits (shown as "other current assets")	140,982	135,031	146,743	Long-term loans
Guarantee deposits paid (shown as "other non-current assets")	86,464	7,672	7,665	Deposit of golf certificates and action deposit of vessel
Property, plant and equipment				
Vessels and equipment-net	6,657,765	6,925,059	8,707,157	Long-term loans and short-term borrowings
Land and building and structures	98,879	99,185	98,830	Credit lines of short-term borrowings
	<u>\$ 8,276,400</u>	<u>\$ 7,689,017</u>	<u>\$ 8,960,395</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingent liabilities

None.

(2) Commitments

A. The Company has outstanding notes payable for bank financing amounting to \$2,625,000.

B. As of June 30, 2023, the outstanding balance arising from the acquisition of vessel's equipment amounted to \$41,584 (USD 1,335 thousand).

C. As of June 30, 2023, the outstanding balance arising from the acquisition of a Kamsarmax bulker through bidding amounted to \$809,329 (USD 25,990 thousand).

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

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

(2) Financial instruments

A. Financial instruments by category

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
<u>Financial assets</u>			
Financial assets at amortised cost			
Cash and cash equivalents	\$ 4,584,225	\$ 3,794,497	\$ 4,614,939
Financial assets at amortised cost (including current portion)	3,381,300	2,210,067	1,689,554
Accounts receivable, net	479,906	638,737	295,265
Other receivables	180,212	46,776	91,985
Other financial assets	140,982	135,031	146,743
Guarantee deposits paid (shown as "other non-current assets")	86,464	7,672	7,665
	<u>\$ 8,853,089</u>	<u>\$ 6,832,780</u>	<u>\$ 6,846,151</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 2,360,000	\$ 1,595,000	\$ 850,000
Other payables	539,785	236,197	899,903
Other payables - related parties	60,997	13,953	23,249
Long-term borrowings (including current portion)	2,126,473	2,286,744	2,801,705
	<u>\$ 5,087,255</u>	<u>\$ 4,131,894</u>	<u>\$ 4,574,857</u>
Lease liabilities	<u>\$ 3,609</u>	<u>\$ 5,693</u>	<u>\$ 9,946</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD; other certain subsidiaries' functional currency: USD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	June 30, 2023		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 3,036	31.14	\$ 94,530
NTD : USD	5,343	0.03	5,343
USD : CAD	225	1.33	7,007
SGD : USD	205	0.74	4,697
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 37,100	31.14	\$ 1,155,294

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

June 30, 2022			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 8,425	29.72	\$ 250,036
NTD : USD	5,548	0.03	5,548
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 60,047	29.72	\$ 1,784,583
JPY : NTD	6,251	0.22	1,364
JPY : USD	21,470	0.01	4,722

- iii. The unrealized exchange gain (loss) arising from significant foreign exchange variation on the monetary items held by the Group for 2023 and 2022 amounted to \$4,611 and (\$115,170), respectively.

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

For the six-month period ended June 30, 2023			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 945	\$ -
NTD : USD	1%	53	-
USD : CAD	1%	70	-
SGD : USD	1%	47	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 11,553	\$ -
For the six-month period ended June 30, 2022			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 2,500	\$ -
NTD : USD	1%	55	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 17,846	\$ -
JPY : NTD	1%	14	-
JPY : USD	1%	47	-

Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During the six-month periods ended June 30, 2023 and 2022, the Group's borrowings at variable rate were denominated in United States dollars.

- ii. The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.
- iii. At June 30, 2023 and 2022, if interest rates on USD-denominated borrowings had been 1% higher/lower with all other variables held constant, pre-tax profit (loss) for the six-month periods ended June 30, 2023 and 2022 would have been \$10,632 and \$14,009 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 June 30, 2023, December 31, 2022 and June 30, 2022, there were no written-off financial assets that are still under recourse procedures.
- 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 June 30, 2023, December 31, 2022 and June 30, 2022, the provision matrix is as follows:

<u>June 30, 2023</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
0 to 180 days	0%	\$ 468,424	\$ -
181 days -3 years	50%-100%	25,611	14,129
Over 3 years	100%	-	-
Total		<u>\$ 494,035</u>	<u>\$ 14,129</u>

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

<u>June 30, 2022</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
0 to 180 days	0%	\$ 284,768	\$ -
181 days -3 years	50%-100%	29,850	19,353
Over 3 years	100%	-	-
Total		<u>\$ 314,618</u>	<u>\$ 19,353</u>

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

	<u>2023</u>	<u>2022</u>
January 1	\$ 5,649	\$ -
Provision for impairment	8,242	18,752
Write-offs	-	(50)
Effect of exchange rate changes	238	651
June 30	<u>\$ 14,129</u>	<u>\$ 19,353</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, external regulatory or legal requirements.
- ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury.
- iii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities <u>June 30, 2023</u>	<u>Less than one year</u>	<u>Between one and five years</u>	<u>Over five years</u>
Short-term borrowings	\$ 2,360,000	\$ -	\$ -
Other payables (including related parties)	600,782	-	-
Lease liability	3,644	26	-
Long-term borrowings (including current portion)	799,292	1,217,120	510,300

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 June 30, 2022	Less than one year	Between one and five years	Over five years
Short-term borrowings	\$ 850,000	\$ -	\$ -
Other payables (including related parties)	923,152	-	-
Lease liability	5,847	4,704	-
Long-term borrowings (including current portion)	836,504	1,585,538	188,390

(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 June 30, 2023, December 31, 2022 and June 30, 2022.

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: Refer to table 4.
- 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 5.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 7.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 8.

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 9.

14. SEGMENT INFORMATION

(1) General information

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

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

(2) Measurement of segment information

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

expenditures from the operating segments.

(3) Information about segment profit or loss

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

	For the six-month period ended June 30, 2023			
	Bulk carrier	Oil tanker	Other segments	Total
Revenues from third parties	\$ 1,316,692	\$ 704,062	\$ 9,623	\$ 2,030,377
Segment (loss) income	(\$ 127,953)	\$ 363,514	\$ 33,690	\$ 269,251
Depreciation and amortization charge	\$ 417,223	\$ 265,790	\$ 2,618	\$ 685,631

	For the six-month period ended June 30, 2022			
	Bulk carrier	Oil tanker	Other segments	Total
Revenues from third parties	\$ 1,546,281	\$ 165,430	\$ 10,339	\$ 1,722,050
Segment income (loss)	\$ 358,997	(\$ 253,978)	\$ 28,749	\$ 133,768
Depreciation and amortization charge	\$ 347,993	\$ 237,597	\$ -	\$ 585,590

(4) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income.

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

	For the six-month periods ended June 30,	
	2023	2022
Reportable segment income	\$ 235,561	\$ 105,019
Other segment income	33,690	28,749
Total operating segment income	269,251	133,768
Others	32,769	(83,937)
Income from continuing operations before tax	\$ 302,020	\$ 49,831

Sincere Navigation Corporation and Subsidiaries

Loans to others

For the six-month period ended June 30, 2023

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six-month period ended June 30, 2023	Balance at June 30, 2023	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													\$ 4,807,108	\$ 6,409,477	
1	Norley Corporation Inc.	Sincere Navigation Corporation	Receivables from related parties	Y	\$ 767,750	\$ 622,800	\$ 622,800	-	2	-	Working capital	-	-	-	12,696,169	12,696,169	The maximum amount amounted to USD 25,000 thousand for the current period, and the actual amount was USD 20,000 thousand at the end of period.
2	Heywood Limited	Sincere Navigation Corporation	Receivables from related parties	Y	922,500	532,494	532,494	-	2	-	Working capital	-	-	-	6,021,333	6,021,333	The maximum amount amounted to USD 30,000 thousand for the current period, and the actual amount was USD 17,100 thousand at the end of period.
2	Heywood Limited	Norley Corporation Inc.	Receivables from related parties	Y	3,370,655	3,103,115	3,103,115	-	2	-	Working capital	-	-	-	6,021,333	6,021,333	The maximum amount amounted to USD 109,650 thousand for the current period, and the actual amount was USD 99,650 thousand at the end of period.
2	Heywood Limited	Sincere Navigation Corporation (Singapore) Pte. Ltd.	Receivables from related parties	Y	934,200	934,200	62,280	-	2	-	Working capital	-	-	-	6,021,333	6,021,333	The maximum amount amounted to USD 30,000 thousand for the current period, and the actual amount was USD 2,000 thousand at the end of period.
3	Elroy Maritime Service Inc.	Oak Maritime (Canada) Inc.	Receivables from related parties	Y	5,528	-	-	-	2	-	Working capital	-	-	-	12,709	12,709	The maximum amount amounted to USD 180 thousand for the current period, and the actual amount was USD 0 thousand at the end of period.

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

(1) The Company is '0'.

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

Note 2: In accordance with the finance procedures of the Company, for business transaction purposes, 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.

Table 1

Sincere Navigation Corporation and Subsidiaries
Provision of endorsements and guarantees to others
For the six-month period ended June 30, 2023

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of June 30, 2023 (Note 4)	Outstanding endorsement/ guarantee amount at June 30, 2023 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Relationship with the endorser/ guarantor (Note 2)	Company name											
0	Sincere Navigation Corporation	Ocean Grace Limited	2	\$ 16,023,693	\$ 1,096,347	\$ 588,546	\$ 523,152	\$ -	12.71%	\$ 40,059,233	Y	N	N	Guarantee balance is USD 18,900 thousand
0	"	Bridge Poiema Limited	2	16,023,693	1,448,010	1,448,010	1,194,608	-	12.71%	40,059,233	Y	N	N	Guarantee balance is USD 46,500 thousand
1	Norley Corporation Inc.	Kenmore Shipping Inc.	2	12,696,169	456,811	408,713	408,713	-	10.19%	31,740,423	N	N	N	Guarantee balance is USD 13,125 thousand
1	"	Pacifica Maritime Limited	2	12,696,169	224,183	-	-	-	10.19%	31,740,423	N	N	N	Guarantee balance is USD 0 thousand
1	"	Sincere Navigation Corporation	3	12,696,169	1,500,000	885,000	-	-	10.19%	31,740,423	N	Y	N	Guarantee balance is USD 885,000 thousand (Note 9)
1	"	Heywood Limited	4	12,696,169	1,500,000	885,000	-	-	10.19%	31,740,423	N	N	N	Guarantee balance is USD 885,000 thousand (Note 9)
2	Heywood Limited	Sincere Navigation Corporation	3	6,021,333	500,000	500,000	500,000	591,660	33.22%	15,053,333	N	Y	N	Guarantee balance is USD 500,000 thousand
2	"	Sincere Navigation Corporation	3	6,021,333	1,500,000	1,500,000	615,000	700,650	33.22%	15,053,333	N	Y	N	Guarantee balance is USD 1,500,000 thousand (Note 9)
2	"	Norley Corporation Inc.	4	6,021,333	1,500,000	885,000	-	-	33.22%	15,053,333	N	N	N	Guarantee balance is USD 885,000 thousand (Note 9)
3	Victory Navigation Inc.	Norley Corporation Inc.	3	727,786	622,800	622,800	-	-	85.57%	1,819,465	N	N	N	Guarantee balance is USD 20,000 thousand (Note 8)
4	Everprime Shipping Limited	Norley Corporation Inc.	3	724,247	622,800	622,800	-	-	85.99%	1,810,618	N	N	N	Guarantee balance is USD 20,000 thousand (Note 8)
5	Ocean Wise Limited	Norley Corporation Inc.	3	935,297	844,525	778,500	-	-	83.24%	2,338,243	N	N	N	Guarantee balance is USD 25,000 thousand (Note 8)

Sincere Navigation Corporation and Subsidiaries
Provision of endorsements and guarantees to others
For the six-month period ended June 30, 2023

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 June 30, 2023 (Note 4)	Outstanding endorsement/ guarantee amount at June 30, 2023 (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
6	Poseidon Marine Ltd.	Norley Corporation Inc.	3	\$ 1,290,961	\$ 844,525	\$ 778,500	\$ -	\$ -	60.30%	\$ 3,227,403	N	N	N	Guarantee balance is USD 25,000 thousand (Note 8)
7	Maxson Shipping Inc.	Norley Corporation Inc.	3	1,098,098	844,525	778,500	-	-	70.90%	2,745,245	N	N	N	Guarantee balance is USD 25,000 thousand (Note 8)
8	Oak Maritime (Canada) Inc.	Pacifica Maritime Limited	4	7,948	560	-	-	-	-	19,870	N	N	N	Guarantee balance is USD 0 thousand

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

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following 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 an 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 an 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 authorized 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 USD 25 million.

Note 9: The Company shares the Group's NT\$1.5 billion loan facility (approximately USD 52 million) with Norley Corporation Inc. and Heywood Limited, and either Norley Corporation Inc. or Heywood Limited will pledge USD time deposits as collateral for any drawdowns by the Company.

On June 6, 2023, the Company drew down NT\$615 million, which was secured by time deposits of USD 22.5 million provided by Heywood Limited, and the Group's remaining unused shared loan facility was NT\$885 million.

For Norely Corporation Inc., the ratio of accumulated endorsement/guarantee amount to net asset value based on the latest financial statements was 10.19% = NT\$(408,713+885,000) thousand/NT\$12,696,169 thousand.

For Heywood Limited, the ratio of accumulated endorsement/guarantee amount to net asset value based on the latest financial statements was 33.22% = NT\$(500,000+1,500,000) thousand/NT\$6,021,333 thousand.

Sincere Navigation Corporation and Subsidiaries
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
For the six-month period ended June 30, 2023

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
Carmel Splendor Limited	Sara	2023.6.16	\$ 887,179 (USD 28,490 thousand)	\$ 77,850 (USD 2,500 thousand) (Note)	Jiawang International Ship Lease Co., Limited	None	-	-	-	\$ -	Tender invitation	Fleet expansion	None

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

Sincere Navigation Corporation and Subsidiaries
Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more
For the six-month period ended June 30, 2023

Table 4 Expressed in thousands of NTD
(Except as otherwise indicated)

Real estate disposed by	Real estate	Transaction date of the event	Date of acquisition	Book value	Disposal amount	Status of collection of proceeds	Gain (loss) on disposal	Counterparty	Relationship with the seller	Reason for disposal	Basis or reference used in setting the price	Other commitments
Sincere Navigation Corporation (Singapore) Pte. Ltd.	Huang Shan	2023.3.17	2023.3.16	\$ 269,689	\$ 443,694 (USD 14,600 thousand)	Collected	\$ 141,008	Gaia Shipping Ltd.	None	Replacement of vessel	Appraisal result	-

Sincere Navigation Corporation and Subsidiaries
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
For the six-month period ended June 30, 2023

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2023	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	\$ 622,800 (USD 20,000 thousand)	-	-	-	-	-
Heywood Limited (Heywood)	Sincere Navigation Corporation	Heywood's parent company	\$ 532,494 (USD 17,100 thousand)	-	-	-	-	-
Heywood Limited (Heywood)	Norley Corporation Inc. (Norley)	Associates	\$ 3,103,115 (USD 99,650 thousand)	-	-	-	-	-

Sincere Navigation Corporation and Subsidiaries
Significant inter-company transactions during the reporting period
For the six-month period ended June 30, 2023

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	Sincere Navigation Corporation	Ocean Grace Limited	1	Guarantees	\$ 588,546	As per the Company's policy	2.57%
0	"	Bridge Poiema Limited	1	"	1,448,010	"	6.33%
1	Norley Corporation Inc.	Kenmore Shipping Inc.	1	"	408,713	"	1.79%
1	"	Sincere Navigation Corporation	2	Guarantees (Note 6)	885,000	"	3.87%
1	"	Heywood Limited	3	"	885,000	"	3.87%
1	"	Sincere Navigation Corporation	2	Other receivables	622,800	"	2.72%
2	Heywood Limited	Sincere Navigation Corporation	2	Guarantees	500,000	"	2.18%
2	"	Sincere Navigation Corporation	2	Guarantees (Note 6)	1,500,000	"	6.55%
2	"	Norley Corporation Inc.	3	"	885,000	"	3.87%
2	"	Sincere Navigation Corporation	2	Other receivables	532,494	"	2.33%
2	"	Norley Corporation Inc.	3	"	3,103,115	"	13.56%
3	Victory Navigation Inc.	Norley Corporation Inc.	2	Guarantees (Note 5)	622,800	"	2.72%
4	Everprime Shipping Limited	Norley Corporation Inc.	2	"	622,800	"	2.72%
5	Ocean Wise Limited	Norley Corporation Inc.	2	"	778,500	"	3.40%
6	Poseidon Marine Ltd.	Norley Corporation Inc.	2	"	778,500	"	3.40%
7	Maxson Shipping Inc.	Norley Corporation Inc.	2	"	778,500	"	3.40%

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 USD 25 million.

Note 6: The Company shares the Group's NT\$1.5 billion loan facility (approximately USD 52 million) with Norley Corporation Inc. and Heywood Limited, and either Norley Corporation Inc. or Heywood Limited will pledge USD time deposits as collateral for any drawdowns by the Company.

On June 6, 2023, the Company drew down NT\$615 million, which was secured by time deposits of USD 22.5 million provided by Heywood Limited, and the Group's remaining unused shared loan facility was NT\$885 million.

For Norely Corporation Inc., the ratio of accumulated endorsement/guarantee amount to net asset value based on the latest financial statements was 10.19% = NT\$(408,713+885,000) thousand/NT\$12,696,169 thousand.

For Heywood Limited, the ratio of accumulated endorsement/guarantee amount to net asset value based on the latest financial statements was 33.22% = NT\$ (500,000+1,500,000) thousand/NT\$6,021,333 thousand.

Sincere Navigation Corporation and Subsidiaries
Information on investees
For the six-month period ended June 30, 2023

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount (Note 1)		Shares held as at June 30, 2023 (Note 2)			Net profit (loss) of the investee for the six- month period ended June 30, 2023	Investment income (loss) recognised by the Company for the six-month period ended June 30, 2023	Footnote
				Balance as at June 30, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
Sincere Navigation Corporation	Norley Corporation Inc.	Republic of Liberia	Investment holdings	\$ 31,140 (USD 1,000 thousand)	\$ 30,710 (USD 1,000 thousand)	500	100%	\$ 12,660,261	\$ 106,118	\$ 73,977	Subsidiary
"	Heywood Limited	Marshall Islands	"	31,140 (USD 1,000 thousand)	30,710 (USD 1,000 thousand)	500	100%	6,021,333	28,581	28,581	Subsidiary
"	Sincere Navigation Corporation (Singapore) Pte. Ltd.	Singapore	Shipping	3,114 (USD 100 thousand)	3,071 (USD 100 thousand)	100,000	100%	239,901	197,900	196,163	Subsidiary
Norley Corporation Inc.	Kenmore Shipping Inc.	Marshall Islands	Oil tanker	1,435,865 (USD 46,110 thousand)	1,416,038 (USD 46,110 thousand)	500	100%	1,886,567	24,316	-	Second-tier subsidiary
"	Jetwall Co. Ltd.	"	Investment holdings	1,099,117 (USD 35,296 thousand)	1,083,940 (USD 35,296 thousand)	400	80%	1,709,324	241,877	-	Second-tier subsidiary
"	Victory Navigation Inc.	"	"	171 (USD 6 thousand)	169 (USD 6 thousand)	275	55%	400,283 (	3,815)	-	Second-tier subsidiary
"	Poseidon Marine Ltd	"	Shipping	249,431 (USD 8,010 thousand)	245,987 (USD 8,010 thousand)	500	100%	1,290,961 (	52,830)	-	Second-tier subsidiary
"	Maxson Shipping Inc.	"	"	326,970 (USD 10,500 thousand)	322,455 (USD 10,500 thousand)	500	100%	1,098,098 (	14,268)	-	Second-tier subsidiary
"	Ocean Wise Limited	Republic of Liberia	"	696,601 (USD 22,370 thousand)	686,982 (USD 22,370 thousand)	500	100%	935,297 (	5,485)	-	Second-tier subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount (Note 1)		Shares held as at June 30, 2023 (Note 2)			Net profit (loss) of the investee for the six- month period ended June 30, 2023	Investment income (loss) recognised by the Company for the six-month period ended June 30, 2023	Footnote
				Balance as at June 30, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
Norley Corporation Inc.	Pacifica Maritime Limited	Marshall Islands	Oil tanker	\$ 2,397,469 (USD 76,990 thousand)	\$ 2,542,481 (USD 82,790 thousand)	500	100%	\$ 2,395,246	(\$ 103,491)	-	Second-tier subsidiary
"	Sky Sea Maritime Limited	"	Investment holdings	498,567 (USD 16,011 thousand)	491,682 (USD 16,011 thousand)	275	55%	801,378	(2,372)	-	Second-tier subsidiary
"	Elroy Maritime Service Inc.	"	Maritime service	11,833 (USD 380 thousand)	11,670 (USD 380 thousand)	500	100%	12,709	(35)	-	Second-tier subsidiary
"	Glory Selah Limited	"	Investment holdings	265,469 (USD 8,525 thousand)	261,803 (USD 8,525 thousand)	275	55%	343,543	20,092	-	Second-tier subsidiary
"	Steady Way Limited	"	Shipping	802,166 (USD 25,760 thousand)	791,090 (USD 25,760 thousand)	500	100%	800,846	1,102	-	Second-tier subsidiary
"	Clifford Navigation Corporation	"	"	389,677 (USD 12,514 thousand)	384,296 (USD 12,514 thousand)	500	100%	39,671	14,438	-	Second-tier subsidiary
"	Brighton Shipping Inc.	"	"	627,329 (USD 20,145 thousand)	618,666 (USD 20,145 thousand)	500	100%	398,103	8,847	-	Second-tier subsidiary
"	Rockwell Shipping Limited	"	"	554,474 (USD 17,806 thousand)	546,817 (USD 17,806 thousand)	500	100%	457,348	11,513	-	Second-tier subsidiary
"	Howells Shipping Inc.	"	"	635,349 (USD 20,403 thousand)	697,208 (USD 22,703 thousand)	500	100%	536,846	1,722	-	Second-tier subsidiary
"	Helmsman Navigation Co. Ltd.	"	"	579,089 (USD 18,596 thousand)	743,068 (USD 24,196 thousand)	500	100%	575,563	900	-	Second-tier subsidiary
"	Keystone Shipping Co. Ltd.	"	"	71,192 (USD 2,286 thousand)	70,209 (USD 2,286 thousand)	500	100%	33,567	(115)	-	Second-tier subsidiary
"	Carmel Splendor Limited	"	"	78,161 (USD 2,510 thousand)	307 (USD 10 thousand)	500	100%	78,139	1	-	Second-tier subsidiary
"	Sharon Glory Limited	"	"	311 (USD 10 thousand)	-	500	100%	311	-	-	Second-tier subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount (Note 1)		Shares held as at June 30, 2023 (Note 2)			Net profit (loss) of the investee for the six- month period ended June 30, 2023	Investment income (loss) recognised by the Company for the six-month period ended June 30, 2023	Footnote
				Balance as at June 30, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
Jetwall Co. Ltd.	Everwin Maritime Limited	Marshall Islands	Oil tanker	\$ 1,373,897 (USD 44,120 thousand)	\$ 1,354,925 (USD 44,120 thousand)	500	100%	\$ 2,137,567	\$ 241,916	-	Third-tier subsidiary
Victory Navigation Inc.	Everprime Shipping Limited	"	Shipping	311 (USD 10 thousand)	307 (USD 10 thousand)	500	100%	724,247 (	3,775)	-	Third-tier subsidiary
Sky Sea Maritime Limited	Ocean Grace Limited	"	"	906,485 (USD 29,110 thousand)	893,968 (USD 29,110 thousand)	500	100%	1,456,957 (	2,332)	-	Third-tier subsidiary
Elroy Maritime Service Inc.	Oak Maritime (Canada) Inc.	Canada	Maritime service	9,608 (USD 308 thousand)	3,947 (USD 128 thousand)	1,000	100%	7,948 (	267)	-	Third-tier subsidiary
Glory Selah Limited	Bridge Poiema Limited	Marshall Islands	Shipping	482,670 (USD 15,500 thousand)	476,005 (USD 15,500 thousand)	500	100%	624,873	20,128	-	Third-tier subsidiary
Heywood Limited	Century Shipping Limited	HongKong	Investment holdings	15,570 (USD 500 thousand)	15,355 (USD 500 thousand)	50,000	100%	6,519 (	709)	-	Second-tier subsidiary

Note 1: The above balances of initial investments as at June 30, 2023 and December 31, 2022 were translated at the closing exchange rates at the balance sheet date.

Note 2: The above carrying amounts of shares held as at June 30, 2023 and net profit (loss) of the investee for the six-month period ended June 30, 2023 were translated at the closing exchange rates at the balance sheet and the average exchange rates for the six-month period ended June 30, 2023.

Sincere Navigation Corporation and Subsidiaries
Information on investments in Mainland China
For the six-month period ended June 30, 2023

Table 8

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 six-month period ended June 30, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2023	Net income (loss) of investee for the six-month period ended June 30, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six-month period ended June 30, 2023 (Note 2)	Book value of investments in Mainland China as of June 30, 2023	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2023	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)	(\$ 709) (RMB 161 thousand)	100%	(\$ 709) (RMB 161 thousand)	\$ 6,519 (RMB 1,513 thousand)	\$ -	

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

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China. (The investee in the third area is Century Shipping Limited)
- (3) Others.

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

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2023	Investment amount approved by the 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	\$ 9,614,216

Sincere Navigation Corporation and Subsidiaries
Major shareholders information
For the six-month period ended June 30, 2023

Table 9

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.