

**SINCERE NAVIGATION CORPORATION
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
JUNE 30, 2024 AND 2023**

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, 2024 and 2023, 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 material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” 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, 2024 and 2023, and of its consolidated financial performance for the three-month and six-month periods then ended and its consolidated cash flows for the six-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” 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 9, 2024

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, 2024		December 31, 2023		June 30, 2023		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 3,484,138	16	\$ 1,974,107	9	\$ 4,584,225	20
1136	Current financial assets at amortised cost	6(2) and 8	2,611,710	12	2,420,256	12	1,855,664	8
1140	Current contract assets	6(13)	-	-	52,497	-	22,101	-
1170	Accounts receivable		470,690	2	508,107	3	479,906	2
1200	Other receivables		106,245	1	182,750	1	180,212	1
1220	Current tax assets		13	-	1,238	-	1,238	-
130X	Bunker inventories		64,614	-	70,386	-	67,246	-
1410	Prepayments		34,864	-	31,051	-	39,749	-
1470	Other current assets	8	61,200	-	148,766	1	140,982	1
11XX	Total current assets		<u>6,833,474</u>	<u>31</u>	<u>5,389,158</u>	<u>26</u>	<u>7,371,323</u>	<u>32</u>
Non-current assets								
1535	Non-current financial assets at amortised cost	6(2)	-	-	1,438,585	7	1,525,636	7
1600	Property, plant and equipment	6(3)(8) and 8	15,353,331	69	14,247,980	67	13,882,873	61
1755	Right-of-use assets	6(4)	12,328	-	15,143	-	3,017	-
1840	Deferred income tax assets		7,056	-	7,745	-	5,913	-
1900	Other non-current assets	8	40,291	-	17,064	-	100,269	-
15XX	Total non-current assets		<u>15,413,006</u>	<u>69</u>	<u>15,726,517</u>	<u>74</u>	<u>15,517,708</u>	<u>68</u>
1XXX	Total assets		<u>\$ 22,246,480</u>	<u>100</u>	<u>\$ 21,115,675</u>	<u>100</u>	<u>\$ 22,889,031</u>	<u>100</u>

(Continued)

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

Liabilities and equity	Notes	June 30, 2024		December 31, 2023		June 30, 2023		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(7)	\$ 3,398,000	15	\$ 3,055,000	15	\$ 2,360,000	10
2130	Current contract liabilities	6(13)	45,324	-	52,939	-	38,024	-
2200	Other payables		730,786	4	410,391	2	539,785	3
2220	Other payables - related parties	7	13,898	-	68,532	1	60,997	-
2230	Current income tax liabilities		15,427	-	48,287	-	32,298	-
2280	Current lease liabilities		5,925	-	5,965	-	3,566	-
2320	Long-term liabilities, current portion	6(8)	136,290	1	271,783	1	684,302	3
21XX	Total current liabilities		<u>4,345,650</u>	<u>20</u>	<u>3,912,897</u>	<u>19</u>	<u>3,718,972</u>	<u>16</u>
Non-current liabilities								
2540	Long-term borrowings	6(8)	272,580	1	1,286,365	6	1,442,171	7
2580	Non-current lease liabilities		6,883	-	9,463	-	43	-
2600	Other non-current liabilities		34,694	-	21,092	-	12,564	-
25XX	Total non-current liabilities		<u>314,157</u>	<u>1</u>	<u>1,316,920</u>	<u>6</u>	<u>1,454,778</u>	<u>7</u>
2XXX	Total liabilities		<u>4,659,807</u>	<u>21</u>	<u>5,229,817</u>	<u>25</u>	<u>5,173,750</u>	<u>23</u>
Equity attributable to owners of parent								
Share capital								
3110	Share capital - common stock	6(10)	5,853,533	26	5,853,533	28	5,853,533	26
Capital surplus								
3200	Capital surplus	6(11)	165,935	1	165,592	1	244,338	1
Retained earnings								
3310	Legal reserve	6(12)	3,320,041	15	3,276,282	15	3,276,282	14
3320	Special reserve		904,748	4	898,413	4	898,413	4
3350	Unappropriated retained earnings		7,162,603	32	6,596,786	31	6,386,695	28
Other equity interest								
3400	Other equity interest		179,813	1	(904,748)	(4)	(635,568)	(3)
31XX	Equity attributable to owners of the parent		<u>17,586,673</u>	<u>79</u>	<u>15,885,858</u>	<u>75</u>	<u>16,023,693</u>	<u>70</u>
36XX	Non-controlling interest	4(3)	-	-	-	-	1,691,588	7
3XXX	Total equity		<u>17,586,673</u>	<u>79</u>	<u>15,885,858</u>	<u>75</u>	<u>17,715,281</u>	<u>77</u>
Significant contingent liabilities and unrecognised contractual commitments								
3X2X	Total liabilities and equity		<u>\$ 22,246,480</u>	<u>100</u>	<u>\$ 21,115,675</u>	<u>100</u>	<u>\$ 22,889,031</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				
		2024		2023		2024		2023		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(13) and 7	\$ 1,204,858	100	\$ 976,322	100	\$ 2,287,923	100	\$ 1,928,286	100
5000	Operating costs	6(18)(19) and 7	(796,557)	(66)	(690,546)	(71)	(1,493,859)	(65)	(1,527,329)	(79)
5900	Net operating margin		408,301	34	285,776	29	794,064	35	400,957	21
	Operating expenses	6(18)(19) and 7								
6200	General and administrative expenses		(113,178)	(10)	(60,880)	(6)	(192,861)	(8)	(117,953)	(6)
6450	Impairment loss determined in accordance with IFRS 9	12(2)	(483)	-	(244)	-	(10,507)	(1)	(8,242)	(1)
6000	Total operating expenses		(113,661)	(10)	(61,124)	(6)	(203,368)	(9)	(126,195)	(7)
6900	Operating profit		294,640	24	224,652	23	590,696	26	274,762	14
	Non-operating income and expenses									
7100	Interest income	6(14)	60,109	5	54,452	6	111,771	5	96,261	5
7010	Other income	6(15)	58	-	978	-	943	-	2,030	-
7020	Other gains and losses	6(16)	3,483	-	(86,515)	(9)	4,122	-	(39,526)	(2)
7050	Finance costs	6(17)	(24,595)	(2)	(24,247)	(3)	(46,807)	(2)	(47,860)	(2)
7000	Total non-operating income and expenses		39,055	3	(55,332)	(6)	70,029	3	10,905	1
7900	Profit before income tax		333,695	27	169,320	17	660,725	29	285,667	15
7950	Income tax expense	6(20)	(15,650)	(1)	(41,170)	(4)	(17,238)	(1)	(34,324)	(2)
8000	Profit for the period from continuing operations		318,045	26	128,150	13	643,487	28	251,343	13
8100	Profit for the period from discontinued operations	6(6)	383,431	32	29,358	3	411,439	18	30,791	1
8200	Profit for the period		<u>\$ 701,476</u>	<u>58</u>	<u>\$ 157,508</u>	<u>16</u>	<u>\$ 1,054,926</u>	<u>46</u>	<u>\$ 282,134</u>	<u>14</u>
	Other comprehensive income									
	Components of other comprehensive income that will be reclassified to profit or loss									
8361	Financial statements translation differences of foreign operations		\$ 285,648	24	\$ 455,185	47	\$ 1,084,561	48	\$ 286,169	15
8300	Total other comprehensive income for the period		<u>\$ 285,648</u>	<u>24</u>	<u>\$ 455,185</u>	<u>47</u>	<u>\$ 1,084,561</u>	<u>48</u>	<u>\$ 286,169</u>	<u>15</u>
8500	Total comprehensive income for the period		<u>\$ 987,124</u>	<u>82</u>	<u>\$ 612,693</u>	<u>63</u>	<u>\$ 2,139,487</u>	<u>94</u>	<u>\$ 568,303</u>	<u>29</u>
	Profit attributable to:									
8610	Owners of the parent		\$ 701,476	58	\$ 102,012	10	\$ 1,054,926	46	\$ 227,501	11
8620	Non-controlling interest		-	-	55,496	6	-	-	54,633	3
			<u>\$ 701,476</u>	<u>58</u>	<u>\$ 157,508</u>	<u>16</u>	<u>\$ 1,054,926</u>	<u>46</u>	<u>\$ 282,134</u>	<u>14</u>
	Comprehensive income attributable to:									
8710	Owners of the parent		\$ 987,124	82	\$ 519,892	53	\$ 2,139,487	94	\$ 490,346	25
8720	Non-controlling interest		-	-	92,801	10	-	-	77,957	4
			<u>\$ 987,124</u>	<u>82</u>	<u>\$ 612,693</u>	<u>63</u>	<u>\$ 2,139,487</u>	<u>94</u>	<u>\$ 568,303</u>	<u>29</u>
	Basic earnings per share	6(21)								
9710	Basic earnings per share from continuing operations		\$	0.54	\$	0.14	\$	1.10	\$	0.35
9720	Basic earnings per share from discontinued operations			0.66		0.04		0.70		0.04
9750	Total basic earnings per share		<u>\$</u>	<u>1.20</u>	<u>\$</u>	<u>0.18</u>	<u>\$</u>	<u>1.80</u>	<u>\$</u>	<u>0.39</u>
	Diluted earnings per share	6(21)								
9810	Diluted earnings per share from continuing operations		\$	0.54	\$	0.14	\$	1.10	\$	0.35
9820	Diluted earnings per share from discontinued operations			0.66		0.04		0.70		0.04
9850	Total diluted earnings per share		<u>\$</u>	<u>1.20</u>	<u>\$</u>	<u>0.18</u>	<u>\$</u>	<u>1.80</u>	<u>\$</u>	<u>0.39</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, 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>	
For the six-month period ended June 30, 2024												
	\$ 5,853,533	\$ 39,243	\$ 120,593	\$ 5,756	\$ 3,276,282	\$ 898,413	\$ 6,596,786	(\$ 904,748)	\$ 15,885,858	\$ -	\$ 15,885,858	
	-	-	-	-	-	-	1,054,926	-	1,054,926	-	1,054,926	
	-	-	-	-	-	-	-	1,084,561	1,084,561	-	1,084,561	
	-	-	-	-	-	1,054,926	1,084,561	2,139,487	-	2,139,487		
Appropriations of 2023 earnings	6(12)											
Legal reserve		-	-	-	43,759	-	(43,759)	-	-	-	-	
Special reserve		-	-	-	-	6,335	(6,335)	-	-	-	-	
Cash dividends		-	-	-	-	-	(439,015)	-	(439,015)	-	(439,015)	
Overdue unclaimed cash dividends		-	-	343	-	-	-	-	343	-	343	
Balance at June 30, 2024	<u>\$ 5,853,533</u>	<u>\$ 39,243</u>	<u>\$ 120,593</u>	<u>\$ 6,099</u>	<u>\$ 3,320,041</u>	<u>\$ 904,748</u>	<u>\$ 7,162,603</u>	<u>\$ 179,813</u>	<u>\$ 17,586,673</u>	<u>\$ -</u>	<u>\$ 17,586,673</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,	
		2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit from continuing operations before tax		\$ 660,725	\$ 285,667
Profit from discontinued operations before tax	6(6)	411,439	30,791
Profit before tax		1,072,164	316,458
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(18)	768,089	694,280
Amortisation	6(18)	274	26
Impairment loss determined in accordance with IFRS 9	12(2)	10,507	8,242
Interest income		(158,679)	(162,398)
Early buyback of the bareboat charter - interest income (shown as discontinued operations)		(74,865)	-
Interest expense		84,920	86,029
Gain on disposal of property, plant and equipment (shown as gain on discontinued operations)		(280,177)	(141,715)
Impairment loss recognised in profit or loss, property, plant and equipment	6(5)	-	70,265
Changes in operating assets and liabilities			
Changes in operating assets			
Current contract assets		52,497	30,034
Accounts receivable		26,729	150,430
Other receivables		78,690	(128,136)
Bunker		5,772	64,130
Prepayments		(3,813)	3,507
Changes in operating liabilities			
Current contract liabilities		(7,615)	(1,436)
Other payables		(58,846)	(7,991)
Other payables - related parties		(54,634)	42,584
Accrued pension liabilities		13,602	151
Cash inflow generated from operations		1,474,615	1,024,460
Interest received		163,734	157,256
Early buyback of the bareboat charter - interest received		74,865	-
Income tax paid		(49,434)	(7,268)
Income tax refund		1,250	-
Net cash flows from operating activities		1,665,030	1,174,448

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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,	
		2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in financial assets at amortised cost		(\$ 186,976)	(\$ 1,176,175)
Repayment of principal of financial assets at amortised cost		53,489	57,518
Decrease (increase) in other current assets		87,566	(5,951)
Acquisition of property, plant and equipment	6(22)	(1,536,182)	(164,082)
Proceeds from disposal of property, plant and equipment		683,571	446,030
Decrease (increase) in refundable deposits		48	(77,296)
Early redemption of financial assets at amortised cost		1,601,509	-
Net cash flows from (used in) investing activities		703,025	(919,956)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans	6(23)	337,500	765,000
Repayment of principal of lease liability	6(23)	(3,040)	(2,209)
Repayment of long-term borrowings	6(23)	(1,216,586)	(188,646)
Cash payment of interest		(95,679)	(84,547)
Change in non-controlling interests		-	(30,390)
Overdue unclaimed cash dividends		343	553
Net cash flows (used in) from financing activities		(977,462)	459,761
Effect of changes in foreign exchange rate		119,438	75,475
Net increase in cash and cash equivalents		1,510,031	789,728
Cash and cash equivalents at beginning of period		1,974,107	3,794,497
Cash and cash equivalents at end of period		\$ 3,484,138	\$ 4,584,225

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 9, 2024.

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[®]”) Accounting Standards 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 2024 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
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

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 IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

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

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards 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 9 and IFRS 7, 'Amendments to the classification and measurement of financial Instruments'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

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

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2023, 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, 2023.

(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, 2023.

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, 2024	December 31, 2023	June 30, 2023	
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	100%	100%	80%	Note 1
"	Victory Navigation Inc. (Victory)	Investment holdings	100%	100%	55%	Note 2
"	Pacifica Maritime Limited	Oil tanker	100%	100%	100%	
"	Sky Sea Maritime Limited (Sky Sea)	Investment holdings	100%	100%	55%	Note 3
"	Elroy Maritime Services Inc. (Elory)	Maritime service	100%	100%	100%	
"	Glory Selah Limited (Glory)	Investment holdings	100%	100%	55%	Note 4
"	Steady Way Limited (Steady)	Shipping	100%	100%	100%	
"	Clifford Navigation Corporation	Shipping	100%	100%	100%	
"	Brighton Shipping Inc.	Shipping	100%	100%	100%	
"	Rockwell Shipping Limited	Shipping	100%	100%	100%	
"	Howells Shipping Inc.	Shipping	100%	100%	100%	
"	Helmsman Navigation Co. Ltd.	Shipping	100%	100%	100%	
"	Keystone Shipping Co. Ltd.	Shipping	100%	100%	100%	
"	Carmel Splendor Limited	Shipping	100%	100%	100%	
"	Sharon Glory Limited	Shipping	100%	100%	100%	
"	Based Camp Limited	Investment holdings	100%	100%	-	Note 5
"	Delight Way Limited	Shipping	100%	-	-	Note 6
"	Majestic Bloom Limited	Shipping	100%	-	-	Note 7
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: On December 1, 2023, the Group acquired an additional 20% of shares of its subsidiary - Jetwall Co., Ltd. (originally held 80% of its shares) for a consideration of \$464,497 (USD \$14,760 thousand). The carrying amount of non-controlling interest was \$423,803 (USD \$13,467 thousand) at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by \$423,803 (USD \$13,467 thousand) and a decrease in the equity attributable to owners of the parent by \$40,694 (USD \$1,293 thousand). The payment had been settled on December 1, 2023.

Note 2: On December 1, 2023, the Group acquired an additional 45% of shares of its subsidiary - Victory Navigation Inc. (originally held 55% of its shares) for a consideration of \$346,170 (USD \$11,000 thousand). The carrying amount of non-controlling interest was \$338,189 (USD \$10,746 thousand) at the acquisition date.

This transaction resulted in a decrease in the non-controlling interest by \$338,189 (USD \$10,746 thousand) and a decrease in the equity attributable to owners of the parent by \$7,981 (USD \$254 thousand). The payment had been settled on December 1, 2023.

Note 3: On December 1, 2023, the Group acquired an additional 45% of shares of its subsidiary - Sky Sea Maritime Limited (originally held 55% of its shares) for a consideration of \$716,887 (USD \$22,780 thousand). The carrying amount of non-controlling interest was \$680,902 (USD \$21,637 thousand) at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by \$680,902 (USD \$21,637 thousand) and a decrease in the equity attributable to owners of the parent by \$35,985 (USD \$1,143 thousand). The payment had been settled on December 1, 2023.

Note 4: On December 1, 2023, the Group acquired an additional 45% of shares of its subsidiary - Glory Selah Limited (originally held 55% of its shares) for a consideration of \$284,174 (USD \$9,030 thousand). The carrying amount of non-controlling interest was \$290,088 (USD \$9,218 thousand) at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by \$290,088 (USD \$9,218 thousand) and a increase in the equity attributable to owners of the parent by \$5,914 (USD \$188 thousand). The payment had been settled on December 1, 2023.

Note 5: Base Camp Limited was established in Samoa Islands on November 14, 2023.

Note 6: Delight Way Limited was established in Marshall Islands on April 16, 2024.

Note 7: Majestic Bloom Limited was established in Marshall Islands on April 16, 2024.

(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, 2024	December 31, 2023	June 30, 2023	
Heywood	Century Shipping Limited (Century)	Investment holdings	100%	100%	100%	
Century	Haihu Maritime Service (Shanghai) Co., Ltd.	Maritime service	100%	100%	100%	

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

Singapore Company, a wholly-owned subsidiary of Sincere Navigation Corporation, was established in Singapore on June 9, 2022, 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, 2024, December 31, 2023 and June 30, 2023, the non-controlling interest amounted to \$0, \$0 and \$1,691,588, 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, 2024		December 31, 2023		June 30, 2023	
		Amount	Ownership (%)	Amount	Ownership (%)	Amount	Ownership (%)
Jetwall Co. Ltd.	Marshall Islands	\$ -	-	\$ -	-	\$ 427,331	20
Victory Navigation Inc.	Marshall Islands	-	-	-	-	327,503	45
Sky Sea Maritime	Marshall Islands	-	-	-	-	655,673	45
Glory Selah Limited	Marshall Islands	-	-	-	-	281,081	45

Summarised financial information of the subsidiaries:

Balance sheets

	Jetwall Co. Ltd.		
	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ -	\$ -	\$ 451,543
Non-current assets	-	-	1,695,466
Current liabilities	-	-	(10,354)
Non-current liabilities	-	-	-
Total net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,136,655</u>

	Victory Navigation Inc.		
	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ -	\$ -	\$ 286,852
Non-current assets	-	-	455,109
Current liabilities	-	-	(14,175)
Non-current liabilities	-	-	-
Total net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 727,786</u>

	Sky Sea Maritime Limited		
	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ -	\$ -	\$ 274,135
Non-current assets	-	-	1,733,940
Current liabilities	-	-	(551,024)
Non-current liabilities	-	-	-
Total net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,457,051</u>

	Glory Selah Limited		
	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ -	\$ -	\$ 305,210
Non-current assets	-	-	1,525,636
Current liabilities	-	-	(1,206,222)
Non-current liabilities	-	-	-
Total net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 624,624</u>

Statements of comprehensive income

	Jetwall Co. Ltd.	
	For the three-month periods ended June 30,	
	2024	2023
Revenue	\$ -	\$ 131,637
Profit before income tax	-	178,707
Income tax expense	-	-
Profit for the period	-	178,707
Other comprehensive income, net of tax	-	46,427
Total comprehensive income for the period	<u>\$ -</u>	<u>\$ 225,134</u>
Comprehensive income attributable to non-controlling interest	<u>\$ -</u>	<u>\$ 45,027</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

	Jetwall Co. Ltd.	
	For the six-month periods ended June 30,	
	2024	2023
Revenue	\$ -	\$ 260,963
Profit before income tax	-	241,877
Income tax expense	-	-
Profit for the period	-	241,877
Other comprehensive income, net of tax	-	29,171
Total comprehensive income for the period	<u>\$ -</u>	<u>\$ 271,048</u>
Comprehensive income attributable to non-controlling interest	<u>\$ -</u>	<u>\$ 54,210</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>(\$ 30,390)</u>

Victory Navigation Inc.		
For the three-month periods ended June 30,		
	2024	2023
Revenue	\$ -	\$ 47,381
Profit before income tax	-	11,475
Income tax expense	-	-
Profit for the period	-	11,475
Other comprehensive income, net of tax	-	16,169
Total comprehensive income for the period	\$ -	\$ 27,644
Comprehensive income attributable to non-controlling interest	\$ -	\$ 12,440
Dividends paid to non-controlling interest	\$ -	\$ -

Victory Navigation Inc.		
For the six-month periods ended June 30,		
	2024	2023
Revenue	\$ -	\$ 101,941
Loss before income tax	-	(3,815)
Income tax expense	-	-
Loss for the period	-	(3,815)
Other comprehensive income, net of tax	-	10,030
Total comprehensive income for the period	\$ -	\$ 6,215
Comprehensive income attributable to non-controlling interest	\$ -	\$ 2,797
Dividends paid to non-controlling interest	\$ -	\$ -

Sky Sea Maritime Limited		
For the three-month periods ended June 30,		
	2024	2023
Revenue	\$ -	\$ 143,953
Profit before income tax	-	22,628
Income tax expense	-	-
Profit for the period	-	22,628
Other comprehensive income, net of tax	-	32,342
Total comprehensive income for the period	\$ -	\$ 54,970
Comprehensive income attributable to non-controlling interest	\$ -	\$ 24,736
Dividends paid to non-controlling interest	\$ -	\$ -

Sky Sea Maritime Limited		
For the six-month periods ended June 30,		
	2024	2023
Revenue	\$ -	\$ 212,740
Loss before income tax	-	(2,372)
Income tax expense	-	-
Loss for the period	-	(2,372)
Other comprehensive income, net of tax	-	20,107
Total comprehensive income for the period	\$ -	\$ 17,735
Comprehensive income attributable to non-controlling interest	\$ -	\$ 7,980
Dividends paid to non-controlling interest	\$ -	\$ -

Glory Selah Limited		
For the three-month periods ended June 30,		
	2024	2023
Revenue	\$ -	\$ -
Profit before income tax	-	9,796
Income tax expense	-	-
Profit for the period	-	9,796
Other comprehensive income, net of tax	-	13,754
Total comprehensive income for the period	\$ -	\$ 23,550
Comprehensive income attributable to non-controlling interest	\$ -	\$ 10,598
Dividends paid to non-controlling interest	\$ -	\$ -

Glory Selah Limited		
For the six-month periods ended June 30,		
	2024	2023
Revenue	\$ -	\$ -
Profit before income tax	-	20,092
Income tax expense	-	-
Profit for the period	-	20,092
Other comprehensive income, net of tax	-	8,730
Total comprehensive income for the period	\$ -	\$ 28,822
Comprehensive income attributable to non-controlling interest	\$ -	\$ 12,970
Dividends paid to non-controlling interest	\$ -	\$ -

Statements of cash flows

	<u>Jetwall Co. Ltd.</u>	
	<u>For the six-month periods ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Net cash provided by operating activities	\$ -	\$ 11,933
Net cash used in investing activities	-	(11,805)
Net cash used in financing activities	-	(152,750)
Effect of exchange rates on cash and cash equivalents	-	93
Decrease in cash and cash equivalents	-	(152,529)
Cash and cash equivalents, beginning of the period	-	217,169
Cash and cash equivalents, end of the period	<u>\$ -</u>	<u>\$ 64,640</u>
	<u>Victory Navigation Inc.</u>	
	<u>For the six-month periods ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Net cash provided by operating activities	\$ -	\$ 114,502
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
Increase in cash and cash equivalents	-	117,255
Cash and cash equivalents, beginning of the period	-	130,857
Cash and cash equivalents, end of the period	<u>\$ -</u>	<u>\$ 248,112</u>
	<u>Sky Sea Maritime Limited</u>	
	<u>For the six-month periods ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Net cash provided by operating activities	\$ -	\$ 61,317
Net cash used in investing activities	-	(33,068)
Net cash used in financing activities	-	(81,735)
Effect of exchange rates on cash and cash equivalents	-	711
Decrease in cash and cash equivalents	-	(52,775)
Cash and cash equivalents, beginning of the period	-	124,567
Cash and cash equivalents, end of the period	<u>\$ -</u>	<u>\$ 71,792</u>

Glory Selah Limited		
For the six-month periods ended June 30,		
	2024	2023
Net cash provided by operating activities	\$ -	\$ 58,462
Net cash provided by investing activities	-	58,988
Net cash used in financing activities	-	(108,740)
Effect of exchange rates on cash and cash equivalents	-	1,702
Increase in cash and cash equivalents	-	10,412
Cash and cash equivalents, beginning of the period	-	109,545
Cash and cash equivalents, end of the period	<u>\$ -</u>	<u>\$ 119,957</u>

(4) Employee benefits

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

(5) Income tax

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

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

There was no significant change in the reporting period. Refer to Note 5 in the consolidated financial statements for the year ended December 31, 2023.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand and revolving funds	\$ 381	\$ 376	\$ 364
Checking accounts and demand deposits	2,468,986	528,468	1,636,479
Time deposit	1,014,771	1,445,263	2,947,382
	<u>\$ 3,484,138</u>	<u>\$ 1,974,107</u>	<u>\$ 4,584,225</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, 2024	December 31, 2023	June 30, 2023
Current items:			
Time deposits with maturity over three months	\$ 182,127	\$ 293,413	\$ 437,325
Pledged time deposits	2,429,583	1,998,300	1,292,310
Bareboat charter (Note)	-	128,543	126,029
	\$ 2,611,710	\$ 2,420,256	\$ 1,855,664
Non-current items:			
Bareboat charter (Note)	\$ -	\$ 1,438,585	\$ 1,525,636

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.

Details of disposals are provided in Note 6(6).

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,	
	2024	2023
Interest income	\$ 126,144	\$ 36,424
Less: Interest income charge from discontinued operations	(93,141)	(27,821)
	\$ 33,003	\$ 8,603
	For the six-month periods ended June 30,	
	2024	2023
Interest income	\$ 182,951	\$ 69,388
Less: Interest income charge from discontinued operations	(120,049)	(55,837)
	\$ 62,902	\$ 13,551

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, 2024, December 31, 2023 and June 30, 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group were \$2,611,710, \$3,858,841 and \$3,381,300, respectively.

(3) Property, plant and equipment

	Land	Buildings and structures	Vessels and equipment	Office equipment	Unfinished construction and equipment under acceptance	Leasehold improvements	Total
<u>At January 1, 2024</u>							
Cost	\$ 90,215	\$ 30,818	\$ 28,092,065	\$ 10,966	\$ 2,138	\$ 1,027	\$ 28,227,229
Accumulated depreciation	-	(19,617)	(13,477,882)	(8,560)	-	(256)	(13,506,315)
Accumulated impairment	-	-	(472,934)	-	-	-	(472,934)
	<u>\$ 90,215</u>	<u>\$ 11,201</u>	<u>\$ 14,141,249</u>	<u>\$ 2,406</u>	<u>\$ 2,138</u>	<u>\$ 771</u>	<u>\$ 14,247,980</u>
<u>2024</u>							
Opening net book amount	\$ 90,215	\$ 11,201	\$ 14,141,249	\$ 2,406	\$ 2,138	\$ 771	\$ 14,247,980
Additions	-	-	1,456,423	44	-	-	1,456,467
Disposals	-	-	(392,811)	(34)	-	-	(392,845)
Retirement - cost	-	-	(109,158)	-	-	-	(109,158)
Retirement - accumulated depreciation	-	-	109,158	-	-	-	109,158
Depreciation	-	(664)	(763,493)	(438)	-	(267)	(764,862)
Net exchange differences	-	-	806,406	24	122	39	806,591
Closing net book amount	<u>\$ 90,215</u>	<u>\$ 10,537</u>	<u>\$ 15,247,774</u>	<u>\$ 2,002</u>	<u>\$ 2,260</u>	<u>\$ 543</u>	<u>\$ 15,353,331</u>
<u>At June 30, 2024</u>							
Cost	\$ 90,215	\$ 30,818	\$ 29,694,425	\$ 10,436	\$ 2,260	\$ 1,086	\$ 29,829,240
Accumulated depreciation	-	(20,281)	(13,946,921)	(8,434)	-	(543)	(13,976,179)
Accumulated impairment	-	-	(499,730)	-	-	-	(499,730)
	<u>\$ 90,215</u>	<u>\$ 10,537</u>	<u>\$ 15,247,774</u>	<u>\$ 2,002</u>	<u>\$ 2,260</u>	<u>\$ 543</u>	<u>\$ 15,353,331</u>

	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>

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 office equipment. Rental contracts are typically made for approximately 2~5 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, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings	\$ 12,289	\$ 15,059	\$ 2,885
Other equipment	39	84	132
	<u>\$ 12,328</u>	<u>\$ 15,143</u>	<u>\$ 3,017</u>

For the three-month periods ended June 30,

	<u>2024</u>	<u>2023</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings	\$ 1,556	\$ 937
Other equipment	23	23
	<u>\$ 1,579</u>	<u>\$ 960</u>

For the six-month periods ended June 30,

	<u>2024</u>	<u>2023</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings	\$ 3,181	\$ 1,859
Other equipment	46	45
	<u>\$ 3,227</u>	<u>\$ 1,904</u>

C. For the six-month periods ended June 30, 2024 and 2023, 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:

	For the three-month periods ended June 30,	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 185	\$ 54
Expense on short-term lease contracts	1,205	1,264
Expense on low-value assets lease contracts	35	-
	For the six-month periods ended June 30,	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 231	\$ 120
Expense on short-term lease contracts	2,521	2,524
Expense on low-value assets lease contracts	68	-

E. For the six-month periods ended June 30, 2024 and 2023, the Group's total cash outflow for leases were \$5,860 and \$4,853, respectively.

(5) Impairment of non-financial assets

A. The Group recognised impairment loss amounting to \$0 and \$70,265 for the six-month periods ended June 30, 2024 and 2023, respectively. Details of the loss are as follows:

	For the six-month periods ended June 30,			
	2024		2023	
	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss-Vessels and equipment-net	\$ -	\$ -	\$ 70,265	\$ -

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

	For the six-month periods ended June 30,			
	2024		2023	
	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in profit or loss	Recognised in other comprehensive income
Bulk carrier	\$ -	\$ -	\$ 183,300	\$ -
Oil tanker	-	-	(113,035)	-
	\$ -	\$ -	\$ 70,265	\$ -

- 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) 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 projected cash flow had reflected the changing demand for services. The discounted rate for measurement was 10.26%.
- 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 in 2023. The recoverable amount is the value-in-use of the cash-generating unit, which is estimated by discounted cash flow method. The projected cash flow had reflected the changing demand for services. The discount rate for measurement was 10.26%.

(6) Discontinued operations

- A. On April 23, 2024, the Board of Directors of the third-tier subsidiary, Everprime Shipping Limited, resolved to sell and transfer the vessel “Heng 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 April 23, 2024 upon the delivery of the vessel as per the agreement. However, on April 30, 2024, the Board of Directors of Sincere Navigation Corporation (Singapore) Pte. Ltd., resolved to sell the vessel “Heng Shan” and entered into a sale agreement with an external third party, Mercury Wealth Shipping Limited. On April 30, 2024, the disposal of the vessel met the definition of discontinued operations and “Heng Shan” was classified as a discontinued operation. The transaction was completed on May 30, 2024 upon the delivery of the vessel as per the agreement.

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

	<u>For the six-month periods ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Operating cash flows	\$ 82,156	\$ 81,775
Investing cash flows	683,559 (	1,267)
Financing cash flows	-	-
Total cash flows	<u>\$ 765,715</u>	<u>\$ 80,508</u>

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

	<u>For the three-month periods ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Profit or loss for the period from discontinued operations		
Revenue	\$ 74,274	\$ 47,531
Cost	(45,564)	(36,996)
Gross profit from discontinued operations	28,710	10,535
Operating expenses	-	(2,224)
Operating profit from discontinued operations	28,710	8,311
Interest income	-	3,193
Other gains and losses	280,199	-
Profit for the period from discontinued operations	<u>\$ 308,909</u>	<u>\$ 11,504</u>
Profit attributable to:		
Owners of the parent	\$ 308,909	\$ 6,327
Non-controlling interest	-	5,177
	<u>\$ 308,909</u>	<u>\$ 11,504</u>
	<u>For the six-month periods ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Profit or loss for the period from discontinued operations		
Revenue	\$ 130,767	\$ 102,091
Cost	(82,331)	(108,268)
Gross profit from discontinued operations	48,436	(6,177)
Operating expenses	-	(2,666)
Operating profit (loss) from discontinued operations	48,436	(8,843)
Interest income	-	5,068
Other losses and gains	280,199	-
Profit for the period from discontinued operations	<u>\$ 328,635</u>	<u>(\$ 3,775)</u>
Profit attributable to:		
Owners of the parent	\$ 328,635	(\$ 2,076)
Non-controlling interest	-	(1,699)
	<u>\$ 328,635</u>	<u>(\$ 3,775)</u>

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

B. The second-tier subsidiary, Bridge Poiema Limited, has collected all proceeds from the lessee of the bareboat charter, Landbridge Global Limited, on June 28, 2024. At the same time, Landbridge Global Limited exercised the right to buy back the vessel, Landbridge Glory. The transaction was completed on June 28, 2024 upon the delivery of the vessel as the agreement. On the same date, the disposal of the vessel met the definition of discontinued operations and Bridge Poiema Limited was classified as a discontinued operation.

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

	<u>For the six-month periods ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Operating cash flows	\$ 121,001	\$ 58,109
Investing cash flows	1,719,520	58,998
Financing cash flows	(1,310,810)	(108,740)
Total cash flows	<u>\$ 529,711</u>	<u>\$ 8,367</u>

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

	<u>For the three-month periods ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Profit or loss for the period from discontinued operations		
Cost	\$ -	\$ 247
Gross profit from discontinued operations	-	247
Operating expenses	(468)	(592)
Operating loss from discontinued operations	(468)	(345)
Interest income	18,878	29,668
Early buyback of the bareboat charter - interest income	74,865	-
Interest expense	(18,753)	(19,522)
Profit for the period from discontinued operations	<u>\$ 74,522</u>	<u>\$ 9,801</u>
Profit attributable to:		
Owners of the parent	\$ 74,522	\$ 5,390
Non-controlling interest	-	4,411
	<u>\$ 74,522</u>	<u>\$ 9,801</u>

	For the six-month periods ended June 30,	
	2024	2023
Profit or loss for the period from discontinued operations		
Cost	(15)	(40)
Gross loss from discontinued operations	(15)	(40)
Operating expenses	(841)	(680)
Operating loss from discontinued operations	(856)	(720)
Interest income	46,908	59,017
Early buyback of the bareboat charter - interest income	74,865	-
Interest expense	(38,113)	(38,169)
Profit for the period from discontinued operations	<u>\$ 82,804</u>	<u>\$ 20,128</u>
Profit attributable to:		
Owners of the parent	\$ 82,804	\$ 11,070
Non-controlling interest	-	9,058
	<u>\$ 82,804</u>	<u>\$ 20,128</u>

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

C. 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 Clifford Navigation Corporation was classified as a discontinued operation. The transaction was completed on March 30, 2023 upon the delivery of the vessel as per agreement.

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

	For the six-month period ended June 30, 2023
Operating cash flows	\$ 20,322
Investing cash flows	-
Financing cash flows	(412,425)
Total cash flows	<u>(\$ 392,103)</u>

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

	For the three-month period ended June 30, 2023	
	<hr/>	
Profit or loss for the period from discontinued operations		
Revenue	\$	4,320
Cost		<hr/> 2,435
Gross profit from discontinued operations		6,755
Operating expenses	(	<hr/>112)
Operating profit from discontinued operations		6,643
Interest income		1,408
Other gains and losses		2
Interest expense		<hr/> -
Profit for the period from discontinued operations	\$	<hr/> <hr/> 8,053
Profit attributable to:		
Owners of the parent	\$	8,053
Non-controlling interest		<hr/> -
	\$	<hr/> <hr/> 8,053
		For the six-month period ended June 30, 2023
		<hr/>
Profit or loss for the period from discontinued operations		
Revenue	\$	38,439
Cost	(	<hr/>25,389)
Gross profit from discontinued operations		13,050
Operating expenses	(	<hr/>351)
Operating profit from discontinued operations		12,699
Interest income		2,052
Other losses and gains	(	<hr/>313)
Profit for the period from discontinued operations	\$	<hr/> <hr/> 14,438
Profit attributable to:		
Owners of the parent	\$	14,438
Non-controlling interest		<hr/> -
	\$	<hr/> <hr/> 14,438

(c) 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, 2024	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	\$ 2,318,400	1.80%~6.54%	Structures, land and promissory notes, and pledged time deposits
Unsecured borrowings	<u>1,079,600</u>	2.12%~6.58%	Promissory notes
	<u>\$ 3,398,000</u>		
Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	\$ 2,055,000	1.67%~2.10%	Structures, land and promissory notes, and pledged time deposits
Unsecured borrowings	<u>1,000,000</u>	1.99%~2.03%	Promissory notes
	<u>\$ 3,055,000</u>		
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	<u>1,020,000</u>	1.97%~2.44%	Promissory notes
	<u>\$ 2,360,000</u>		

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

	June 30, 2024	December 31, 2023	June 30, 2023	Footnote
Jack Hsu	\$ 1,000,000	\$ 1,000,000	\$ 1,100,000	Guarantee
Jack Hsu	200,000	200,000	400,000	Promissory notes
Heywood Limited	4,700,000	2,500,000	500,000	Joint guarantee/ Promissory notes
Heywood Limited and Norley Corporation Inc.	-	1,500,000	1,500,000	"

(8) Long-term borrowings

Bank	Collateral	June 30, 2024	December 31, 2023	June 30, 2023
ING Bank	Vessel-Kondor	\$ -	\$ -	\$ 408,713
		-	-	(USD 13,125 thousand)
Mega Bank (and syndicate)	Vessel-Tien Shan	408,870	451,437	523,152
		(USD 12,600 thousand)	(USD 14,700 thousand)	(USD 16,800 thousand)
Mega Bank	(Note)	-	1,106,711	1,194,608
		-	(USD 36,037 thousand)	(USD 38,363 thousand)
		<u>408,870</u>	<u>1,558,148</u>	<u>2,126,473</u>
Less: Current portion-due within one year (shown as other current liabilities)		(<u>136,290</u>)	(<u>271,783</u>)	(<u>684,302</u>)
		<u>\$ 272,580</u>	<u>\$ 1,286,365</u>	<u>\$ 1,442,171</u>
Interest rates		<u>7.16% ~ 7.21%</u>	<u>6.05% ~ 7.21%</u>	<u>5.61% ~ 6.99%</u>

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. The bareboat charter agreement was completed on June 28, 2024, and the vessel was sold back to the lessee. Refer to Note 6(6) for details. In addition, the long-term borrowings which were borrowed by pledging the vessel were repaid in full in the current quarter.

(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 recognised pension costs of \$167, \$118, \$335 and \$235 for the three-month and six-month periods ended June 30, 2024 and 2023, respectively.

- (c) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2024 amount to \$177.

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, 2024 and 2023 were \$304, \$392, \$752 and \$805, 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, 2024 and 2023 were \$257, \$221, \$509 and \$521, 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, 2024 and 2023 were \$335, \$30, \$4,954 and \$62, respectively.

(10) Share capital-common stock

As of June 30, 2024, 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 2023 and 2022 earnings had been resolved at the stockholders' meeting on June 12, 2024 and June 9, 2023, respectively. Details are summarised below:

	2023		2022	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 43,759		\$ 19,955	
Special reserve	6,335		-	
Cash dividends	439,015	\$ 0.75	292,677	\$ 0.50
	<u>\$ 489,109</u>		<u>\$ 312,632</u>	
Reversal of special reserve	<u>\$ -</u>		<u>\$ 1,785,959</u>	

(13) Operating revenue

	<u>For the three-month periods ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Revenue from contracts with customers	<u>\$ 1,204,858</u>	<u>\$ 976,322</u>

	<u>For the six-month periods ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Revenue from contracts with customers	<u>\$ 2,287,923</u>	<u>\$ 1,928,286</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:

	<u>For the three-month period ended June 30, 2024</u>			
	<u>Bulk carrier</u>	<u>Oil tanker</u>	<u>Management service</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$ 780,626</u>	<u>\$ 419,144</u>	<u>\$ 5,088</u>	<u>\$ 1,204,858</u>
Timing of revenue recognition				
Over time	<u>\$ 780,626</u>	<u>\$ 419,144</u>	<u>\$ 5,088</u>	<u>\$ 1,204,858</u>

	<u>For the three-month period ended June 30, 2023</u>			
	<u>Bulk carrier</u>	<u>Oil tanker</u>	<u>Management service</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$ 635,848</u>	<u>\$ 335,637</u>	<u>\$ 4,837</u>	<u>\$ 976,322</u>
Timing of revenue recognition				
Over time	<u>\$ 635,848</u>	<u>\$ 335,637</u>	<u>\$ 4,837</u>	<u>\$ 976,322</u>

	<u>For the six-month period ended June 30, 2024</u>			
	<u>Bulk carrier</u>	<u>Oil tanker</u>	<u>Management service</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$ 1,484,693</u>	<u>\$ 793,189</u>	<u>\$ 10,041</u>	<u>\$ 2,287,923</u>
Timing of revenue recognition				
Over time	<u>\$ 1,484,693</u>	<u>\$ 793,189</u>	<u>\$ 10,041</u>	<u>\$ 2,287,923</u>

	<u>For the six-month period ended June 30, 2023</u>			
	<u>Bulk carrier</u>	<u>Oil tanker</u>	<u>Management service</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$ 1,214,601</u>	<u>\$ 704,062</u>	<u>\$ 9,623</u>	<u>\$ 1,928,286</u>
Timing of revenue recognition				
Over time	<u>\$ 1,214,601</u>	<u>\$ 704,062</u>	<u>\$ 9,623</u>	<u>\$ 1,928,286</u>

B. Contract assets and liabilities

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

	June 30, 2024	December 31, 2023	June 30, 2023	January 1, 2023
Contract assets				
- bulk carrier	\$ -	\$ 52,497	\$ 22,101	\$ 52,135
Contract liabilities				
- bulk carrier	\$ 45,324	\$ 52,939	\$ 38,024	\$ 39,460

C. Contract liabilities at the beginning of 2024 and 2023 amounting to \$52,939 and \$39,460, respectively, were all recognised as operating revenue for the six-month periods ended June 30, 2024 and 2023, respectively.

(14) Interest income

	For the three-month periods ended June 30,	
	2024	2023
Interest income from bank deposits	\$ 27,106	\$ 45,849
Interest income from financial assets measured at amortised cost	33,003	8,603
	<u>\$ 60,109</u>	<u>\$ 54,452</u>
	For the six-month periods ended June 30,	
	2024	2023
Interest income from bank deposits	\$ 48,869	\$ 82,710
Interest income from financial assets measured at amortised cost	62,902	13,551
	<u>\$ 111,771</u>	<u>\$ 96,261</u>

(15) Other income

	For the three-month periods ended June 30,	
	2024	2023
Rent income	\$ 45	\$ 45
Insurance claims	-	927
Others	13	6
	<u>\$ 58</u>	<u>\$ 978</u>
	For the six-month periods ended June 30,	
	2024	2023
Rent income	\$ 91	\$ 91
Insurance claims	-	1,798
Others	852	141
	<u>\$ 943</u>	<u>\$ 2,030</u>

(16) Other gains and losses

	<u>For the three-month periods ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
(Losses) gains on disposals of property, plant and equipment	(\$ 22)	\$ 707
Currency exchange gains (losses)	3,598 (	15,844)
Impairment loss on property, plant and equipment	- (	70,265)
Compensation losses	- (	540)
Other losses	(93)	(573)
	<u>\$ 3,483</u>	<u>(\$ 86,515)</u>

	<u>For the six-month periods ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
(Losses) gains on disposals of property, plant and equipment	(\$ 22)	\$ 141,715
Currency exchange gains (losses)	4,530 (	7,234)
Impairment loss on property, plant and equipment	- (	70,265)
Compensation losses	- (	103,106)
Other losses	(386)	(636)
	<u>\$ 4,122</u>	<u>(\$ 39,526)</u>

(17) Finance costs

	<u>For the three-month periods ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Interest expense		
Interest expense on bank borrowings	\$ 24,410	\$ 24,193
Lease liabilities	185	54
	<u>\$ 24,595</u>	<u>\$ 24,247</u>

	<u>For the six-month periods ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Interest expense		
Interest expense on bank borrowings	\$ 46,576	\$ 47,740
Lease liabilities	231	120
	<u>\$ 46,807</u>	<u>\$ 47,860</u>

(18) Expenses by nature

Function Nature	For the three-month periods ended June 30,					
	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense	\$ 158,468	\$ 78,013	\$ 236,481	\$ 143,939	\$ 40,405	\$ 184,344
Depreciation	386,961	2,264	389,225	345,346	1,306	346,652
Amortisation	-	137	137	-	13	13

Function Nature	For the six-month periods ended June 30,					
	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense	\$ 310,235	\$ 136,121	\$ 446,356	\$ 306,574	\$ 74,980	\$ 381,554
Depreciation	763,493	4,596	768,089	691,687	2,593	694,280
Amortisation	-	274	274	-	26	26

(19) Employee benefit expense

Function Nature	For the three-month periods ended June 30,					
	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Wages and salaries	\$ 121,979	\$ 73,286	\$ 195,265	\$ 118,002	\$ 36,486	\$ 154,488
Labor and health insurance fees	279	1,244	1,523	290	966	1,256
Pension costs	-	1,063	1,063	-	761	761
Other personnel expenses	36,210	2,420	38,630	25,647	2,192	27,839
Total	\$ 158,468	\$ 78,013	\$ 236,481	\$ 143,939	\$ 40,405	\$ 184,344

Function Nature	For the six-month periods ended June 30,					
	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Wages and salaries	\$ 241,993	\$ 122,584	\$ 364,577	\$ 253,321	\$ 67,082	\$ 320,403
Labor and health insurance fees	463	2,159	2,622	556	1,949	2,505
Pension costs	-	6,550	6,550	-	1,623	1,623
Other personnel expenses	67,779	4,828	72,607	52,697	4,326	57,023
Total	\$ 310,235	\$ 136,121	\$ 446,356	\$ 306,574	\$ 74,980	\$ 381,554

- 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, 2024 and 2023, employees' compensation were accrued at \$11,275 and \$2,682, respectively; while directors' remuneration were accrued at

\$22,549 and \$5,364, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 1.92% of distributable profit of current year for the year ended December 31, 2023. The employees' compensation and directors' remuneration resolved by the Board of Directors were both \$9,856, and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' remuneration for 2023 were both \$9,856 as resolved by the Board of Directors and were in agreement with those amounts recognised in the 2023 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

Components of income tax expense:

	<u>For the three-month periods ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Current tax:		
Current tax on profits for the period	\$ 14,407	\$ 18,330
Tax on undistributed surplus earnings	-	13,206
Prior year income tax under estimation	728	3
Total current tax	<u>15,135</u>	<u>31,539</u>
Deferred tax:		
Origination and reversal of temporary differences	515	9,631
Total deferred tax	<u>515</u>	<u>9,631</u>
Income tax expense	<u>\$ 15,650</u>	<u>\$ 41,170</u>
	<u>For the six-month periods ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Current tax:		
Current tax on profits for the period	\$ 15,533	\$ 19,170
Tax on undistributed surplus earnings	-	13,206
Prior year income tax under estimation	1,016	21
Total current tax	<u>16,549</u>	<u>32,397</u>
Deferred tax:		
Origination and reversal of temporary differences	\$ 689	\$ 1,927
Total deferred tax	<u>689</u>	<u>1,927</u>
Income tax expense	<u>\$ 17,238</u>	<u>\$ 34,324</u>

B. The Company's income tax returns through 2022, except for 2021, have been assessed and approved by the Tax Authority.

(21) Earnings per share

	For the three-month period ended June 30, 2024		
	<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	\$ 318,045	585,353	\$ 0.54
Profit from discontinued operations attributable to the parent	383,431	-	0.66
Profit attributable to ordinary shareholders	<u>\$ 701,476</u>	<u>585,353</u>	<u>\$ 1.20</u>
<u>Diluted earnings per share</u>			
Profit from continuing operations attributable to ordinary shareholders of the parent	\$ 318,045	585,353	\$ 0.54
Profit from discontinued operations attributable to the parent	383,431	-	0.66
Assumed conversion of all dilutive potential ordinary shares			
- employees' compensation	-	253	-
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 701,476</u>	<u>585,606</u>	<u>\$ 1.20</u>

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	\$ 82,242	585,353	\$ 0.14
Profit from discontinued operations attributable to the parent	<u>19,770</u>	<u>-</u>	<u>0.04</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 from continuing operations attributable to ordinary shareholders of the parent	\$ 82,242	585,353	\$ 0.14
Profit from discontinued operations attributable to the parent	19,770	-	0.04
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 six-month period ended June 30, 2024

	<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	\$ 643,487	585,353	\$ 1.10
Profit from discontinued operations attributable to the parent	411,439	-	0.70
Profit attributable to ordinary shareholders	<u>\$ 1,054,926</u>	<u>585,353</u>	<u>\$ 1.80</u>
<u>Diluted earnings per share</u>			
Profit from continuing operations attributable to ordinary shareholders of the parent	\$ 643,487	585,353	\$ 1.10
Profit from discontinued operations attributable to the parent	411,439	-	0.70
Assumed conversion of all dilutive potential ordinary shares			
- employees' compensation	-	378	-
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,054,926</u>	<u>585,731</u>	<u>\$ 1.80</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	\$ 204,069	585,353	\$ 0.35
Profit from discontinued operations attributable to the parent	<u>23,432</u>	<u>-</u>	<u>0.04</u>
Profit attributable to ordinary shareholders	<u>\$ 227,501</u>	<u>585,353</u>	<u>\$ 0.39</u>
<u>Diluted earnings per share</u>			
Profit from continuing operations attributable to ordinary shareholders of the parent	\$ 204,069	585,353	\$ 0.35
Profit from discontinued operations attributable to the parent	23,432	-	0.04
Assumed conversion of all dilutive potential ordinary shares - employees' compensation	<u>-</u>	<u>137</u>	<u>-</u>
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>

(22) Supplemental cash flow information

A. Investing activities with partial cash payments:

	For the six-month periods ended June 30,	
	2024	2023
Purchase of property, plant and equipment	\$ 1,456,467	\$ 163,098
Less: Beginning balance of prepayment on equipment (Note 1)	(6,991)	-
Add: Ending balance of receivable on equipment (Note 3)	6,665	-
Add: Ending balance of prepayment on equipment (Note 1)	30,455	13,685
Add: Beginning balance of payable on equipment (Note 2)	111,117	5,188
Less: Ending balance of payable on equipment (Note 2)	(61,531)	(17,889)
Cash paid during the period	<u>\$ 1,536,182</u>	<u>\$ 164,082</u>

Note 1: Shown as other non-current assets.

Note 2: Shown as other payables.

Note 3: It was the beginning balance of prepayment on equipment of Vessel-Heng Shan. While Vessel - Heng Shan was sold on April 30, 2024, the prepayment on equipment will be collected from the counterparty, which was shown as other receivables.

B. Financing activities with no cash flow effects:

	For the six-month periods ended June 30,	
	2024	2023
Cash dividends yet to be paid	<u>\$ 439,015</u>	<u>\$ 292,677</u>

(23) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2024	\$ 3,055,000	\$ 1,558,148	\$ 15,428	\$ 4,628,576
Proceeds from borrowings	337,500	-	-	337,500
Repayment of borrowings	-	(1,216,586)	-	(1,216,586)
Payment of principal	-	-	(3,040)	(3,040)
Impact of changes in foreign exchange rate	5,500	67,308	420	73,228
At June 30, 2024	<u>\$ 3,398,000</u>	<u>\$ 408,870</u>	<u>\$ 12,808</u>	<u>\$ 3,819,678</u>

	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>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Name of related parties</u>	<u>Relationship with the Group</u>
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
Oak Maritime (HK) Inc.	Other related party

(2) Significant related party transactions and balances

A. Operating revenue

	<u>For the three-month periods ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Management revenue:		
Other related party	<u>\$ 5,088</u>	<u>\$ 4,837</u>
	<u>For the six-month periods ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Management revenue:		
Other related party	<u>\$ 10,041</u>	<u>\$ 9,623</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>2024</u>	<u>2023</u>
Commission fee:		
Other related party	<u>\$ 10,799</u>	<u>\$ 8,977</u>
	<u>For the six-month periods ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Commission fee:		
Other related party	<u>\$ 20,678</u>	<u>\$ 22,059</u>

Commission fee represent commission expenses arising from vessel agent contracts. Profit from discontinued operations amounted to \$1,698 and \$1,825 for the six-month periods ended June 30, 2024 and 2023, respectively. Sales of services are based on the price lists in force and terms that would be available to third parties.

C. Operating expenses

	<u>For the three-month periods ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Consultancy fee:		
Other related party	<u>\$ 606</u>	<u>\$ 576</u>
	<u>For the six-month periods ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Consultancy fee:		
Other related party	<u>\$ 1,196</u>	<u>\$ 1,146</u>

D. Other payables

Advances from related parties and agency payable:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other payables:			
Other related party	<u>\$ 13,898</u>	<u>\$ 68,532</u>	<u>\$ 60,997</u>

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

F. Commission fee paid for disposal of vessel:

	Accounts	Objects	For the six-month period ended June 30, 2024
Other related party	Profit from discontinued operations	Heng Shan	\$ <u>6,906</u>
			For the six-month period ended June 30, 2023
Other related party	Other gains or losses	Huang Shan	\$ <u>4,460</u>

(3) Key management compensation

	For the three-month periods ended June 30,	
	2024	2023
Salaries and other short-term employee benefits	\$ 15,767	\$ 10,214
Post-employment benefits	160	151
	\$ <u>15,927</u>	\$ <u>10,365</u>
	For the six-month periods ended June 30,	
	2024	2023
Salaries and other short-term employee benefits	\$ 26,694	\$ 16,595
Post-employment benefits	319	301
	\$ <u>27,013</u>	\$ <u>16,896</u>

8. PLEDGED ASSETS

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

Pledged assets	Book value			Pledge purpose
	June 30, 2024	December 31, 2023	June 30, 2023	
Time deposits (shown as "financial assets at amortised cost")	\$ 2,429,583	\$ 1,998,300	\$ 1,292,310	Short-term loans
Bank deposits (shown as "other current assets")	61,200	148,766	140,982	Long-term loans
Guarantee deposits paid (shown as "other non-current assets")	8,610	8,572	86,464	Deposit of golf certificates and office renting
Property, plant and equipment				
Vessels and equipment-net	4,234,255	4,532,507	6,657,765	Long-term loans and short-term borrowings
Land and building and structures	99,345	99,920	98,879	Credit lines of short- term borrowings
	\$ <u>6,832,993</u>	\$ <u>6,788,065</u>	\$ <u>8,276,400</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingent liabilities

None.

(2) Commitments

A. The Group has outstanding notes payable for bank financing amounting to \$5,446,350.

B. As of June 30, 2024, the outstanding balance arising from the acquisition of vessel's equipment amounted to \$12,959 (USD 399 thousand).

C. As of June 30, 2024, the Company's subsidiaries have the continuing medium and long-term charter agreements, the details are as follows:

<u>Contracting parties</u>	<u>Contract periods</u>	<u>Contract contents</u>
NORDEN A/S	2023.3.22-2025.3.22	Medium and long-term charter of international service routes of Sarah
H-LINE SHIPPING CO., LIMITED.	2024.5.29-2026.5.29	Medium and long-term charter of international service routes of Wah Shan

The future aggregate receivables under non-cancellable charters are as follows:

(Unit: Thousands of US dollars)

	<u>June 30, 2024</u>
Less than one year	\$ 13,558
Between one and five years	8,159
Over five years	-
	<u>\$ 21,717</u>

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, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Financial assets</u>			
Financial assets at amortised cost			
Cash and cash equivalents	\$ 3,484,138	\$ 1,974,107	\$ 4,584,225
Financial assets at amortised cost (including current portion)	2,611,710	3,858,841	3,381,300
Accounts receivable, net	470,690	508,107	479,906
Other receivables	106,245	182,750	180,212
Other financial assets	61,200	148,766	140,982
Guarantee deposits paid (shown as “other non-current assets”)	8,610	8,572	86,464
	<u>\$ 6,742,593</u>	<u>\$ 6,681,143</u>	<u>\$ 8,853,089</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 3,398,000	\$ 3,055,000	\$ 2,360,000
Other payables	730,786	410,391	539,785
Other payables - related parties	13,898	68,532	60,997
Long-term borrowings (including current portion)	408,870	1,558,148	2,126,473
	<u>\$ 4,551,554</u>	<u>\$ 5,092,071</u>	<u>\$ 5,087,255</u>
Lease liabilities	<u>\$ 12,808</u>	<u>\$ 15,428</u>	<u>\$ 3,609</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, 2024			
	Foreign currency amount		Book value (NTD)
	(In thousands)	Exchange rate	
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 1,126	32.45	\$ 36,550
NTD : USD	2,528	0.03	2,528
USD : CAD	284	1.37	9,229
SGD : USD	98	0.74	2,353
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 16,700	32.45	\$ 541,915
CAD : USD	121	0.73	2,864
JPY : USD	6,368	0.01	1,281
NTD : USD	1,402	0.03	1,402
SGD : USD	76	0.74	1,822
December 31, 2023			
	Foreign currency amount		Book value (NTD)
	(In thousands)	Exchange rate	
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 1,365	30.71	\$ 41,927
NTD : USD	1,958	0.03	1,958
USD : CAD	234	1.32	7,186
SGD : USD	296	0.76	6,905
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 16,700	30.71	\$ 512,857

June 30, 2023

	Foreign currency		Book value (NTD)
	amount (In thousands)	Exchange rate	
(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

- iii. The unrealized exchange gain arising from significant foreign exchange variation on the monetary items held by the Group for 2024 and 2023 amounted to \$3,669 and \$4,611, respectively.
- iv. Analysis of foreign currency market risk arising from significant foreign exchange variation:

For the six-month period ended June 30, 2024

	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%	\$ 366	\$ -
NTD : USD	1%	25	-
USD : CAD	1%	92	-
SGD : USD	1%	24	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 5,419	\$ -
CAD : USD	1%	29	-
JPY : USD	1%	13	-
NTD : USD	1%	14	-
SGD : USD	1%	18	-

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	\$ -

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, 2024 and 2023, the Group's borrowings at variable rate were denominated in New Taiwan dollars and 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, 2024 and 2023, if interest rates on NTD-denominated borrowings had been 1% higher/lower with all other variables held constant, pre-tax profit for the six-month periods ended June 30, 2024 and 2023 would have been \$8,185 and \$0 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.
- iv. At June 30, 2024 and 2023, if interest rates on USD-denominated borrowings had been 1% higher/lower with all other variables held constant, pre-tax profit for the six-month periods ended June 30, 2024 and 2023 would have been \$2,044 and \$10,632 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, 2024, December 31, 2023 and June 30, 2023, no written-off financial assets 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, 2024, December 31, 2023 and June 30, 2023, the provision matrix is as follows:

<u>June 30, 2024</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
0 to 180 days	0%	\$ 455,464	\$ -
181 days -3 years	50%-100%	35,731	20,505
Over 3 years	100%	-	-
Total		<u>\$ 491,195</u>	<u>\$ 20,505</u>

<u>December 31, 2023</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
0 to 180 days	0%	\$ 500,919	\$ -
181 days -3 years	50%-100%	16,505	9,317
Over 3 years	100%	-	-
Total		<u>\$ 517,424</u>	<u>\$ 9,317</u>

<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>

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

	<u>2024</u>	<u>2023</u>
January 1	\$ 9,317	\$ 5,649
Provision for impairment	10,507	8,242
Write-offs	(26)	-
Effect of exchange rate changes	707	238
June 30	<u>\$ 20,505</u>	<u>\$ 14,129</u>

(c) Liquidity risk

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

- ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury.
- iii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities June 30, 2024	Less than one year	Between one and five years	Over five years
Short-term borrowings	\$ 3,406,578	\$ -	\$ -
Other payables (including related parties)	744,684	-	-
Lease liabilities	6,441	7,263	-
Long-term borrowings (including current portion)	160,381	291,038	-

Non-derivative financial liabilities December 31, 2023	Less than one year	Between one and five years	Over five years
Short-term borrowings	\$ 3,063,497	\$ -	\$ -
Other payables (including related parties)	478,923	-	-
Lease liabilities	6,534	10,102	-
Long-term borrowings (including current portion)	371,861	1,527,381	-

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

(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, 2024, December 31, 2023 and June 30, 2023.

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:

	<u>For the six-month period ended June 30, 2024</u>			
	<u>Bulk carrier</u>	<u>Oil tanker</u>	<u>Other segments</u>	<u>Total</u>
Revenues from third parties	\$ 1,484,693	\$ 793,189	\$ 10,041	\$ 2,287,923
Segment (loss) income	\$ 388,675	\$ 272,278	(\$ 5,293)	\$ 655,660
Depreciation and amortization charge	\$ 425,270	\$ 307,192	\$ 4,870	\$ 737,332
	<u>For the six-month period ended June 30, 2023</u>			
	<u>Bulk carrier</u>	<u>Oil tanker</u>	<u>Other segments</u>	<u>Total</u>
Revenues from third parties	\$ 1,214,601	\$ 704,062	\$ 9,623	\$ 1,928,286
Segment (loss) income	(\$ 124,178)	\$ 363,514	\$ 13,562	\$ 252,898
Depreciation and amortization charge	\$ 417,223	\$ 265,790	\$ 2,618	\$ 685,631

(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,	
	2024	2023
Reportable segment income	\$ 660,953	\$ 239,336
Other segment (loss) income	(5,293)	13,562
Total operating segment income	655,660	252,898
Others	5,065	32,769
Income from continuing operations before tax	<u>\$ 660,725</u>	<u>\$ 285,667</u>

Sincere Navigation Corporation and Subsidiaries
Loans to others
For the six-month period ended June 30, 2024

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, 2024	Balance at June 30, 2024	Actual amount drawn down	Interest rate	Nature of loan (Note 3)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 2)	Footnote
													Item	Value			
0	Sincere Navigation Corporation	None													\$ 5,276,002	\$ 7,034,669	
1	Heywood Limited	Sincere Navigation Corporation	Receivables from related parties	Y	\$ 543,585	\$ 541,915	\$ 541,915	-	2	-	Working capital	-	-	-	6,299,044	6,299,044	The maximum amount amounted to USD 16,700 thousand for the current period, and the actual amount was USD 16,700 thousand at the end of period.
1	Heywood Limited	Norley Corporation Inc.	Receivables from related parties	Y	3,126,420	2,888,050	2,888,050	-	2	-	Working capital	-	-	-	6,299,044	6,299,044	The maximum amount amounted to USD 99,000 thousand for the current period, and the actual amount was USD 89,000 thousand at the end of period.
1	Heywood Limited	Sincere Navigation Corporation (Singapore) Pte. Ltd.	Receivables from related parties	Y	947,400	259,276	259,276	-	2	-	Working capital	-	-	-	6,299,044	6,299,044	The maximum amount amounted to USD 30,000 thousand for the current period, and the actual amount was USD 7,990 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

Note 3: Nature of loans is filled as follows:

(1) Fill in 1 for business transactions.

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

Sincere Navigation Corporation and Subsidiaries
Provision of endorsements and guarantees to others
For the six-month period ended June 30, 2024

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, 2024 (Note 4)	Outstanding endorsement/ guarantee amount at June 30, 2024 (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	\$ 17,586,673	\$ 615,195	\$ 613,305	\$ 408,870	-	7.73%	\$ 43,966,683	Y	N	N	Guarantee balance is USD 18,900 thousand
0	"		Bridge Poiema Limited	17,586,673	1,513,575	-	-	-	7.73%	43,966,683	Y	N	N	Guarantee balance is USD 0 thousand
0	"		Norley Corporation Inc.	17,586,673	748,650	746,350	324,500	-	7.73%	43,966,683	Y	N	N	Guarantee balance is USD 23,000 thousand
1	Norley Corporation Inc.		Sincere Navigation Corporation	13,121,270	1,500,000	-	-	-	-	32,803,175	N	Y	N	Guarantee balance is USD 0 thousand (Note 9)
1	"		Heywood Limited	13,121,270	1,500,000	-	-	-	-	32,803,175	N	N	N	Guarantee balance is USD 0 thousand (Note 9)
2	Heywood Limited		Sincere Navigation Corporation	6,299,044	4,700,000	4,700,000	2,028,500	2,423,093	74.61%	15,747,610	N	Y	N	Guarantee balance is USD 4,700,000 thousand (Note 9 and 11)
2	"		Sincere Navigation Corporation	6,299,044	1,500,000	-	-	-	74.61%	15,747,610	N	Y	N	Guarantee balance is USD 0 thousand (Note 9)
2	"		Norley Corporation Inc.	6,299,044	1,500,000	-	-	-	74.61%	15,747,610	N	N	N	Guarantee balance is USD 0 thousand (Note 9)
3	Victory Navigation Inc.		Norley Corporation Inc.	416,469	640,000	-	-	-	-	1,041,173	N	N	N	Guarantee balance is USD 0 thousand

Sincere Navigation Corporation and Subsidiaries
Provision of endorsements and guarantees to others
For the six-month period ended June 30, 2024

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, 2024 (Note 4)	Outstanding endorsement/ guarantee amount at June 30, 2024 (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
4	Everprime Shipping Limited	Norley Corporation Inc.	3	\$ 413,288	\$ 640,000	\$ -	-	-	-	\$ 1,033,220	N	N	N	Guarantee balance is USD 0
5	Ocean Wise Limited	Norley Corporation Inc.	3	775,826	710,550	649,000	-	-	83.65%	1,939,565	N	N	N	Guarantee balance is USD 20,000 thousand (Note 8)
6	Poseidon Marine Ltd.	Norley Corporation Inc.	3	1,067,116	710,550	649,000	-	-	60.82%	2,667,790	N	N	N	Guarantee balance is USD 20,000 thousand (Note 8)
7	Maxson Shipping Inc.	Norley Corporation Inc.	3	855,785	710,550	649,000	-	-	75.84%	2,139,463	N	N	N	Guarantee balance is USD 20,000 thousand (Note 8)

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

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

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: According to the Company's "Procedures for Provision of Endorsements and Guarantees":

The limit on endorsements and guarantees provided for an individual party shall not exceed the Company's equity, and the ceiling on total endorsements and guarantees shall not exceed 250% of the Company's equity.
For Company and subsidiaries, the ceiling on total endorsements and guarantees shall not exceed 300% of the Company's equity.

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

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

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

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

Note 8: The outstanding endorsement/guarantee amount that Ocean Wise Limited, Poseidon Marine Ltd. and Maxson Shipping Inc. jointly provided to Norley Corporation Inc. is USD 20 million.

Note 9: The Group's joint credit line for the endorsement and guarantee is NT\$1.5 billion. The original credit line was matured on May 29, 2024. The renewed structure of credit line is only having a pledged USD time deposits provided by Heywood Limited to be the guarantee for the drawdown of the borrowings of SNC, and the credit line is decreased from NT\$1.5 billion to NT\$1 billion.
As of June 30, 2024, the Company drew down NT\$0.75 billion, which was secured by time deposits of US\$28 million provided by Heywood Limited.

Note 10: Formerly wholly-owned subsidiary of Norley Corporation Inc., Bridge Poiema Limited, purchased the large crude oil carrier, MT Landbridge Glory, in sale and lease-back transaction under the bareboat charter agreement, which was terminated, and transferred MT Landbridge Glory to Landbridge Global Limited on June 28, 2024. Accordingly, the bank borrowings were settled in advance. The Company did not continually provide endorsement and guarantee to Bridge Poiema Limited.

Note 11: For Heywood Limited, the ratio of accumulated endorsement/guarantee amount to net asset value based on the latest financial statements was 74.61% = NT\$4,700,000 thousand/NT\$6,299,044 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, 2024

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
Sharon Glory Limited	Wah Shan	2024.5.2	\$ 1,363,830 (USD 42,250 thousand)	Paid	HL Champ 1 S.A.	None	-	-	-	-	Bargaining	Fleet expansion	None

Note 1: The appraisal result should be presented in the 'Basis or reference used in setting the price' column if the real estate acquisition of should be appraised pursuant to the regulations.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 3: Date of the event referred to herein is the date of contract signing, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

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, 2024

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 on disposal (Note 4)	Counterparty	Relationship with the seller	Reason for disposal	Basis or reference used in setting the price	Other commitments
Everprime Shipping Limited	Heng Shan	2024.4.23	2007.1.8	\$ 412,166	\$ 412,166 (USD 12,643 thousand)	Collected	\$ -	Sincere Navigation Corporation (Singapore) Pte. Ltd.	Associates	Group operational strategy.	The book value as of March 31, 2024.	-
Sincere Navigation Corporation (Singapore) Pte. Ltd.	//	2024.4.30	2024.4.23	392,811	\$ 701,460 (USD 21,650 thousand)	Collected	280,199	Mercury Wealth Shipping Limited	None	Replacement of vessel	Appraisal result	-

Note 1: The appraisal result should be presented in the 'Basis or reference used in setting the price' column if the real estate disposed of should be appraised pursuant to the regulations.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 3: Date of the event referred to herein is the date of contract signing, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

Note 4: Gain on disposal, including related expenses on disposal of vessel, amounted to \$28,450.

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, 2024

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2024	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Sincere Navigation Corporation	None		-	-	\$ -	-	\$ -	-
Heywood Limited (Heywood)	Sincere Navigation Corporation	Heywood's parent company	\$ 541,915 (USD 16,700 thousand)	-	-	-	-	-
Heywood Limited (Heywood)	Norley Corporation Inc. (Norley)	Associates	\$ 2,888,050 (USD 89,000 thousand)	-	-	-	-	-
Heywood Limited (Heywood)	Sincere Navigation Corporation (Singapore) Pte. Ltd.	Associates	\$ 259,276 (USD 7,990 thousand)	-	-	-	-	-

Table 5

Sincere Navigation Corporation and Subsidiaries
Significant inter-company transactions during the reporting period
For the six-month period ended June 30, 2024

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	\$ 613,305	As per the Company's policy	2.76%
0	"	Norley Corporation Inc.	1	Guarantees	746,350	"	3.35%
2	Heywood Limited	Sincere Navigation Corporation	2	Guarantees (Note 6 and 7)	4,700,000	"	21.13%
2	"	Sincere Navigation Corporation	2	Other receivables	541,915	"	2.44%
2	"	Norley Corporation Inc.	3	"	2,888,050	"	12.98%
2	"	Sincere Navigation Corporation (Singapore) Pte. Ltd.	3	"	259,276	"	1.17%
5	Ocean Wise Limited	Norley Corporation Inc.	2	Guarantees (Note 5)	649,000	"	2.92%
6	Poseidon Marine Ltd.	Norley Corporation Inc.	2	"	649,000	"	2.92%
7	Maxson Shipping Inc.	Norley Corporation Inc.	2	"	649,000	"	2.92%

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 Ocean Wise Limited, Poseidon Marine Ltd. and Maxson Shipping Inc. jointly provided to Norley Corporation Inc. is USD 20 million.

Note 6: The Group's joint credit line for the endorsement and guarantee is NT\$1.5 billion. The original credit line was matured on May 29, 2024. The renewed structure of credit line is only having a pledged USD time deposits provided by Heywood Limited to be the guarantee for the drawdown of the borrowings of SNC, and the credit line is decreased from NT\$1.5 billion to NT\$1 billion.

As of June 30, 2024, the Company drew down NT\$0.75 billion, which was secured by time deposits of US\$28 million provided by Heywood Limited.

Note 7: For Heywood Limited, the ratio of accumulated endorsement/guarantee amount to net asset value based on the latest financial statements was 74.61% = NT\$4,700,000 thousand/NT\$6,299,044 thousand.

Sincere Navigation Corporation and Subsidiaries
Information on investees
For the six-month period ended June 30, 2024

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 7

Investor	Investee	Location	Main business activities	Initial investment amount (Note 1)		Shares held as at June 30, 2024 (Note 2)			Net profit (loss) of the investee for the six-month period ended	Investment income (loss) recognised by the Company for the six-month period	Footnote
				Balance as at June 30, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value	June 30, 2024	ended June 30, 2024	
Sincere Navigation Corporation	Norley Corporation Inc.	Republic of Liberia	Investment holdings	\$ 32,450 (USD 1,000 thousand)	\$ 30,710 (USD 1,000 thousand)	500	100%	\$ 12,889,186	\$ 86,137	\$ 63,577	Subsidiary
"	Heywood Limited	Marshall Islands	Investment holdings	32,450 (USD 1,000 thousand)	30,710 (USD 1,000 thousand)	500	100%	6,299,044	53,500	53,500	Subsidiary
"	SINCERE NAVIGATION CORPORATION (SINGAPORE) PTE. LTD.	Singapore	Shipping	3,245 (USD 100 thousand)	3,071 (USD 100 thousand)	100,000	100%	1,628,114	1,036,079	1,034,398	Subsidiary
Norley Corporation Inc.	Kenmore Shipping Inc.	Marshall Islands	Oil tanker	1,321,040 (USD 40,710 thousand)	1,336,192 (USD 43,510 thousand)	500	100%	1,801,217	907	-	Second-tier subsidiary
"	Jetwall Co. Ltd.	"	Investment holdings	1,257,632 (USD 38,756 thousand)	1,537,220 (USD 50,056 thousand)	500	100%	1,834,578	2,300	-	Second-tier subsidiary
"	Victory Navigation Inc.	"	"	357,128 (USD 11,006 thousand)	337,979 (USD 11,006 thousand)	500	100%	416,469	4,237	-	Second-tier subsidiary
"	Poseidon Marine Ltd	"	Shipping	259,925 (USD 8,010 thousand)	245,987 (USD 8,010 thousand)	500	100%	1,067,116	4,336	-	Second-tier subsidiary
"	Maxson Shipping Inc.	"	"	340,725 (USD 10,500 thousand)	322,455 (USD 10,500 thousand)	500	100%	855,785 (	135)	-	Second-tier subsidiary
"	Ocean Wise Limited	Republic of Liberia	"	725,906 (USD 22,370 thousand)	686,982 (USD 22,370 thousand)	500	100%	775,826	3,646	-	Second-tier subsidiary
"	Pacifica Maritime Limited	Marshall Islands	Oil tanker	2,336,076 (USD 71,990 thousand)	2,281,446 (USD 74,290 thousand)	500	100%	2,340,015	298	-	Second-tier subsidiary
"	Sky Sea Maritime Limited	"	Investment holdings	1,258,752 (USD 38,791 thousand)	1,191,256 (USD 38,791 thousand)	500	100%	1,555,290 (	7,544)	-	Second-tier subsidiary
"	Elroy Maritime Service Inc.	"	Maritime service	12,331 (USD 380 thousand)	11,670 (USD 380 thousand)	500	100%	2,289 (	6,652)	-	Second-tier subsidiary
"	Glory Selah Limited	"	Investment holdings	569,660 (USD 17,555 thousand)	539,114 (USD 17,555 thousand)	500	100%	638,477	82,738	-	Second-tier subsidiary
"	Steady Way Limited	"	Shipping	751,542 (USD 23,160 thousand)	748,096 (USD 24,360 thousand)	500	100%	753,152	1,534	-	Second-tier subsidiary
"	Clifford Navigation Corporation	"	"	406,070 (USD 12,514 thousand)	384,296 (USD 12,514 thousand)	500	100%	3,263 (	302)	-	Second-tier subsidiary
"	Brighton Shipping Inc.	"	"	653,719 (USD 20,145 thousand)	618,666 (USD 20,145 thousand)	500	100%	307,203	1,320	-	Second-tier subsidiary

Sincere Navigation Corporation and Subsidiaries
Information on investees
For the six-month period ended June 30, 2024

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 7

Investor	Investee	Location	Main business activities	Initial investment amount (Note 1)		Shares held as at June 30, 2024 (Note 2)			Net profit (loss) of the investee for the six-month period ended June 30, 2024	Investment income (loss) recognised by the Company for the six-month period ended June 30, 2024	Footnote
				Balance as at June 30, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value			
Norley Corporation Inc.	Rockwell Shipping Limited	Marshall Islands	Shipping	\$ 577,800 (USD 17,806 thousand)	\$ 546,817 (USD 17,806 thousand)	500	100%	\$ 365,966	\$ 850	\$ -	Second-tier subsidiary
"	Howells Shipping Inc.	"	"	548,501 (USD 16,903 thousand)	552,871 (USD 18,003 thousand)	500	100%	448,860	1,368	-	Second-tier subsidiary
"	Helmsman Navigation Co. Ltd.	"	"	571,000 (USD 17,596 thousand)	571,092 (USD 18,596 thousand)	500	100%	569,690	1,511	-	Second-tier subsidiary
"	Keystone Shipping Co. Ltd.	"	"	44,982 (USD 1,386 thousand)	42,570 (USD 1,386 thousand)	500	100%	6,089	(60)	-	Second-tier subsidiary
"	Carmel Splendor Limited	"	"	944,620 (USD 29,110 thousand)	893,968 (USD 29,110 thousand)	500	100%	945,779	280	-	Second-tier subsidiary
"	Sharon Glory Limited	"	"	1,372,960 (USD 42,310 thousand)	307 (USD 10 thousand)	500	100%	1,371,809	(1,107)	-	Second-tier subsidiary
"	Base Camp Limited	Samoa Islands	Investment holdings	325 (USD 10 thousand)	307 (USD 10 thousand)	500	100%	154	(167)	-	Second-tier subsidiary
"	Delight Way Limited	Marshall Islands	Shipping	325 (USD 10 thousand)	-	500	100%	320	(5)	-	Second-tier subsidiary
"	Majestic Bloom Limited	"	"	325 (USD 10 thousand)	-	500	100%	320	(5)	-	Second-tier subsidiary
Jetwall Co. Ltd.	Everwin Maritime Limited	"	Oil tanker	1,065,009 (USD 32,820 thousand)	1,354,925 (USD 44,120 thousand)	500	100%	1,836,051	2,339	-	Third-tier subsidiary
Victory Navigation Inc.	Everprime Shipping Limited	"	Shipping	325 (USD 10 thousand)	307 (USD 10 thousand)	500	100%	413,288	4,260	-	Third-tier subsidiary
Sky Sea Maritime Limited	Ocean Grace Limited	"	"	944,620 (USD 29,110 thousand)	893,968 (USD 29,110 thousand)	500	100%	1,555,704	(7,516)	-	Third-tier subsidiary
Elroy Maritime Service Inc.	Oak Maritime (Canada) Inc.	Canada	Maritime serve	10,012 (USD 308 thousand)	9,475 (USD 308 thousand)	1,000	100%	(2,623)	(6,596)	-	Third-tier subsidiary
Glory Selah Limited	Bridge Poiema Limited	Marshall Islands	Shipping	502,975 (USD 15,500 thousand)	476,005 (USD 15,500 thousand)	500	100%	639,242	82,804	-	Third-tier subsidiary
Heywood Limited	Century Shipping Limited	HongKong	Investment holdings	16,225 (USD 500 thousand)	15,355 (USD 500 thousand)	50,000	100%	4,248	(2,665)	-	Second-tier subsidiary

Note 1: The above balances of initial investments as at June 30, 2024 and December 31, 2023 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, 2024 and net profit (loss) of the investee for the six-month period ended June 30, 2024 were translated at the closing exchange rates at the balance sheet and the average exchange rates for the six-month period ended June 30, 2024.

Sincere Navigation Corporation and Subsidiaries
Information on investments in Mainland China
For the six-month period ended June 30, 2024

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)	Amount remitted from Taiwan to Mainland China/ Amount remitted back			Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2024	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2024	Net income (loss) of investee for the six- month period ended June 30, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six-month period ended June 30, 2024 (Note 2)	Book value of investments in Mainland China as of June 30, 2024	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2024	Footnote
				Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	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)	(\$ 2,665) (RMB 604 thousand)	100%	(\$ 2,665) (RMB 604 thousand)	\$ 4,248 (RMB 933 thousand)	\$ -		

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

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

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

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2024	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Haihu Maritime Service (Shanghai) Co., Ltd.	\$ 15,855	\$ 95,130	\$ 10,552,004

Table 8

Sincere Navigation Corporation and Subsidiaries
Major shareholders information
For the six-month period ended June 30, 2024

Table 9

Number of major shareholders	Name of shares held	Shares	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.