Stock Code:2601

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

FIRST STEAMSHIP COMPANY LTD.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors’ Review Report
For the three Months Ended March 31, 2021 and 2020

Address: 14F., No.237, Sec. 2, Fuxing S. Rd., Da’an Dist., Taipei City 106, Taiwan (R.O.C.)
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The independent auditors’ report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors’ report and consolidated financial statements, the Chinese version shall prevail.

Table of contents

Contents	Page

Independent Auditors' Review Report

To the Board of Directors First Steamship Company Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of the First Steamship Company Ltd. and its subsidiaries of March 31, 2021 and 2020, the related consolidated statements of comprehensive income for the three months ended March 31, 2021 and 2020, as well as the changes in equity and cash flows for the three months ended March 31, 2021 and 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards (“IASs”) 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standards 65, “Review of Financial Information Performed by the Independent Auditor of the Entity”. A review of the 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 conducted in accordance with the generally accepted auditing standards 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.

Basis for Qualified Conclusion

As stated in note 6(g), the equity accounted investments of the First Steamship Company Ltd. and its subsidiaries in its investee companies of $ 492,665 thousand and$ 489,806 thousand as of March 31, 2021 and 2020. And its equity in net earnings on these investee companies of $ (1,182) thousand and $ (1,058) thousand for the three months ended March 31, 2021 and 2020, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors and audited by another auditor (please refer to other matter), 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 First Steamship Company Ltd. and its subsidiaries as of March 31, 2021 and 2020, and of its consolidated financial performance for the three months ended March 31, 2021 and 2020, as well as its consolidated cash flows for the three months ended March 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IASs 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

We did not audit the financial statements of Mariner Finance Ltd., a subsidiary of the Group. Those statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Mariner Finance Ltd., is based solely on the report of other auditor. The financial statements of Mariner Finance Ltd. had total assets of $ 1,612,402 thousand and $ 2,014,821 thousand; reflect the total assets constituting 5% and 6% of the consolidated total assets at March 31, 2021 and 2020. The net operating income was $ 54,082 thousand and $59,395 thousand; reflect the total operating revenues constituting 3% and 5% of the consolidated total operating revenues for the three months ended March 31, 2021 and 2020.

The engagement partners on the reviews resulting in this independent auditors' review report are Shu-Ying Chang and Li-Chen Lai.

KPMG

Taipei, Taiwan (Republic of China)
May 13, 2021

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

Reviewed only, not audited in accordance with the generally accepted auditing standards as of September 30, 2019 and 2018

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2021, December 31, 2020, and March 31, 2020

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2021		December 31, 2020		March 31, 2020	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (Note 6(a))	$ 3,411,700	10	3,982,775	11	3,742,594	10
1110	Current financial assets at fair value through profit or loss (Note 6(b) and (p))	130,508	-	192,024	-	113,276	-
1170	Accounts receivable, net (Notes 6(d), (w), 7and 8)	702,608	2	863,587	3	907,355	3
1200	Other receivables, net (Notes 6(e)、(m)、(z) and 7)	361,612	1	488,430	1	215,857	1
1300	Inventories, net	407,772	1	397,965	1	378,710	1
1320	Inventories (for construction business), net (Note 6(f)、8 and 9)	1,347,903	4	1,292,259	4	636,612	2
1461	Non-current assets classified as held for sale (Notes 6(g))	125,657	-	120,633	-	200,362	1
1476	Other current financial assets (Notes 6(m) and 8)	90,387	-	411,510	1	636,743	2
1479	Other current assets, others (Notes 7 and 9)	401,023	1	344,824	1	376,647	1
		6,979,170	19	8,094,007	22	7,208,156	21
	Non-current assets:						
1510	Non-current financial assets at fair value through profit or loss (Note 6(b))	153,891	-	154,077	-	-	-
1535	Non-current financial assets at amortized cost, net (Note 6(c))	59,900	-	59,900	-	29,900	-
1550	Investments accounted for using equity method, net (Notes 6(h))	888,818	3	874,796	2	914,038	3
1600	Property, plant and equipment (Notes 6(j) and 8)	13,571,710	41	12,874,104	36	13,349,668	36
1755	Right-of-use assets (Notes 6(k) and 8)	8,362,591	24	8,656,377	24	9,250,069	26
1760	Investment property, net (Not 8)	142,793	-	143,036	-	143,766	-
1780	Intangible assets (Note 6(l))	2,029,963	6	2,072,474	6	2,119,679	6
1840	Deferred tax assets	1,018,012	3	1,051,329	3	868,929	2
1915	Prepayments for business facilities (Notes 9)	291,976	1	1,217,580	4	388,153	1
1935	Long-term lease payments receivable (Note 6(d) , 7 and 8)	504,395	1	511,346	1	626,206	2
1975	Net defined benefit asset, non-current	490	-	490	-	-	-
1980	Other non-current financial assets (Notes 6(m),(z), 7 and 8)	496,195	1	491,720	1	850,423	2
1990	Other non-current assets(Notes 6(u) and 7)	197,081	1	202,326	1	237,276	1
		27,717,815	81	28,309,555	78	28,778,107	79
	Total assets	**$ 34,696,985**	**100**	**36,403,562**	**100**	**35,986,263**	**100**

		March 31, 2021		December 31, 2020		March 31, 2020	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (Notes 6(d) and (n))	$ 3,328,984	10	5,844,838	16	3,765,371	10
2110	Short-term notes and bills payable	-	-	49,992	-	49,985	-
2120	Current financial liabilities at fair value through profit or loss (Note 6(b) and (p))	-	-	-	-	9,100	-
2130	Current contract liabilities (Notes 6(w) and 9)	-	-	-	-	57,289	-
2170	Accounts payable (Note 6(q))	1,868,831	5	2,315,165	7	1,604,576	4
2200	Other payables (Notes 6 (q) and 7)	871,447	3	1,010,668	3	1,023,044	3
2230	Current tax liabilities	26,768	-	9,967	-	34,179	-
2280	Current lease liabilities (Notes 6(r) and 7)	764,230	2	878,522	2	968,694	3
2321	Current portion of bonds payable (Note 6(p))	873,875	3	1,431,651	4	999,611	3
2322	Current portion of long-term borrowings (Note 6(o))	2,134,342	6	1,971,667	5	1,298,311	4
2399	Other current liabilities (Note 6(m))	79,578	-	113,295	-	200,591	-
		9,948,055	29	13,625,765	37	10,010,751	27
	Non-Current liabilities:						
2500	Current financial liabilities at fair value through profit or loss (Note 6(b))	20,400	-	-	-	-	-
2530	Bonds payable (Note 6(p))	-	-	-	-	1,359,733	4
2540	Long-term borrowings (Note 6(o))	4,502,413	13	2,745,440	8	3,331,224	9
2570	Deferred tax liabilities	70,463	-	70,355	-	49,238	-
2580	Non-current lease liabilities (Notes 6(r) and 7)	6,947,594	19	7,306,931	21	7,903,563	22
2640	Net defined benefit liability, non-current	-	-	-	-	422	-
2645	Guarantee deposits	533,182	2	543,726	1	615,926	2
		12,074,052	34	10,666,452	30	13,260,106	37
	Total liabilities	22,022,107	63	24,292,217	67	23,270,857	64
	Equity attributable to owners of parent (Notes 6(i) , (p) and (u):						
3100	Capital stock	7,459,680	21	6,867,627	19	6,308,832	18
3200	Capital surplus	1,914,015	6	1,917,673	5	2,062,330	6
3300	Retained earnings	549,242	2	543,146	1	1,223,063	3
3400	Other equity interest	(787,376)	(2)	(772,772)	(2)	(595,252)	(2)
3500	Treasury stock	(94,491)	-	(94,491)	-	(94,491)	-
	Total equity attributable to owners of parent:	9,041,070	27	8,461,183	23	8,904,482	25
36XX	**Non-controlling interests (Notes 6(h)and (u))**	3,633,808	10	3,650,162	10	3,810,924	11
	Total equity	12,674,878	37	12,111,345	33	12,715,406	36
	Total liabilities and equity	**$ 34,696,985**	**100**	**36,403,562**	**100**	**35,986,263**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

Reviewed only, not audited in accordance with generally accepted auditing standards

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		For the three months ended March 30			
		2021		2020	
		Amount	%	Amount	%
4000	**Operating revenues (Notes 6(w) and 7)**	$ 1,787,694	100	$ 1,214,806	100
5000	**Operating costs (Notes 6(s) and (y))**	729,609	41	521,906	43
	Gross profit from operations	1,058,085	59	692,900	57
6000	**Operating expenses (Notes 6(r) , (x) and 7)**	868,783	49	631,599	52
6450	Impairment loss determined in accordance with IFRS 9 (Note 6(d))	16,339	1	15,906	1
	Net operating income	172,963	9	45,395	4
	Non-operating income and expenses:				
7010	Other income(Notes 6(y))	6,657	-	9,033	1
7020	Other gains and losses, net (Notes 6(g), (p) , (y) and 7)	74,227	4	(110,733)	(9)
7050	Finance costs(Notes 6 (p), (r) and (y) and 7)	(186,830)	(10)	(202,658)	(17)
7055	Impairment loss determined in accordance with IFRS 9 (Notes 6(g), (m) , (z))	5,618	-	-	-
7060	Share of profit (loss) of associates accounted for using equity method, net(Notes 6(h))	5,287	-	(2,004)	-
		(95,041)	(6)	(306,362)	(25)
7900	**Profit (loss) from continuing operations before tax**	77,922	3	(260,967)	(21)
7950	Less: Tax expense (Note 6(t))	66,801	4	24,986	2
	Profit (loss)	11,121	(1)	(285,953)	(23)
8300	**Other comprehensive income:**				
8360	**Components of other comprehensive income that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(45,169)	(3)	(82,841)	(7)
8365	Equity related to non-current assets or disposal groups classified as held for sale	238	-	1,070	-
8370	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	8,735	-	6,416	(1)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income that will be reclassified to profit or loss	(36,196)	(3)	(75,355)	(6)
8300	**Other comprehensive income, net**	(36,196)	(3)	(75,355)	(6)
	Comprehensive income (loss)	$ (25,075)	(4)	$ (361,308)	(29)
	Profit (loss), attributable to:				
	Owners of parent	$ 6,096	(1)	$ (227,718)	(18)
	Non-controlling interests	5,025	-	(58,235)	(5)
		$ 11,121	(1)	$ (285,953)	(23)
	Comprehensive income (loss) attributable to:				
	Owners of parent	$ (8,508)	(1)	$ (257,078)	(21)
	Non-controlling interests	(16,567)	(3)	(104,230)	(8)
		$ (25,075)	(4)	$ (361,308)	(29)
	Earnings per share (Note 6(v))				
	Basic earnings per share (NT dollars)	$	0.01		(0.33)
	Diluted earnings per share(NT dollars)	$	0.01		(0.33)

See accompanying notes to consolidated financial statements.

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Reviewed only, not audited in accordance with generally accepted auditing standards

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
	Share capital		Retained earnings				Total other equity interest					
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Equity related to non-current assets classified as held for sale	Treasury stock	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2020	$ 6,308,832	1,947,686	164,604	230,852	1,055,325	1,450,781	(595,680)	29,788	-	9,141,407	4,117,351	13,258,758
Loss for the three months ended March 31, 2020	-	-	-	-	(227,718)	(227,718)	-	-	-	(227,718)	(58,235)	(285,953)
Other comprehensive income (loss) for the three months ended March 31, 2020	-	-	-	-	-	-	(30,430)	1,070	-	(29,360)	(45,995)	(75,355)
Total comprehensive income for the three months ended March 31, 2020	-	-	-	-	(227,718)	(227,718)	(30,430)	1,070	-	(257,078)	(104,230)	(361,308)
Purchase of treasury shares	-	-	-	-	-	-	-	-	(94,491)	(94,491)	-	(94,491)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	114,361	-	-	-	-	-	-	-	114,361	(202,432)	(88,071)
Changes in ownership interests in subsidiaries	-	283	-	-	-	-	-	-	-	283	235	518
Balance at March 31, 2020	**$ 6,308,832**	**2,062,330**	**164,604**	**230,852**	**827,607**	**1,223,063**	**(626,110)**	**30,858**	**(94,491)**	**8,904,482**	**3,810,924**	**12,715,406**
Balance at January 1, 2021	$ 6,867,627	1,917,673	247,895	565,892	(270,641)	543,146	(793,490)	20,718	(94,491)	8,461,183	3,650,162	12,111,345
Gain for the three months ended March 31, 2021	-	-	-	-	6,096	6,096	-	-	-	6,096	5,025	11,121
Other comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	-	-	(14,830)	226	-	(14,604)	(21,592)	(36,196)
Total comprehensive income for the three months ended March 31, 2021	-	-	-	-	6,096	6,096	(14,830)	226	-	(8,508)	(16,567)	(25,075)
Conversion of convertible bonds	592,053	(3,955)	-	-	-	-	-	-	-	588,098	-	588,098
Changes in ownership interests in subsidiaries	-	297	-	-	-	-	-	-	-	297	213	510
Balance at March 31, 2021	**$ 7,459,680**	**1,914,015**	**247,895**	**565,892**	**(264,545)**	**549,242**	**(808,320)**	**20,944**	**(94,491)**	**9,041,070**	**3,633,808**	**12,674,878**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

Reviewed only, not audited in accordance with generally accepted auditing standards

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2021	**2020**
Cash flows from (used in) operating activities:		
Profit (loss) before tax	$ 77,922	(260,967)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	479,811	485,156
Amortization expense	7,163	10,089
Expected credit loss	10,721	15,906
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(36,820)	30,098
Interest expense	186,830	202,658
Operating costs (Interest expense)	11,843	18,408
Interest income	(6,657)	(9,033)
Cost of share-based payments awards	510	518
Share of loss (profit) of associates accounted for using equity method	(5,287)	2,004
Loss on disposal of property, plan and equipment	189	404
Loss (gain) on disposal of intangible assets	(8,831)	-
Loss (gain) on disposal of investments	6,926	-
Impairment loss on non-financial assets (reversal of impairment loss)	(4,785)	83,813
Gain on lease modifications	(2,116)	-
Variable leases payments	-	(167,113)
Total adjustments to reconcile profit (loss)	639,497	672,908
Changes in operating assets and liabilities:		
Changes in operating assets:		
Fnancial assets at fair value through profit or loss, mandatorily measured at fair value	84,300	26,721
Accounts receivable	145,481	166,586
Other receivables	(1,547)	14,541
Inventories	(76,353)	(46,556)
Other current assets	(32,619)	(15,169)
Total changes in operating assets	119,262	146,123
Changes in operating liabilities		
Contract liabilities	-	57,139
Accounts payable	(437,374)	(1,434,240)
Other payable	(97,709)	(22,405)
Other current liabilities	6,311	31,585
Total changes in operating liabilities	(528,772)	(1,367,921)
Total changes in operating assets and liabilities	(409,510)	(1,221,798)
Total adjustments	229,987	(548,890)
Cash inflow (outflow) generated from operations	307,909	(809,857)
Interest received	3,897	7,407
Interest paid	(170,872)	(195,406)
Income taxes refund (paid)	(48,607)	(124,594)
Net cash flows from (used in) operating activities	92,327	(1,122,450)

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

Reviewed only, not audited in accordance with generally accepted auditing standards

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (CONT’D)

For the three months ended March 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2021	**2020**
Cash flows from (used in) investing activities:		
Proceeds from disposal of subsidiaries	11,828	-
Acquisition of property, plant and equipment	(48,538)	(60,634)
Proceeds from disposal of property, plant and equipment	3,292	12,065
Decrease (increase) in other receivables	131,244	(491)
Acquisition of intangible assets	(94)	(789)
Proceeds from disposal of intangible assets	42,188	-
Decrease in other financial assets	295,305	4,734
Decrease (increase) in other non-current assets	(1,458)	11,986
Prepayments for business facilities	(8,289)	-
Net cash flows from (used in) investing activities	425,478	(33,129)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	(2,503,982)	237,324
Increase (decrease) in short-term notes and bills payable	(49,992)	31
Proceeds from long-term debt	2,868,557	653,352
Repayments of long-term debt	(951,431)	(774,896)
Decrease in guarantee deposits received	(7,057)	(98,251)
Payments of lease liabilities	(430,270)	(55,608)
Payments to acquire treasury shares	-	(94,491)
Acquisition of ownership interests in subsidiaries	-	(88,071)
Net cash flows used in financing activities	(1,074,175)	(220,610)
Effect of exchange rate changes on cash and cash equivalents	(14,705)	(30,493)
Net decrease in cash and cash equivalents	(571,075)	(1,406,682)
Cash and cash equivalents at beginning of period	3,982,775	5,149,276
Cash and cash equivalents at end of period	$ 3,411,700	3,742,594

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

Reviewed only, not audited in accordance with generally accepted auditing standards

March 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

First Steamship Company Ltd. (the "Company") was established in October 1963 in accordance with the Company Act of the Republic of China. The Company's registered office address is located at 14F, No.237, Sec. 2, Fuxing S. Rd., Taipei City, R.O.C. The major business activities of the Company and its subsidiaries ("the Group") are the domestic and international sea transportation and related businesses, trading of vessels and related products, providing services of financial leasing, providing business consultation services, trading of cosmetics, furnishings and etc., investments, and selling, renting, investing in construction.

(2) Approval date and procedures of the consolidated financial statements:

These consolidated financial statements were authorized for issuance by the Board of Directors on May 13, 2021.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted. The following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning on or after January 1, 2021.

- Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform－Phase 2"

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on April 1, 2021, would not have a significant impact on its consolidated financial statements:

- Amendments to IFRS 16 "Covid-19-Related Rent Concessions beyond 30 June, 2021"

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or	January 1, 2023

	potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	
Amendments to IAS 8	The amendment introduces a new definition of accounting estimates, clarifying that accounting estimates are monetary amounts in financial statements that are affected by measurement uncertainty. The amendment also stipulates that the company must establish accounting estimates to achieve the purpose of its applicable accounting policies, thereby clarifying the relationship between accounting policies and accounting estimates	January 1, 2023

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

(4) Summary of significant accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 "Interim Financial Reporting" which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements is the same as those in the consolidated financial statements for the year ended December 31, 2020. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2020.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

List of subsidiaries in the consolidated financial statements include.

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of Investor	Name of Subsidiary	Principal activity	Shareholding March 31, 2021	Shareholding December 31, 2020	Shareholding March 31, 2020	Note
First Steamship Co., Ltd.	Yee Shin Investment Co., Ltd.	General investing	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries and it reduced capital of 23,110 thousand shares due to the Group's restructure (note 2)
First Steamship Co., Ltd.	Royal Sunway Development Co., Ltd.	Real estate development, rental and leasing of building	55.00%	55.00%	55.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
First Steamship Co., Ltd.	First Steamship S.A.	International transportation and shipping agency	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
First Steamship Co., Ltd.	Grand Ocean Retail Group Ltd.	Investment holding company	3.70%	3.70%	3.70%	The company directly (indirectly) holds more than 50% of its subsidiaries
First Steamship Co., Ltd.	First Mariner Holding Ltd.	Investment holding company	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
First Steamship Co., Ltd.	New Urban Investments Ltd.	Investment holding company	- %	- %	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries and settled on November, 2020.
First Steamship Co., Ltd.	Yee young Investment Co., Ltd.	General investing	100.00%	100.00%	- %	The company directly (indirectly) holds more than 50% of its subsidiaries(note 2)
Yee Shin Investment Co., Ltd.	Grand Ocean Retail Group Ltd.	Investment holding company	- %	- %	4.54%	The company directly (indirectly) holds more than 50% of its subsidiaries(note 1)
Yee young Investment Co., Ltd.	Grand Ocean Retail Group Ltd.	Investment holding company	5.87%	5.87%	- %	The company directly (indirectly) holds more than 50% of its subsidiaries(note 1)
First Steamship S.A.	Longevity Navigation S.A.	International transportation and shipping agency	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
First Steamship S.A.	Praise Maritime S.A.	International transportation and shipping agency	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
First Steamship S.A.	Best Steamship S.A.	International transportation and shipping agency	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
First Steamship S.A.	Grand Steamship S.A.	International transportation and shipping agency	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
First Steamship S.A.	Ahead Capital Ltd.	Investment holding company	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
First Steamship S.A.	Media Assets Global Ltd.	Investment holding company	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
First Steamship S.A.	Black Sea Steamship S.A.	International transportation and shipping agency	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
First Steamship S.A.	Ship Bulker Steamship S.A.	International transportation and shipping agency	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
First Steamship S.A.	Nature Sources Ltd.	Investment holding company	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
First Steamship S.A.	Grand Ocean Retail Group Ltd.	Investment holding company	46.83%	46.83%	46.83%	The company directly (indirectly) holds more than 50% of its subsidiaries

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of Investor	Name of Subsidiary	Principal activity	Shareholding March 31, 2021	Shareholding December 31, 2020	Shareholding March 31, 2020	Note
First Steamship S.A.	Reliance Steamship S.A.	International transportation and shipping agency	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
First Steamship S.A.	Alliance Steamship S.A.	International transportation and shipping agency	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
First Steamship S.A.	Sure Success Steamship S.A.	International transportation and shipping agency	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
First Steamship S.A.	Heritage Riches Ltd.	Investment holding company	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
First Steamship S.A.	Shining Steamship International S.A.	International transportation and shipping agency	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
First Steamship S.A.	Excellent Steamship International S.A.	International transportation and shipping agency	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Ahead Capital Ltd.	Grand Ocean Retail Group Ltd.	Investment holding company	1.79%	1.79%	1.79%	The company directly (indirectly) holds more than 50% of its subsidiaries
First Mariner Holding Ltd.	First Mariner Capital Ltd.	Investment holding company	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
First Mariner Holding Ltd.	Mariner Far East Ltd.	Investment holding company	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
First Mariner Capital Ltd.	Mariner Capital Ltd.	Investment holding company	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
First Mariner Capital Ltd.	Morgan Finance Ltd.	Loan company	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
First Mariner Capital Ltd.	Morton Securities Ltd.	Securities and Securities underwriting company	-%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries (note 3)
Mariner Capital Ltd.	Mariner Finance Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Mariner Finance Ltd.	Shanghai Youxin Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Mariner Finance Ltd.	Suzhou Youcheng Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Mariner Finance Ltd.	Nanjing Youcheng Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Mariner Finance Ltd.	Nantong Youcheng Car Leasing Ltd.	Automobile Finance leasing company	-%	-%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also completed liquidation in September 7,2020
Mariner Finance Ltd.	Huaian Youcheng Car Leasing Ltd.	Automobile Finance leasing company	-%	-%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also completed liquidation in July 27,2020

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of Investor	Name of Subsidiary	Principal activity	Shareholding March 31, 2020	Shareholding December 31, 2019	Shareholding March 31, 2019	Name of Investor
Mariner Finance Ltd.	Hefei Youxin Car Leasing Ltd.	Automobile Finance leasing company	-%	-%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also completed liquidation in November 16,2020
Mariner Finance Ltd.	Wuhan Youxin Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Mariner Finance Ltd.	Qingdao Youcheng Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Mariner Finance Ltd.	Weifang Youcheng Car Leasing Ltd.	Automobile Finance leasing company	-%	-%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also completed liquidation in September 23, 2020
Mariner Finance Ltd.	Chongqing Youren Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Mariner Finance Ltd.	Fuzhou Youli Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Mariner Finance Ltd.	Dongguan Youcheng Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Mariner Finance Ltd.	Guangzhou Youqiang Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Mariner Finance Ltd.	Ningbo Youren Car Leasing Ltd.	Automobile Finance leasing company	-%	-%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also completed liquidation in August , 13 2020
Mariner Finance Ltd.	Changsha Youli Car Service Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Mariner Finance Ltd.	Xian Youcheng Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Mariner Finance Ltd.	Xiamen Youhon Car Leasing Ltd.	Automobile Finance leasing company	-%	-%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also completed liquidation in August , 27 2020
Mariner Finance Ltd.	Chengdu Youcheng Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Mariner Finance Ltd.	Xuzhou Youhon Car Leasing Ltd.	Automobile Finance leasing company	-%	-%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also completed liquidation in July , 29 2020
Mariner Finance Ltd.	Lianyungang Youren Car Service Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Mariner Finance Ltd.	Jinhua Youcheng Car Leasing Ltd.	Automobile Finance leasing company	-%	-%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also completed liquidation in September , 9 2020

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of Investor	Name of Subsidiary	Principal activity	Shareholding March 31, 2020	December 31, 2019	March 31, 2019	Name of Investor
Mariner Finance Ltd.	Suqian Youcheng Car Leasing Ltd.	Automobile Finance leasing company	-%	-%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also completed liquidation in August , 4 2020
Mariner Finance Ltd.	Jinan Youli Car Leasing Ltd.	Automobile Finance leasing company	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Mariner Finance Ltd.	Yancheng Youxin Car Leasing Ltd.	Automobile Finance leasing company	-%	-%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also completed liquidation in July , 28 2020
Mariner Finance Ltd.	Zhongshan Youcheng Car Rental Co., Ltd.	Automobile Finance leasing company	-%	-%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also completed liquidation in October, 14 2020
Grand Ocean Retail Group Ltd.	Grand Citi Ltd.	Investment holding company	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Grand Citi Ltd.	Grand Ocean Classic Commercial Group Ltd.	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Grand Ocean Classic Commercial Group Ltd.	Nanjing Grand Ocean Classic Commercial Ltd.	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Grand Ocean Classic Commercial Group Ltd.	Fuzhou Grand Ocean Commoncial Ltd.	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Grand Ocean Classic Commercial Group Ltd..	Quanzhou Grand Ocean Commercial Ltd.	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Grand Ocean Classic Commercial Group Ltd.	Shanghai Jingxuan Business Administraction., Ltd.	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Quanzhou Grand Ocean Commercial Ltd.	Wuhan Grand Ocean Classic Commercial Development Ltd.	Trading of cosmetics, furnishings, etc.	30.00%	30.00%	30.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Nanjing Grand Ocean Classic Commercial Ltd.	Hefei Grand Ocean Classic Commercial Department Ltd.	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Nanjing Grand Ocean Classic Commercial Ltd.	Fuzhou Tiandi Grand Ocean Department Store Co., Ltd.	Trading of cosmetics, furnishings, etc.	- %	- %	57.13%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also completed liquidation in December, 2020
Fuzhou Grand Ocean Commoncial Ltd.	Fuzhou Grand Ocean Classic Commercial Ltd.	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Fuzhou Grand Ocean Commoncial Ltd..	Fuzhou Tiandi Grand Ocean Department Store Co., Ltd.	Trading of cosmetics, furnishings, etc.	- %	- %	14.29%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also completed liquidation in December, 2020
Fuzhou Grand Ocean Commoncial Ltd..	Wuhan Grand Ocean Classic Commercial Development Ltd.	Trading of cosmetics, furnishings, etc.	70.00%	70.00%	70.00%	The company directly (indirectly) holds more than 50% of its subsidiaries

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of Investor	Name of Subsidiary	Principal activity	Shareholding March 31, 2020	Shareholding December 31, 2019	Shareholding March 31, 2019	Name of Investor
Fuzhou Grand Ocean Commoncial Ltd..	Fuzhou Jiaruixing Bussiness Administration Ltd.	Management consulting business, and trading of cosmetics,furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Fuzhou Grand Ocean Classic Commercial Ltd.	Fuzhou Tiandi Grand Ocean Department Store Co., Ltd.	Trading of cosmetics, furnishings, etc.	- %	- %	14.29%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also completed liquidation in December, 2020
Wuhan Grand Ocean Classic Commercial Development Ltd.	Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Grand Ocean Classic Commercial Development Ltd.	Xiangtan Grand Ocean Department Store Co., Ltd.	Trading of cosmetics, furnishings, etc.	- %	- %	50.00%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also completed liquidation in November, 2020
Wuhan Grand Ocean Classic Commercial Development Ltd.	Chongqing Optics Valley Grand Ocean Commercial Development Ltd.	Trading of cosmetics, furnishings, etc.	50.00%	50.00%	50.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Grand Ocean Classic Commercial Development Ltd.	Wuhan Hanyang Grand Ocean Jingdian Commercial Ltd.	Trading of cosmetics, furnishings, etc.	50.00%	50.00%	50.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Grand Ocean Classic Commercial Development Ltd.	Hengyang Grand Ocean Commercial Development Ltd.	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	1.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Grand Ocean Classic Commercial Development Ltd	Shiyan Ocean Modern Shopping Co., Ltd.	Trading of cosmetics, furnishings, etc.	100.00%	100.00%	100.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Xiangtan Grand Ocean Commercial Ltd.	Trading of cosmetics, furnishings, etc.	- %	- %	50.00%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also completed liquidation in November, 2020
Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Chongqing Optics Valley Grand Ocean Commercial Development Ltd.	Trading of cosmetics, furnishings, etc.	50.00%	50.00%	50.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Optics Valley Grand Ocean Commercial Development Ltd.	Wuhan Hanyang Grand Ocean Jingdian Commercial Ltd.	Trading of cosmetics, furnishings, etc.	50.00%	50.00%	50.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Optics Valley Grand Ocean Commercial Development Ltd..	Yichang Grand Ocean Commercial Ltd.	Trading of cosmetics, furnishings, etc.	99.00%	99.00%	99.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Wuhan Hanyang Grand Ocean Jingdian Commercial Ltd.	Yichang Grand Ocean Commercial Ltd.	Trading of cosmetics, furnishings, etc.	1.00%	1.00%	1.00%	The company directly (indirectly) holds more than 50% of its subsidiaries
Hefei Grand Ocean Classic Commercial Development Ltd.	Fuzhou Tiandi Grand Ocean Department Store Co., Ltd.	Trading of cosmetics, furnishings, etc.	- %	- %	14.29%	The company directly (indirectly) holds more than 50% of its subsidiaries and it also completed liquidation in December, 2020

Note 1: The 4.92% equity of GRAND OCEAN RETAIL GROUP LTD. had been transferred to Yee Young Investment Co., Ltd. at 2020 due to the Group’ s restructure, wherein the related procedures had been completed.

Note 2: The entire equity of Yee Young Investment Co., Ltd. held by Yee Shin Investment Co., Ltd. had been transferred to the Company at 2020 due to the Group's restructure, wherein the regulatory registration process was completed as of the reporting date.

Note 3: The Group sold the Morton Securities Limited through the board of directors on March 16,2021 and completed the process of equity transferred. The more information please see the note 7.

(ii) List of subsidiaries which are not included in the consolidated financial statements: None.

(c) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of IAS 34, Interim Financial Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period (and allocated to current and deferred taxes based on its proportionate size).

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 "Interim Financial Reporting" and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the consolidated financial report, the significant judgments made by management when adopting the accounting policies of the consolidated company and the main sources of estimation uncertainty are consistent with note 5 of the 2020 consolidated financial report.

(6) Explanation of significant accounts:

Except the following explanation mentioned below, the explanation of significant accounts described in the consolidated financial statements are the same as those in the consolidated financial statements for the year ended December 31, 2020. For the related information, please refer to note 6 of the consolidated financial statements for the year ended December 31, 2020.

(a) Cash and cash equivalents

	March 31, 2020	December 31, 2019	March 31, 2020
Petty cash	$ 29,142	30,727	35,014
Demand deposits	2,601,069	3,952,048	3,489,579
Time deposits	781,489	-	218,001
Total	**$ 3,411,700**	**3,982,775**	**$ 3,742,594**

Please refer to note 6(z) for the sensitivity analysis and interest rate risk of the financial assets and liabilities of the Group.

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(b) Current financial assets and liabilities at fair value through profit or loss

	March 31, 2021	December 31, 2020	March 31, 2020
Mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets—current			
Shares of stock of listed companies	$ 111,351	172,079	102,900
Open fund	13,110	13,127	10,376
Foreign corporate bonds	5,893	5,893	-
Embedded derivatives—Call and put rights of convertible bonds	154	925	-
Subtotal	130,508	192,024	102,900
Non-derivative financial assets—non-current			
Beneficiary rights - Specific construction project	119,158	119,158	-
Call rights of vehicles	34,733	34,919	-
Subtotal	153,891	154,077	10,376
Total	$ 284,399	346,101	113,276
Held-for-trading financial liabilities:			
Embedded derivatives-non-current Call and put rights of convertible bonds	$ -	-	9,100
Non-derivative financial liabilities-non-current Landlord beneficiary rights	$ 20,400	-	-

(i) In September 2020, the Group entered into a residential construction project agreement with Honor Development Co., Ltd., wherein the Group will purchase 32% of the beneficial rights from the specific construction project of Honor Construction Development Co., Ltd. located in Mingde Section, Tucheng District, at the amount of $117,000 thousand.

(ii) Please refer to note 6(z) for disclosure of credit risk and market risk of all financial instruments mentioned above.

(iii) For gain or loss on financial assets or liabilities at fair value through profit or loss, please refer to note 6(y).

(iv) The financial assets mentioned above had not been pledged as collateral.

(c) Financial assets measured at amortized cost—current and non-current

	March 31, 2021	December 31, 2020	March 31, 2020
Preference shares—Jiawang Assets Development Co., Ltd.	$ 59,900	59,900	29,900

(i) For credit risk, please refer to note 6(z).

(ii) The financial assets mentioned above had not been pledged as collateral.

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(d) Accounts receivables

	March 31, 2021	December 31, 2020	March 31, 2020
Current			
Accounts receivables	$ 195,110	236,112	148,335
Less: Allowance for impairment	(11,066)	(10,640)	-
	184,044	225,472	148,335
Leases payment receivables (included operating lease)	714,536	818,398	939,288
Less: Unearned interest	(122,023)	(110,816)	(139,134)
Allowance for impairment	(73,949)	(69,467)	(41,134)
	518,564	638,115	759,020
Subtotal of current asset	702,608	863,587	907,355
Non-current			
Leases payment receivables	622,255	618,023	712,670
Less: Unearned interest	(54,842)	(54,261)	(56,517)
Allowance for impairment	(63,018)	(52,416)	(29,947)
Subtotal of non-current asset	504,395	511,346	626,206
Total	$ 1,207,003	1,374,933	1,533,561

(i) The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information.

1) The loss allowance provision in rental business department in China was determined as follows:

	March 31, 2021		
	Gross carrying amount of leases payment receivable	Weighted-average loss rate	Loss allowance provision
Current	$ 941,895	0.27%	2,534
1 to 30 days past due	18,472	2.58%	477
31 to 60 days past due	11,597	11.81%	1,370
61 to 90 days past due	5,599	24.67%	1,381
More than 91 days past due（Note）	182,363	71.81%	131,205
	$ 1,159,926		136,967

	December 31, 2020		
	Gross carrying amount of leases payment receivable	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 904,202	0.29%	2,614
1 to 30 days past due	190,210	2.61%	4,966
31 to 60 days past due	5,677	12.56%	713
61 to 90 days past due	17,065	24.79%	4,230
More than 91 days past due（Note）	154,190	70.93%	109,360
	$ 1,271,344		121,883

	March 31, 2020		
	Gross carrying amount of leases payment receivable	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 1,319,087	0.38%	6,010
1 to 30 days past due	37,304	3.36%	1,254
31 to 60 days past due	15,268	16.05%	2,450
61 to 90 days past due	10,667	30.11%	3,212
More than 91 days past due（Note）	73,981	78.61%	58,155
	$ 1,456,307		71,081

Note: As of March 31, 2021, December 31, 2020 and March 31, 2020 ,the Group had filed lawsuits for colleting the overdue receivables from leasing business with total amount of $ 73,457 thousand (CNY 16,919 thousand), $54,176 thousand (CNY 12,412 thousand) and $ 12,887 thousand (CNY 3,020 thousand). The Group assessed the recoverability of those overdue receivables, and recognized provision for allowance of 53,861 thousand (CNY 12,406 thousand), $46,260 thousand (CNY10,598 thousand) and $ 9,133 thousand (CNY 2,140 thousand) less unearned interests and guarantee deposit.

2) The retail business department in China which is classified as leasing was effected by COVID-19 pandemic. Therefore, partial receivables was deferred. The loss allowance provision in retail business department in China was determined as follows:

	March 31, 2021		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
1 to 90 days past due	$ 28,108	0%	-
91 to 180 days past due	5,707	3%	-
181 to 270 days past due	986	47%	113
271 to 365 days past due	443	100%	443
More than 365 days past due	10,510	100%	10,510
	$ 45,754		11,066

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	December 31, 2020		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
1 to 90 days past due	$ 26,991	0%	-
91 to 180 days past due	2,252	3%	68
181 to 270 days past due	1,092	12%	130
271 to 365 days past due	679	100%	679
More than 365 days past due	9,763	100%	9,763
	$ 40,777		10,640

3) The loss allowance provision in shipping business department was determined as follows:

	March 31, 2021		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 10,414	-	-

	December 31, 2020		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 26,845	-	-

	March 31, 2020		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 30,803	-	-

(ii) The movements in the allowance for accounts receivables were as follows:

	For the three months ended March 31	
	2021	**2020**
Balance on January 1	$ 132,523	55,946
Impairment losses recognized	16,339	15,906
Foreign exchange gain (loss)	(829)	(771)
Balance on March 31	$ 148,033	71,081

(iii) Expiration analysis of the Group lease payments to report the undiscounted lease payments to be received in the future

	March 31, 2021	**December 31, 2020**	**March 31, 2020**
Below 1 year	$ 714,536	818,398	939,288
1 to 2 year past due	328,439	432,800	504,658
2 to 3 year past due	293,816	185,223	208,012
Gross investment in the lease	1,336,791	1,436,421	1,651,958
Unearned finance income	(176,865)	(165,077)	(195,651)
Present value of minimum lease payments receivable	$ 1,159,926	1,271,344	1,456,307

(iv) The Group and the financial institution shall sign the accounts receivable and sales contract, and the contracted company shall guarantee the receivables for all receivables that cannot be recovered (whether delayed or defaulted) within a certain period of time, and retain the accounts receivable. Almost all risks and rewards are therefore not eligible for financial assets. The carrying amounts of the transferred receivables and related financial liabilities not excluded in the reporting date are as follows:

March 31,2021					
Resale company	Transferred accounts receivable amount	Credit lines	Advanced amount(recognized under Short-term borrowings)	Range of interest rates	Guarantee item
CDIB International Leasing Corp.	$ 103,488	86,832	52,352	9.3%	Accounts receivables

December 31,2020					
Resale company	Transferred accounts receivable amount	Credit lines	Advanced amount(recognized under Short-term borrowings)	Range of interest rates	Guarantee item
CDIB International Leasing Corp.	$ 127,118	87,296	86,502	9.3%	Accounts receivables

March 31,2020					
Resale company	Transferred accounts receivable amount	Credit lines	Advanced amount(recognized under Short-term borrowings)	Range of interest rates	Guarantee item
CDIB International Leasing Corp.	$ 118,264	85,334	79,352	9.3%	Accounts receivables

(vi) For credit risk information, please refer to note 6(z).

(vii) Details of the above notes receivable and accounts receivable as guarantee for bank loans and financing quota. Please refer to note 8.

(e) Other receivables

	March 31, 2021	December 31, 2020	March 31, 2019
Other receivables–loans	$ 9,130	9,176	16,149
Other receivables–investment	221,422	353,550	-
Other receivables–Lease guarantee deposit	62,829	63,165	62,720
Other receivables–others	90,137	87,085	136,908
Less: Loss allowance	(21,906)	(24,546)	-
	$ 361,612	488,430	215,857

(i) The other receivables–loans arise from the demand of short-term financing by the car rental platform, and obtain collateral when necessary. Furthermore, other receivables–others are the advance payment in accordance with the promotions held by retail business department and venders. Since the Group and the vendors are in a long-term business relationship, the Group has considered historical experience and believed that they were less doubtful of the recoverability of these receivables. The Group assessed the aforesaid other receivables as the financial assets with low credit risk and measured loss allowances at an amount as 12-month expected credit loss. Management believed that there were less doubtful of credit losses.

(ii) Since the rental agreement of, Xiangtan Grand Ocean Department Store Co., Ltd. (Xiangtan) one of the Group’ s subsidiaries, have reached its maturity in December 2018, the Group ceased Xiangtan’ s business operation, wherein a security deposit amounting to CNY$15,000 thousand is expected to be received. Xiangtan had already returned the property to its owner, Xiangyuan Industrial Development Co., Ltd.(Xiangyuan), but failed to receive the security deposit. In order to receive the payment and begin the liquidation process, Xiangtan filed a lawsuit against Xiangyuan. On July 1, 2019, the people’ s court ordered Xiangyuan to pay the amount of CNY$14,700 thousand to Xiangtan. However, Xiangyuan disagreed with the court’ s decision, therefore, filed an appeal on November 13, 2019, wherein it was denied on January 16, 2020. Furthermore, Xiangtan filed an appeal to the court to freeze the property of Xiangyuan, in which the court granted the approval do to so. After a thorough investigation by the court, it was found that Xiangyuan has enough property to pay for the security deposit, and the Group has collected the mandatory payment of $957 thousand (CNY$229 thousand). As a result, the Group assessed that amount of $62,829 thousand (CNY$14,471 thousand) should have no impairment concern.

(f) Inventories (construction department)

	March 31, 2021	December 31, 2020	March 31, 2020
Land held for construction site	$ 518,292	518,292	-
Construction in progress	592,773	571,467	53,300
Buildings and land held for sale	64,481	75,143	455,830
Prepayment for land purchases and development expenses	172,357	127,357	127,357
	$ 1,347,903	**1,292,259**	**636,612**

Please refer to note 8 for the details of inventories pledged as collateral.

(g) Non-current assets classified as held for sale

(i) As of March 31, 2021, December 31, 2020 and March 31, 2020, the amount of the non-current assets to be disposed of and the related interests are as follows：

	March 31, 2021	December31, 2020	March 31, 2020
Investments accounted for using equity method	$ 125,657	120,633	200,362

	March 31, 2021	December31, 2020	March 31, 2020
Amount of cumulative income or expense recognized in other comprehensive income relating to the non-current assets classified as held for sale			
Exchange difference arising from the translation of the financial statements of the foreign operating institutio	$ (12,564)	(12,802)	(2,103)
Revaluation surplus	33,894	33,894	33,894
Total comprehensive income	**$ 21,330**	**21,092**	**31,791**

(Continued)

As of March 31, 2021, December 31, 2020 and March 31, 2020, the non-recurring fair value measurement for the investments accounted for using equity method were measured at $125,657 thousand, $120,633 thousand and $200,362 thousand, based on observable inputs which are the measurement basis of the price in similar transaction or in the same industry, and their fair value are in the first level, respectively.

For the three months ended March 31, 2021 and 2020, the above-mentioned non-current assets classified as held for sale were measured at a book value and fair value less than the cost of sales, and were recognized as impairment loss of $ 4,875 thousand (US$169 thousand) and reversal of impairment loss of $ 83,813 thousand (US$ 2,782 thousand)

(ii) On December 7, 2018, the board of directors of the Group resolved to sale the investment of equity method —Sandmartin International Holdings Limited; it has started to conduct the related sales and is expected to complete the sales within one year, and the investment using the equity method will be reported under the non-current assets classified as held for sale. As of December 31, 2020, the aforementioned assets had not been sold due to the circumstances which was previously considered unlikely to happen. The Group had taken necessary actions in response and actively looked for purchaser with reasonable prices. In March 2021, the Group signed a letter of intent and non-disclosure agreement with potential buyer, and expected to complete the transaction within one year..

(iii) The non-current assets classified as held for sale of the Group aren’t provided as collateral guarantees

(h) Investments accounted for using equity method

The Group's investments accounted for using the equity method at the reporting date were as follows:

Investee	March 31, 2021	December 31, 2020	March 31, 2020
Taiwan Environment Scientific Co., Ltd.	$ 185,588	179,497	214,069
Jiawang Assets Development Co., Ltd.	7,357	7,884	9,401
Da Yu Financial Holdings Limited	695,873	687,415	690,568
Hainan Sanhe Licheng Business Service Co., Ltd.	-	-	-
Shanghai Zhuke Technology Co., Ltd.	-	-	-
	$ 888,818	874,796	914,038

(i) Aggregation of financial information－individually insignificant associates' equity

The Group's financial information for investments accounted for using the equity method that are individually insignificant were as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Carrying amount of individually insignificant associates’ equity	$ 888,818	874,796	914,038

(Continued)

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	For the three months ended March 31	
Attributable to the Group:	**2021**	**2020**
Gain(Loss) from continuing operations	$ 5,287	(2,004)
Other comprehensive income	8,375	6,416
Total comprehensive income	$ 14,022	4,412

(ii) Guarantees

There is no guarantee in investments using equity methods of the Group.

(iii) The unreviewed financial statements of investments accounted for using equity method

Investments were accounted for by the equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that had not been reviewed. Except for Taiwan Environment Scientific Co., Ltd. has reviewed by CPA.

(i) Material non-controlling interests of subsidiaries

The material non-controlling interests of a subsidiary were as follows:

Name of Subsidiary	Main operation/ place	Percentage of non-controlling interests March 31, 2021	December 31, 2020	March 31, 2020
GRAND OCEAN RETAIL GROUP LTD.	China/Cayman Islands	41.81%	41.81%	43.14%

The following information of the aforementioned subsidiary has been prepared in accordance with the IFRSs endorsed by the FSC. Intra-group transactions were not eliminated in this information.

Collective financial information of Grand Ocean Retail Group Ltd.

	March 31, 2021	December 31, 2020	March 31, 2019
Current assets	$ 4,403,938	5,131,625	4,322,631
Non-current assets	18,699,498	19,509,372	19,930,562
Current liabilities	(6,185,236)	(6,839,423)	(6,186,262)
Non-current liabilities	(8,447,335)	(8,990,130)	(9,391,301)
Net assets	$ 8,470,865	8,511,444	8,675,630
Non-controlling interests	$ 3,541,669	3,558,635	3,742,667

	For the three months ended March 31	
	2021	**2020**
Sales revenue	$ 1,457,857	885,613
Profit (loss)	$ 10,555	(126,996)
Other comprehensive income (loss)	(51,644)	(101,437)
Comprehensive income (loss)	$ (41,089)	(228,433)
Profit (loss), attributable to non-controlling interests	$ 4,413	(57,584)

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Comprehensive income (loss), attributable to non-controlling interests	$ (17,179)	(103,579)

	For the three months ended March 31	
	2021	**2020**
Net cash flows from operating activities	$ (111,925)	(1,440,116)
Net cash flows from investing activities	100,667	(38,235)
Net cash flows from financing activities	(625,357)	123,049
Effect of exchange rate changes	(15,020)	(31,830)
Net decrease in cash and cash equivalents	$ (651,635)	(1,387,132)

(j) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group were as follows:

	Land	Buildings	Transportation equipment	Vessels	Office equipment	Leasehold Improvement	Construction in progress	Total
Cost or deemed cost:								
Balance at January 1, 2021	$ 126,409	4,690,022	194,358	7,558,952	239,855	6,628,424	58,535	19,496,555
Additions	-	-	1,967	-	1,510	4,120	7,957	15,554
Transferred from prepaid equipment.	-	-	-	930,762	-	-	-	930,762
Inventory transfer	-	-	8,750	-	-	-	-	8,750
Other reclassifications	-	-	-	-	949	28,688	(29,637)	-
Disposals and obsolescence	-	-	(6,767)	-	(4,852)	(751)	-	(12,370)
Disposals subsidiaries	-	-	(5,212)	-	(5,131)	(3,878)	-	(14,221)
Effect of change in foreign exchange rates	-	(24,545)	(983)	18,586	(1,208)	(35,409)	(147)	(43,706)
Balance at March 31, 2021	$ 126,409	4,665,477	192,113	8,508,300	231,123	6,621,194	36,708	20,381,324
Balance at January 1, 2020	$ 126,409	3,689,371	132,536	7,982,851	241,431	6,574,410	962,528	19,709,536
Additions	-	-	11,278	-	510	12,313	12,612	36,713
Inventory transfer	-	-	9,408	-	-	-	-	9,408
Other reclassifications	-	-	-	-	-	28,691	(28,691)	-
Disposals and obsolescence	-	-	(16,493)	-	(1,984)	(4,600)	-	(23,077)
Effect of change in foreign exchange rates	-	(37,815)	(1,244)	39,808	(2,354)	(68,995)	(9,880)	(80,480)
Balance at March 31, 2020	$ 126,409	3,651,556	135,485	8,022,659	237,603	6,541,819	936,569	19,652,100
Depreciation and impairment loss:								
Balance at January 1, 2021	$ -	587,303	68,316	2,082,449	184,048	3,700,335	-	6,622,451
Depreciation	-	27,858	8,929	82,996	3,658	107,451	-	230,892
Disposals and obsolescence	-	-	(3,911)	-	(4,301)	(677)	-	(8,889)
Disposals subsidiaries	-	-	(5,212)	-	(5,027)	(3,878)	-	(14,117)
Effect of change in foreign exchange rates	-	(3,180)	(343)	4,130	(923)	(20,407)	-	(20,723)
Balance at March 31, 2021	$ -	611,981	67,779	2,169,575	177,455	3,782,824	-	6,809,614
Balance at January 1, 2020	$ -	485,856	54,856	1,872,310	172,556	3,545,675	-	6,131,253
Depreciation	-	22,811	6,322	82,006	5,912	100,410	-	217,461
Disposals and obsolescence	-	-	(4,218)	-	(1,790)	(4,600)	-	(10,608)
Effect of change in foreign exchange rates	-	(5,081)	(460)	9,609	(1,716)	(38,026)	-	(35,674)
Balance at March 31, 2020	$ -	503,586	56,500	1,963,925	174,962	3,603,459	-	6,302,432

(Continued)

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Carrying amounts:								
Balance at January 1, 2021	$ 126,409	4,102,719	126,042	5,476,503	55,807	2,928,089	58,535	12,874,104
Balance at March 31, 2021	$ 126,409	4,053,496	124,334	6,338,725	53,668	2,838,370	36,708	13,571,710
Balance at January 1, 2020	$ 126,409	3,203,515	77,680	6,110,541	68,875	3,028,735	962,528	13,578,283
Balance at March 31, 2020	$ 126,409	3,147,970	78,985	6,058,734	62,641	2,938,360	936,569	13,349,668

(i) The significant components of the buildings include the main building, machinery and air conditioner with their own estimated useful lives.

(ii) The property, plant and equipment of the Group had been pledged as collateral for bank borrowings. Please refer to note 8.

(k) Right-of-use assets

The cost and depreciation of the land, building, machine and transportation equipment of the Group were as follows：

	Land	Buildings	Machine and transportation equipment	Total
Cost：				
Balance at January 1, 2021	$ 3,249,512	7,317,431	61,197	10,673,140
Addition	-	13,928	-	13,928
Disposal and derecognition	-	(30,967)	-	(30,967)
Subsidiaries disposal	-	(17,848)	(2,246)	(20,294)
Effect of change in foreign exchange rates	(17,520)	(38,657)	(313)	(56,490)
Balance at March 31, 2021	$ 3,276,992	7,243,887	58,438	10,579,317
Balance at January 1, 2020	$ 3,254,497	7,381,322	59,741	10,695,560
Addition	-	149	-	149
Effect of change in foreign exchange rates	(34,043)	(76,782)	(607)	(111,432)
Balance at March 31, 2020	$ 3,220,454	7,304,689	59,134	10,584,277
Depreciation and impairment：				
Balance at January 1, 2021	$ 193,601	1,807,622	15,540	2,016,763
Depreciation	24,255	222,595	1,826	248,676
Disposal and derecognition	-	(17,251)	-	(17,251)
Subsidiaries disposal	-	(17,848)	(1,223)	(19,071)
Effect of change in foreign exchange rates	(1,213)	(11,087)	(91)	(12,391)
Balance at March 31, 2021	$ 216,643	1,984,031	16,052	2,216,726
Balance at January 1, 2020	$ 95,625	977,621	7,675	1,080,921
Depreciation	23,936	241,437	2,079	267,452
Effect of change in foreign exchange rates	(1,280)	(12,791)	(94)	(14,165)
Balance at March 31, 2020	$ 118,281	1,206,267	9,660	1,334,208
Carrying amounts:：				
Balance at January 1, 2021	$ 3,100,911	5,509,809	45,657	8,656,377
Balance at March 31, 2021	$ 3,060,349	5,259,856	42,386	8,362,591
Balance at January 1, 2020	$ 3,158,872	6,403,701	52,066	9,614,639
Balance at March 31, 2020	$ 3,102,173	6,098,422	49,474	9,250,069

(Continued)

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(l) Intangible assets

The costs, amortization, and impairment loss of intangible assets were as follows:

	Goodwill	Trademark	License Plate	Other	Total
Cost:					
Balance at January 1, 2021	$ 1,361,635	399,178	305,176	39,811	2,105,800
Additions	-	-	-	94	94
Disposal and derecognition	-	-	(33,357)	(4,393)	(37,750)
Effect of change in foreign exchange rates	(7,200)	701	(1,369)	(207)	(8,075)
Balance at March 31, 2021	**$ 1,354,435**	**399,879**	**270,450**	**35,305**	**2,060,069**
Balance at January 1, 2020	$ 1,345,497	421,604	361,639	75,072	2,203,812
Additions	-	-	-	789	789
Disposal	-	-	-	(36,151)	(36,151)
Effect of change in foreign exchange rates	(13,978)	2,103	(3,783)	(299)	(15,957)
Balance at March 31, 2020	**$ 1,331,519**	**423,707**	**357,856**	**39,411**	**2,152,493**
Accumulated amortization and impairment loss:					
Balance at January 1, 2021	$ 5,857	-	5,111	22,358	33,326
Amortization	-	-	-	1,312	1,312
Disposal and derecognition	-	-	-	(4,393)	(4,393)
Effect of change in foreign exchange rates	10	-	(27)	(122)	(139)
Balance at March 31, 2021	**$ 5,867**	**-**	**5,084**	**19,155**	**30,106**
Balance at January 1, 2020	$ 6,186	-	5,050	56,371	67,607
Amortization	-	-	-	1,489	1,489
Disposal and derecognition	-	-	-	(36,151)	(36,151)
Effect of change in foreign exchange rates	32	-	(52)	(111)	(131)
Balance at March 31, 2020	**$ 6,218**	**-**	**4,998**	**21,598**	**32,814**
Carrying amounts:					
Balance at January 1, 2021	**$ 1,355,778**	**399,178**	**300,065**	**17,453**	**2,072,474**
Balance at March 31, 2021	**$ 1,348,568**	**399,879**	**265,366**	**16,150**	**2,029,963**
Balance at January 1, 2020	**$ 1,339,311**	**421,604**	**356,589**	**18,701**	**2,136,205**
Balance at March 31, 2020	**$ 1,325,301**	**423,707**	**352,858**	**17,813**	**2,119,679**

Although the key assumptions used by the Group in evaluating department store retail and license plate cash-generating units were no significant changet of the consolidated financial statements of the year ended December 31,2020. Please refer to Note 6 (l) of the annual consolidated financial statements for the year ended December 31, 2020.

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(m) Other financial assets－current and non-current

	March 31, 2021	December 31, 2020	March 31, 2020
Other financial assets－current			
Deposits－out for lease	$ 638	661	24,708
Restricted deposits	68,340	368,554	522,533
Certificate of deposits	17,800	17,800	-
Deposits－ready to transaction	-	18,971	82,614
Others	3,609	5,524	6,888
	$ 90,387	411,510	636,743
Other financial assets－non-current			
Deposits－out for lease	$ 146,282	147,063	$ 137,948
Restricted deposits	15,000	15,000	-
Deposits－out for investment	351,670	353,550	691,205
Others	17,991	14,686	21,270
Less: Allowance for impairment	(34,748)	(38,579)	-
	$ 496,195	491,720	850,423

(i) Deposits－out for lease is leasing deposit from lessee.

(ii) As of March 31, 2021、December 31, 2020 and March 31, 2020, the collected receipts for securities brokerage business (were recognized as other current liabilities), amounting to $0 thousand 、$19,425 thousand and $12,396 thousand, respectively.

(iii) In 2012, the Group paid a guarantee deposit of CNY$124,000 thousand to Quanzhou Fengsheng Group to purchase the commercial real estate of the Fengsheng Junyuan Development Project developed by Fengsheng Group in Fengze District, Quanzhou. After assessing the investment value of the project, the Board of Directors of the Group resolved during the meeting in July 2015 to invest Quanzhou Fengan Real Estate Development Co., Ltd.(Fengan), and expected to obtain 100% equity of the company with a contractual amount of CNY$325,000 thousand. As of December 31, 2015, the Group had paid CNY$200,000 thousand, which was reported under the prepayment for investments. The management of the Group evaluated the uncertainty of the investment and thus terminated the investment. Therefore, the original prepayment for investments of CNY$200,000 thousand and other financial assets – current of CNY$124,000 thousand, were reclassified as other receivables as of June 30, 2016.

In addition, the Group reviewed the nature of other receivables and analyzed the current financial position of the counterparty. In order to secure the aforementioned debt, the Group had acquired pledge of stock rights of Fengan, and at the same time had obtained the debtor’s promise that other investment profits to be priority to repay the debt. The Group evaluated that the aforementioned debt should have no impairment concern. Because the debtor takes time to complete the relevant legal procedures of the disposition of investment, the Group and the debtor renegotiate the repayment period, which should be before April 30, 2017, before September 30, 2017, and before December 31, 2017. The total amount of repayment should be 10%, 40% and 50%, respectively. In case of violation of the agreement, the aforementioned collateral would be transferred to the Group for debt repayment. As of December 31, 2017, the

Group had recoverd CNY$162,000 thousand according to aforesaid agreement. On December 19, 2017, the Board of Directors of the Group resolved during the meeting on the Fengsheng Group’s extension of the repayment agreement, which extended remaining proceeds to June 30, 2018. Due to the delay of procedures of the disposition of investment, Fengsheng Group could not make the payments by the aforementioned date.

To ensure the recovery of the aforementioned creditor's rights and the development of Fengan’s property, on August 12, 2019, the Board of Directors resolved to sign a “Debt Confirmation and Repayment Plan” with Damahua Investment Co., Ltd. (Damahua), Fengsheng and Fengan, stating that Damahua will provide financial support to Fengan for the development and construction of a real estate property to be sold to the market to ensure that the future sales proceeds will be used to repay for the aforementioned claims. As of March 31, 2020, the outstanding receivables were $691,205 thousand (CNY$162,000 thousand). Considering the development progress of Fengan’s property, the credit recovery period will exceed one year; therefore, the related receivables reclassified to other non current receivables were recognized as other non- current financial assets. The Group evaluated that the aforementioned debt should have no impairment concern under the cash flow of pledge asset.

In addition, the board of directors resolved to sign the "Debt Preservation and Conditional Credit Transfer Agreement" at the same time, agreeing to the merger company and the Damahua to conduct a comprehensive supervision of the Fengan property to ensure that the future sales proceeds will be repaid for the aforementioned debts; and agreed if there is any when the relevant special circumstances in the transfer agreement occur (special circumstances refer to the failure to resume the construction of the project as scheduled, the judicial organs use auction disposal or enforcement and other restrictive measures), the conditions for the transfer of creditor's rights are reached. The aforementioned creditor's rights preservation and conditional creditor's rights transfer agreement, the original agreement, Fengan property should be resumed at the latest June 30, 2020, but due to the delay in the approval process due to the impact of the COVID-19 pandemic, the construction failed to start as scheduled, and the Group the force majeure factor, the company agreed to extend the start date to December 31, 2020.

On December 31, 2020, the aforementioned “Debt Preservation and Conditional Credit Transfer Agreement” has been reached, Damahua carried the aforementioned creditor’s right. On February 9, 2021, the Group agreed to modify the original payment terms and timeline because of the impact of COVID-19 pandemic and the property policy in Quanzhou, which are force majeure. The details of payments are as follows:

1) Damahua agrees to pay CNY$30,000 thousand before February 9, 2021.

2) Damahua agrees to pay CNY$51,000 thousand before December 31, 2021.

3) Damahua agrees to pay CNY$81,000 thousand before June 30, 2022.

4) Under the premise of obtaining written consent of the Group, Damahua can transfer the title of properties located in Citong road to the Group, as the payment of debt.

As of March 31, 2021 and December 31, 2020, the outstanding receivables were $573,092 thousand (CNY$132,000 thousand) and $707,100 thousand (CNY$162,000 thousand). Besides, due to the renegotiation of payment and considering the default risk in expected duration. The Group recognizied expected credit loss of $55,597 thousand (CNY$12,981 thousand) for the year ended December 31, 2020. In addition, the receivables within a year of maturity were reclassified as other receivables amounting to $221,422 thousand (CNY$51,000 thousand) and

(Continued)

loss allowance amounting to $16,036 thousand (CNY$3,694 thousand).

(n) Short-term borrowings

	March 31, 2021	December 31, 2020	March 31, 2020
Unsecured bank loans	$ 955,410	2,097,345	1,731,854
Secured bank loans	2,321,222	3,660,991	1,899,453
Other secured loans	52,352	86,502	134,064
Total	$ 3,328,984	5,844,838	3,765,371
Unused credit lines	$ 1,367,913	800,491	357,795
Range of interest rates	1.53%~9.3%	1.23%~9.5%	1.62%~9.5%

For the collateral of short-term borrowings, please refer to note 8.

(o) Long-term borrowings

The list, terms and conditions of long-term borrowings of the Group were as follows:

	March 31, 2020	December 31, 2019	March 31, 2019
Secured bank loans	$ 4,577,330	2,489,914	2,886,539
Unsecured bank loans	1,901,474	2,036,693	1,528,109
Other secured loans	157,951	190,500	214,887
Less: current portion	(2,134,342)	(1,971,667)	(1,298,311)
Total	$ 4,502,413	2,745,440	3,331,224
Unused credit lines	$ 489,737	219,776	2,216,413
Range of interest rates	1.09%~15.60%	1.11%~15.60%	1.76%~15.60%

(i) For the collateral of long-term borrowings, please refer to note 8

(ii) Significant loan contract agreement

The Group signed a joint credit agreement with a joint credit bank group (six banks including Changhua Bank). According to the contract, the Group should maintain the following financial ratios and regulations, and start the inspection from the second quarter of 2021, and the audit shall be performed every six months:

(1)Current ratio [current assets / (current liabilities - in this case as long-term liabilities due within one year - current lease liabilities)]: not less than 80%;

(2)Debt ratio (total liabilities - lease liabilities) / total equity: not more than 150%;

(3)Interest protection multiple (pre-tax net profit + interest expense + depreciation + amortization) / interest expense: should be maintained at 3 times (inclusive) or more;

(4)Tangible net worth (total equity - intangible assets): should be maintained at NT$9 billion (inclusive) or more.

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(p) Bonds payable

The information of bonds of the Group were as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Total ordinary bonds issued	$ -	2,000,000	2,000,000
Total convertible bonds issued	1,542,300	1,542,300	1,542,300
Less: Current portion	(873,875)	(1,431,651)	(999,611)
Cumulative redeemed amount	(616,920)	(2,000,000)	(1,000,000)
Discounted corporate bonds payable	(51,505)	(110,649)	(182,956)
Long-term portion of bonds payable	$ -	-	1,359,733
Embedded derivative instruments – call and put rights at fair value through profit or loss	$ 154	925	(9,100)
Equity component-conversion right (Reported as capital surplus-share options)	$ 58,141	96,902	96,902

	For the three months ended March 31	
	2021	2020
Embedded derivative instruments – call and put rights, included in financial liabilities（at fair value through profit or loss）	$ (771)	(6,478)
Interest expense	$ 24,808	27,736

For the collateral of long term borrowings, please refer to note 8.

(q) Accounts payable and other payables

	March 31, 2021	December 31, 2020	March 31, 2020
Accounts payable			
Arising from direct sales	$ 164,045	117,806	114,840
Arising from concessionaire sales	1,653,278	2,135,103	1,433,318
Others	51,508	62,256	56,418
Total	$ 1,868,831	2,315,165	1,604,576
Other payables			
Securities payable	$ 98,828	96,335	108,384
Construction payables	132,712	166,330	235,232
Others	639,907	748,003	679,428
Total	$ 871,447	1,010,668	1,023,044

(r) Lease liabilities

The information of lease liabilities of the Group were as follows：

	March 31, 2021	December 31, 2020	March 31, 2020
Current	$ 764,230	878,522	968,694
Non- Current	$ 6,947,594	7,306,931	7,903,563

Expiration analysis, please refer to Note 6 (z) for financial instruments.

The amounts recognized in profit or loss as follows:

	For the three months end March 31	
	2021	2020
Interest expense of lease liabilities	$ 99,155	110,299
Variable leases payments not included in the measurement of lease liabilities	$ 30,206	17,349
Expenses relating to short-term leases	$ 350	17
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	$ 444	299

Total cash flow for the Group's leases as follows:

	For the three months end March 31	
	2021	2020
Total cash outflow for leases	$ 560,425	183,572

(i) Lease of land, housing and construction

The Group's lease of land use rights, housing and buildings as office space, staff quarters and department stores for business. The lease period of office premises is usually three years, the staff quarters are usually one year, and the department store building is usually ten to twenty years. Some leases include the option to extend the lease period at the end of the lease term.

The lease payments for certain contracts are subject to changes in the local price index or based on the sales amount leased by the Group during the lease term.

(ii) Other lease

The lease period of the Group leased transportation and machinery and equipment is two to ten years. Some lease contracts stipulate that the Group has the option to purchase the leased assets when the lease term expires.

In addition, the period in which the Group leases part of the office is one year, and the leases are short-term leases. The Group chooses to apply the exemption recognition requirement without recognizing its related right-of-use assets and lease liabilities.

(iii) The Group was affected by the epidemic of COVID 19 from January 1 to March 31, 2020, the subsidiary in china of the Group closed its business due to government regulations, and force majeure in the operating environment, it ceased to pay rent in accordance with the lease contract until the restoration and filing was approved by the government, due to the

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

aforementioned changes in lease payments, adjustments to operating expenses deductions $ 167,113 thousand (CNY$ 38,708 thousand).

(s) Operating lease

Leases as lessor

The Group leases its marine equipment and transportation equipment. Since it does not transfer almost all the risks and rewards of ownership of the assets attached to the underlying assets, these lease contracts are classified as operating leases. Please refer to Note 6 (j) for property, plant and equipment. In addition, please refer to Note 6 (d) for details of the financial leasing situation of the combined company operating the passenger car leasing business.

The maturity analysis of the lease payments is reported in the following table for the total amount of undiscounted lease payments to be received in the future：

(i) Bulk carriers

	March 31, 2021	December 31, 2020	March 31, 2021
Less than one year	$ 479,064	577,676	683,487
Between one and two years	402,740	402,034	291,848
Between two and three years	315,796	383,488	291,848
Between three and four years	126,003	125,782	236,755
Between four and five years	105,327	130,980	133,511
More than five years	-	6,716	133,511
Total undiscounted lease payments	**$ 1,428,930**	**1,626,676**	**1,770,960**

(ii) Transportation equipments

	March 31, 2021	December 31, 2020	March 31, 2020
Less than one year	$ 55,094	45,966	40,241
Between one and two years	32,094	36,073	26,114
Between two and three years	23,259	34,006	2,750
Total undiscounted lease payments	**$ 110,447**	**116,045**	**69,105**

The direct expenses including repairs and maintenance arising from bulk carriers were as follows：

	For the three months end March 31	
	2019	2020
Operating costs	**$ 4,490**	**7,459**

(Continued)

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(t) Income Tax

(i) The components of income tax were as follows:

	For the three months ended March 31	
	2021	**2020**
Current tax expense		
Current period	$ 38,792	25,252
Land value increment tax	71	63
	38,863	25,315
Deferred tax expense		
Origination and reversal of temporary differences	27,938	(329)
Income tax expense from continuing operations	**$ 66,801**	**24,986**

(ii) Examination and Approval

1) The Company’s and other ROC subsidiaries’ tax returns for the years through 2019 were examined and approved by the national tax authorities

2) The annual tax returns of subsidiaries in China through 2019 were examined and approved by the tax authority.

(u) Capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for the nine months ended March 31 2021 and 2020. For the related information, please refer to note 6(u) of the consolidated financial statements for the year ended December 31, 2020.

(i) The Group was approved by the special shareholders' meeting on September 30, 2020, to issue overseas or domestic convertible bonds in private placement within the range of no more than 240,000 thousand of shares, and authorize the board of directors that according to the actual needs of the company's operations, funds raise from specific people in stages.

(ii) Issuance of Common stock

The Company issued 59,205 thousand shares from January 1 to March 31, 2021 due to the exercise of conversion rights by the holders of convertible corporate bonds, each with a par value of $10 and a total amount of $592,053 thousand. The base date of capital increase on March 31, 2021, and the statutory registration procedures have been completed. In addition, due to the above-mentioned transactions, the company reversed the capital reserve-stock options $(38,761) thousand and recognized the corporate bond conversion premium of $34,806 thousand.

(iii) Capital surplus

The components of the capital surplus were as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Share capital	$ 375,316	375,316	561,458
Stock option from convertible corporate bonds	783,727	748,921	748,921
Share options	58,141	96,902	96,902
Forfeited share options	13,838	13,838	13,838
Treasury share transactions	15,967	15,967	15,967
Stock options－fair value differences of associates under equity method	-	-	11,629
Difference arising from subsidiary's share price and its carrying value	596,524	596,524	545,205
Changes in a parent's ownership interest in a subsidiary	67,170	66,873	65,078
Donation from shareholders	3,332	3,332	3,332
	$ 1,914,015	1,917,673	2,062,330

On March 31, 2021, the Company's board of directors approved in accordance with the provisions of the Corporation law to make up for a total loss of $270,641 thousand with a Legal reserve of $247,895 thousand and a capital surplus of $22,746 thousand at the premium of the issued shares. In addition, the Company adopted a resolution of the shareholders meeting on June 18, 2020 to allocate capital reserves of $186,142 thousand.

(iv) Retained earnings

According to the Articles of Incorporation, after-tax earnings are initially used to offset cumulative losses, and 10% of the remainder is set aside as a legal reserve, except when the legal reserve of the Company reaches paid-in capital of the Company. Special reserve may be appropriated if necessary. Other than distributing dividends, any remaining balance and the undistributed earnings from the beginning of the year are distributed according to the proposal presented by the Board of Directors in the shareholder's meeting.

According to the Company's articles of incorporation, the dividend policy of the Company is based on the principle of prudence, which considers the Company's future funding needs and financial structure by reserving a certain amount of earnings, and distributing stock dividends and cash dividends from the remaining earnings. In order to maintain stable dividend distribution, in principle, the distribution of cash dividends shall not be less than 10% of the total dividends. If the distribution of cash dividends is less than NT$0.1 dollars per share, the Board of Directors can pass a resolution to distribute stock dividends instead, but it will be subject to a resolution by the shareholders during their shareholders' meeting.

1) Special reserve

The Group chose to apply the exemption under the IFRS1 “First-time adoption of IFRS”; therefore, a portion of cumulative translation adjustments amounting to thousand was reclassified as special earnings reserve. The net increase in retained earnings due to

(Continued)

this reclassification is not covered by the Ruling No. 1010012865 issued by the FSC on April 6, 2012 for purposes of appropriating the same amount of special earnings reserve.

In accordance with the aforementioned Ruling No. 1010012865, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions. A resolution was passed during the shareholders' meeting held on June 18, 2020 , the appropriation of special earnings reserve of $335,040 thousand, respectively.

2) Earnings distribution

The Company was proposed by the board of directors on March 31, 2021 to distribute no surplus of 2020. On September 30, 2020, resolutions were passed during the special shareholders' meeting , respectively, to appropriate the 2019 earnings, respectively. These earnings were appropriated as follows：

	For the years ended December 31	
	2020	2019
Dividends distributed to common shareholders:		
Cash	$ -	62,088
Stock	-	558,795
Total	$ -	620,883

(v) Treasury stock

1) For the year ended December 31, 2020, in accordance with the requirements under section 28(2) of the Securities and Exchange Act, the Company repurchased 10,000 thousand shares of its own common stock as treasury shares in order to protect the Company's integrity and shareholders' equity. As of March 31, 2021, total of 10,000 thousand shares were not yet cancelled.

In accordance with Securities and Exchange Act requirements as stated above, the number of shares repurchased should not exceed 10 percent of all common shares issued. Also, the value of the repurchased shares should not exceed the sum of the Company's retained earnings, share premium, and realized capital reserves.

In accordance with Securities and Exchange Act requirements, treasury shares held by the Company should not be pledged, and do not hold shareholder rights before their transfer.

2) The movement in treasury shares of subsidiaries were as follows:

(In thousands of shares)

	For the three months ended March 31	
	2021	2020
Outstanding at January 1	10,507	11,882
Exercised during the year	-	(35)
Outstanding at March 31	10,507	11,847

(Continued)

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The proceeds from transferring treasury shares were recognized as prepaid salary for employees to execute subscription. As of March 31, 2021, December 31, 2020, and March 31, 2020, these prepaid salary amounting to $ 166,831 thousand, $183,676 thousand and $ 199,700 thousand were recognized under other current assets and non-current assets, respectively. Considering the crisis the industry is facing and the impact caused by COVID-19, a resolution was passed during the board of directors' meeting to defer the repayment of advanced employees' salary for one year on February 27, 2020.

(vi) Other equity interests

	Exchange differences on translation of foreign financial statements	Equity related to non-current assets classified as held for sale	Non-controlling Interest	Total
Balance at January 1, 2021	$ (793,480)	20,718	3,650,162	2,877,390
Profit of non-controlling interests	-	-	5,025	5,025
Exchange differences on subsidiaries accounted for using equity method	8,735	-	-	8,735
Changes in ownership interests in subsidiaries	-	-	213	213
Equity related to non-current assets classified as held for sale	-	226	12	238
Exchange differences on foreign operations	(23,565)	-	(21,604)	(45,169)
Balance at March 31, 2021	**$ (808,320)**	**20,944**	**3,633,808**	**2,846,432**
Balance at January 1, 2020	$ (595,680)	29,788	4,117,351	3,551,459
Profit of non-controlling interests	-	-	(58,235)	(58,235)
Changes in ownership interests in subsidiaries	-	-	235	235
Exchange differences on subsidiaries accounted for using equity method	6,416	-	-	6,416
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	(202,432)	(202,432)
Equity related to non-current assets classified as held for sale	-	1,070	-	1,070
Exchange differences on foreign operations	(36,846)	-	(45,995)	(82,841)
Balance at March 31, 2020	**$ (626,110)**	**30,858**	**3,810,924**	**3,215,672**

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(v) Earnings per share

The Group's earnings per share were calculated as follows:

	For the three months ended March 31	
	2021	**2020**
Basic earnings (loss) per share		
Profit (loss) attributable to ordinary shareholders of the Company	$ 6,096	(227,718)
Nnumber of ordinary comer shares at January 1	676,763	624,790
Effect on issuance of stock dividend	-	55,880
Effect on the conversion of convertible corporate bonds	1,330	-
Weighted-average number of ordinary shares at March 31	678,093	687,670
Earnings (loss) per share (dollars)	$ 0.01	(0.33)
Diluted earnings (loss) per share		
Profit (loss) attributable to ordinary shareholders of the Company	6,096	(227,718)
Effect of dilutive potential ordinary shares		
Effect of conversion of convertible bonds	(Note)	(Note)
Profit (loss) attributable to ordinary shareholders of the Company (diluted)	$ 6,096	(227,718)
Weighted-average number of ordinary shares	678,093	680,670
Effect of dilutive potential ordinary shares		
Effect of issuance of share option	6	(Note)
Effect of conversion of convertible bonds	(Note)	(Note)
Weighted-average number of ordinary shares (diluted)	678,099	680,670
Earnings (loss) per share (dollars)	$ 0.01	(0.33)

Note: The conversion of convertible bonds was not included in the calculation of the weighted-average number of shares (diluted) due to the anti-dilutive effect.

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(w) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended March 31, 2021					
	Freight department	Invest department	Retail department	Lease department	Other department	Total
Primary geographical markets						
Taiwan	$ -	1,188	-	-	20,353	21,541
China	-	-	1,457,857	54,082	-	1,511,939
Other	254,214	-	-	-	-	254,214
	$ 254,214	1,188	1,457,857	54,082	20,353	1,787,694
Major products/services lines						
Commissions revenue (Retail revenue – concessionaire sales)	$ -	-	465,817	-	-	465,817
Commodity sales (Retail revenue – direct sales)	-	-	531,967	-	-	531,967
Lease revenue (Note)	254,214	1,188	250,708	20,396	-	526,506
Financial lease interest income (Note)	-	-	-	30,933	-	30,933
Service revenue and others	-	-	209,365	2,753	20,353	232,471
	$ 254,214	1,188	1,457,857	54,082	20,353	1,787,694

	For the three months ended March 31, 2020					
	Freight department	Invest department	Retail department	Lease department	Other department	Total
Primary geographical markets						
Taiwan	$ -	1,528	-	-	10,836	12,364
China	-	-	885,613	59,395	-	945,008
Other	243,759	13,675	-	-	-	257,434
	$ 243,759	15,203	885,613	59,395	10,836	1,214,806
Major products/services lines						
Commissions revenue (Retail revenue – concessionaire sales)	$ -	-	304,681	-	-	304,681
Commodity sales (Retail revenue – direct sales)	-	-	324,127	-	-	324,127
Lease revenue (Note)	243,759	1,528	120,840	13,622	-	379,749
Financial lease interest income (Note)	-	-	-	40,658	-	40,658
Service revenue and others	-	13,675	135,695	5,115	10,836	165,591
	$ 243,759	15,203	885,613	59,395	10,836	1,214,806

Note: The lease revenue and financial lease interest income of the Group are under IFRS 16.

(ii) Contract balances

	March 31, 2021	December 31, 2020	March 31, 2021
Contract liabilities-advance real estate receipts	$ -	-	57,289

Please refer to note 6(d) for the disclosure of accounts receivable and impairment.

The amount of revenue recognized for the three months ended March 31, 2021, and 2020, that was included in the contract liability balance at the beginning of the period was $ 0 thousand and $ 150 thousand.

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There were no other significant changes for the three months ended March 31, 2021, and 2020.

(x) Employee compensation and directors' remuneration

According to the Articles of Incorporation, once the Company has annual profit, it should appropriate no less than 1% of the profit to its employees and 3% or less as directors' remuneration. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The pervading target given via shares or cash includes dependent employees of the Company's subsidiaries under certain requirements approved by Board of Directors. However, directors' remuneration could only be paid by cash.

For the three months ended March 31, 2021, the Company estimated its employee compensation and directors' remuneration amounting to $61 thousand and $0 thousand. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Articles of Incorporation. These remunerations were expensed under operating costs or operating expenses for each period. The difference between the actual amounts and the estimation of employee compensation will be treated as changes in accounting estimates and adjusted in profit or loss in the following year. For the three months ended March 31, 2020, the Company loss before tax. The Company was not estimated its employee compensation and directors' remuneration amounting.

For the year ended December 31, 2020, the Company loss before tax. The Company was not estimated its employee compensation and directors' remuneration amounting. For the year ended December 31, 2019, the Company estimated its employee compensation and directors' remuneration amounting to $14,352 thousand and $0. There were no differences between the amount to be distributed as rewards to employees and directors and those estimations made by the board of directors. Related information would be available at the Market Observation Post System.

(y) Non-operating income and expenses

(i) Other income

The details of other income were as follows:

		For the three months ended March 31	
		2021	2020
Loan to unrelated parties	$	5,152	6,626
Loans		7	2
Open-end fund		237	252
Other		1,261	2,153
Total	$	6,657	9,033

(ii) Other gains and losses

The details of other gains and losses were as follows:

		For the three months ended March 31	
		2021	2020
Loss on disposal of property, plant and equipment	$	(189)	(404)
Gain on disposals of intangible assets		8,831	-
Loss on disposals of investments		(6,926)	-
Gain on lease modification		2,116	-
Foreign exchange gains (loss)		(4,700)	(14,289)
Gain (loss) on financial assets (liabilities) at fair value through profit or loss			
Open fund and listed companies		34,591	(23,620)
Embedded derivative instruments－call and put rights of convertible bonds		(771)	(6,478)
Impairment loss , gain on reversal of impairment loss			
Non-current assets classified as held for sale		4,785	(83,813)
Other (included credit card charge income and etc.)		33,490	17,871
	$	74,227	(110,733)

(iii) Finance costs

The details of finance costs were as follows:

		For the three months ended March 31	
		2021	2020
Interest expense	$	61,519	62,194
Interest on corporate bonds		-	4,187
Amortization on discount of corporate bonds		24,808	23,549
Lease liabilities		99,155	110,299
Financial expenditures		1,348	2,429
	$	186,830	202,658

The interest related to leases amounting to $ 11,843 thousand and $ 18,408 thousand for the three months ended March 31, 2021 and 2020, respectively, was recognized as interest expense under operating cost.

(z) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(z) of the consolidated financial statements for the year ended December 31, 2020.

(i) Credit risk

Receivables of credit riskFor credit risk exposure of notes and accounts receivables, please refer to note 6(d). Other financial assets at amortized cost include other receivables and corporate bonds, etc.; please refer to notes (c)、(e) and (m).

The impairment provision of all of these financial assets recognized during the period was limited to 12 months expected losses or lifetime ECL measurement.

The movement in the allowance for impairment for other receivables and other financial assets for the three months ended March 31, 2021 and 2020 were as follows:

	For the three months ended March 31	
	2021	**2020**
Balance at January 1	$ 63,125	-
Impairment losses recognized (gain of reverse)	(5,618)	-
Delisting subsidiaries	(562)	-
Effect of foreign exchange rate	(291)	-
Balance at March 31	$ 56,654	-

(ii) Liquidity risks

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	1 years	1 to 5 years	Over 5 years
March 31, 2021					
Non-derivative financial liabilities					
Non-interest bearing liabilities	$ 3,174,632	3,174,632	2,643,404	37,065	494,163
Floating rate instrument	7,296,773	7,611,190	2,911,692	4,275,066	424,432
Fixed rate instruments	3,641,669	3,823,396	3,426,414	396,982	-
Leases liabilities	7,711,824	9,479,128	1,128,286	4,464,270	3,886,572
	$ 21,824,898	24,088,346	10,109,796	9,173,383	4,805,167
December 31, 2020					
Non-derivative financial liabilities					
Non-interest bearing liabilities	$ 3,773,224	3,773,224	3,229,888	44,637	498,699
Floating rate instrument	7,573,508	7,786,498	4,799,324	2,987,174	-
Fixed rate instruments	4,566,415	4,825,636	4,223,841	601,795	-
Lease liabilities	8,185,453	10,061,310	1,256,228	4,658,507	4,146,575
	$ 24,098,600	26,446,668	13,509,281	8,292,113	4,645,274

		Carrying amount	Contractual cash flows	1 years	1 to 5 years	Over 5 years
March 31, 2020						
Non-derivative financial liabilities						
Non-interest bearing liabilities	$	2,585,395	2,585,395	1,976,056	75,885	533,454
Floating rate instrument		5,503,075	5,756,139	2,950,045	2,806,094	-
Fixed rate instruments		5,959,311	6,375,914	3,723,325	2,652,589	-
Lease liabilities		8,872,257	11,030,300	1,375,954	4,874,182	4,780,164
	$	22,920,038	25,747,748	10,025,380	10,408,750	5,313,618

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Market risk

1) Currency risk

The Group's significant exposure to foreign currency risk was as follows:

	March 31, 2021			December 31, 2020			March 31, 2020		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets									
Monetary items									
USD:NTD	$ 122	28.53	3,481	6,043	28.48	172,105	64	30.23	1,935
HKD:NTD	5,298	3.6710	19,449	-	-	-	-	-	-
NTD:USD	7,117	0.0351	7,117	10,125	0.0351	10,125	1,441	0.0331	1,441
Non-monetary items									
Non-current assets classified as held for sale									
HKD:USD	34,231	0.1287	125,657	32,280	0.1273	120,633	51,346	0.1291	200,362
Investments accounted for using equity method									
HKD:USD	189,567	0.1287	695,873	189,643	0.1273	687,415	176,971	0.1291	690,568
Financial liabilities									
Monetary items									
USD:CNY	6,950	6.5713	198,283	8,175	6.5249	232,823	23,250	7.0851	702,847
HKD:USD	26,915	0.1287	98,828	26,577	6.1273	96,335	27,775	0.1291	108,382

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from cash and cash equivalents, financial assets at fair value though profit or loss, loans and borrowings; and trade and other payables that are denominated in foreign currency. strengthening (weakening) of 1% of the the NTD or CNY against the USD, EUR, HKD, AUD and CNY as of March 31, 2021 and 2020 would have increased (decreased) the profit before tax by $ 2,671 thousand and $ 8,010 thousand, respectively. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date.

Since the Group has many kinds of functional currency, the information on foreign exchange loss on monetary items is disclosed by total amount. For the three months ended March 31, 2021 and 2020, foreign exchange gain (loss) (including realized and unrealized portions) amounted to $(4,700) thousand and $(14,289) thousand, respectively.

3) Interest rate analysis

The details of the Group's exposure to interest rate of financial assets and liabilities, please refer to the note on liquidity risk management.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments at the reporting date. Regarding of liabilities with floating interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.5% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 0.5%, the Group's profit before tax would have decreased or increased by $ 5,765 thousand and $ 1,864 thousand, which is mainly due to the Group's borrowings at variable rates and demand deposits for the three months ended March 31, 2021 and 2020, respectively, given that all other variable factors remaining constant.

4) Other market price risk

The sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	For the three months ended March 31			
	2021		**2020**	
Prices of securities at the reporting date	**Comprehensive Income (Loss) (net of tax)**	**Net Income (Loss) (net of tax)**	**Comprehensive Income (Loss) (net of tax)**	**Net Income (Loss) (net of tax)**
Increase 5%	$ -	5,567	-	5,145
Decrease 5%	$ -	(5,567)	-	(5,145)

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(iv) Fair value of financial instruments

1) Fair value hierarchy

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required :

	March 31, 2021				
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 284,245	124,461	40,626	119,158	284,245
Embedded derivative instruments-call and put options	154	-	-	154	154
	$ 284,399	124,461	40,626	119,312	284,399
Financial liabilities at fair value through profit or loss					
Non-derivative financial liabilities	$ 20,400	-	-	20,400	20,400

	December 31, 2020				
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 345,176	185,206	40,812	119,158	345,176
Embedded derivative instruments-call and put options	925	-	-	925	925
	$ 346,101	185,206	40,812	120,083	346,101

	March 31, 2020				
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 113,276	113,276	-	-	113,276
Financial liabilities at fair value through profit or loss					
Embedded derivative instruments–call and put options	$ 9,100	-	-	9,100	9,100

2) Valuation techniques for financial instruments not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

a) Financial assets measured at amortized cost and financial liabilities measured at amortized cost.

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation techniques for financial instruments measured at fair value

3.1) Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. Whether transactions are taking place ‘regularly’ is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well established, only small volumes are traded, or bid ask spreads are very wide. Determining whether a market is active involves judgment.

If the Group’s financial instruments are regarded as being quoted in an active market, the classification and property of fair value are as follows :

- Stocks in listed companies, fund and Corporate bonds, which have standard term and quoted prices in active markets. The fair values are referenced by market quotation.

3.2) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques. Embedded derivative instruments are measured at model of adjusted Binary tree.

3.3) Financial guarantee contract

Discounted cash flow models that are applied to estimate the fair value of a financial guarantee. The assumption is to use a probability-weighted discounted cash flow analysis that incorporates the expected default rate of the borrower and expected recoveries in the event of default.

4) Transferring from each level 1 and 2 in the fair value hierarchy: None

(Continued)

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

5) Reconciliation of Level 3 fair values

	Financial assets and liabilities as held for sale		
	Non-derivative financial assets -Beneficial rights	**Non-derivative financial assets - Landlord Beneficial rights**	**Embedded derivative instruments**
Opening balance, January 1, 2021	$ 119,158	-	925
Issuance	-	(20,400)	-
In profit or loss	-	-	(771)
Ending Balance, March 31, 2021	$ 119,158	(20,400)	154
Opening balance, January 1, 2020	$ -	-	2,622
Total gains and losses			
In profit or loss	-	-	6,478
Ending Balance, March 31, 2020	$ -	-	9,100

For the three months ended March 31, 2021 and 2020, total gains and losses that were included in “other gains and losses” were as follows:

	For the three months ended March 31	
	2021	**2020**
Total gains and losses recognized:		
In profit or loss, and including “other gains and losses”	$ (771)	6,478

6) Quantified information for significant unobservable inputs (Level 3) used in fair value measurement

The Group’ s financial instruments that use Level 3 inputs to measure fair value include financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income-equity investments.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Embedded derivative instruments–call and put options	Adjusted Binary tree	· Volatility (As of 2021.3.31、2020.12.31 and 2020.3.31 were 31.99%、37.32% and 32.30%)	· The estimated fair value would decrease if the volatility was higher
Beneficial rights	Discounted cashflow	·Volatility of buildings sale prices (as of 2021.3.31 and 2020.12.31 were $458 thousand per squere feet and $410 thousand per square feet)and costs (as of 2021.3.31 and 2020.12.31 were $156 thousand per squere feet and $132 thousand per square feet)	·The estimated fair value would increase if the credit risk was higher.

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Landlord beneficial rights	Discounted cashflow	·Volatility of buildings sale prices and costs (as of 2021.3.31 and 2020.12.31 were $307 thousand per squere feet and $183 thousand per square feet)	·The estimated fair value would increase if the credit risk was higher.

7) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group's fair value measurement on financial instruments is reasonable. However, the measurement would be different if different valuation models or valuation parameters are used. For financial instruments using level 3 inputs, the impact on the net income or loss and other comprehensive income or loss will be as follows if the valuation parameters changed:

	Inputs	Variation	Impacts of fair value change on net income or loss	
			Favourable	Unfavourable
March 31, 2020				
Financial liabilities at fair value through profit or loss				
Embedded derivative instruments-call and put right	Sale price	5%	10,038	(10,038)
Financial assets at fair value through other comprehensive income				
Embedded derivative instruments–call and put options	Volatility	5%	185	-
Liabrilities of landlord beneficial rights	Sale price	5%	10,946	(11,153)
December 31, 2019				
Financial assets at fair value through profit or loss				
Beneficial rights from the specific construction project	Sale price	5%	10,008	(10,008)
Financial assets at fair value through other comprehensive income				
Embedded derivative instruments–call and put options	Volatility	5%	463	(308)
March 31, 2020				
Financial liabilities at fair value through profit or loss				
Embedded derivative instruments-call and put right	Volatility	5%	1,388	(2,159)

The favourable and unfavourable change effects represent the change in fair value and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(aa) Financial risk management

There were no significant differences of the Group's financial risk management and policies with those disclosed in Note 6(aa) of the consolidated financial statements for the year ended December 31, 2020.

(ab) Capital Management

Management believes that the objectives, policies and processes of capital management of the Group have been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2020. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2020. Please refer to Note 6(ab) of consolidated financial statements for the year ended December 31, 2020 for further details.

(ac) Investing and financing activities not affecting current cash flow

For the three months ended March 31, 2021 and 2020, the Group's investing and financing activities which did not affect the current cash flow were as follows:

1) Acquisition of right-of-use assets from lease. Please refer to Note 6 (k).

2) Adjustment of liabilities from financing activities were as follows:

				Non-cash changes		
		January 1, 2021	**Cash flows**	**Other(Note)**	**Foreign exchange movement**	**March 31, 2021**
Short-term borrowings	$	5,844,838	(2,503,982)	-	(11,872)	3,328,984
Short-term notes and bills payable		49,992	(49,992)	-	-	-
Bonds payable		1,431,651	-	(557,776)	-	873,875
Long-term borrowings		4,717,107	1,917,126	-	2,522	6,636,755
Leases liabilities		8,185,453	(430,270)	(3,158)	(40,201)	7,711,824
Guarantee deposits		543,726	(7,057)	(661)	(2,826)	533,182
Total liabilities from financing activities	$	20,772,767	(1,074,175)	(561,595)	(52,377)	19,084,620

Note: Bonds payable is the amortization on issuance costs of discount of corporate bonds to $ 24,808 thousand , the affect of corporate bond conversion ($ 582,584) thousand . Leases liabilities is the affect of adding and terminating the leases amounting to ($ 1,904) thousand and the affect of disposal subsidiaries to ($ 1,254) thousand . Guarantee deposited is the affect of disposal subsidiaries to ($ 661) thousand.

			Non-cash changes		
	January 1, 2020	**Cash flows**	**Other(Note)**	**Foreign exchange movement**	**March 31, 2020**
Short-term borrowings	$ 3,544,958	237,324	-	(16,911)	3,765,371
Short-term notes and bills payable	49,954	31	-	-	49,985
Bonds payable	2,335,795	-	23,549	-	2,359,344
Long-term borrowings	4,750,089	(121,544)	-	990	4,629,535
Leases liabilities	9,188,153	(55,608)	(166,964)	(93,324)	8,872,257
Guarantee deposits	720,549	(98,251)	-	(6,372)	615,926
Total liabilities from financing activities	**$ 20,589,498**	**(68,048)**	**(143,415)**	**(115,617)**	**20,292,418**

Note: It is mainly the rent concession, which decreases operating expenses amounting to ($167,113) thousand, the affect of adding and terminating the leases amounting to $149 thousand, and the amortization on discount of corporate bonds to $23,549 thousand.

(7) Related-party transactions:

(a) Parent company and ultimate controlling company

First Steamship Company Ltd. is the ultimate controlling company of the Group.

(b) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements:

Name of related party	Relationship with the Group
Nanjing Tiandu Co., Ltd.	The Group's manager is the company's chairman
Shanghai Tian An Tower Co., Ltd.	The Group's manager is the company's director
Huizhou Tianan Xinghe City Management Co., Ltd.	A substantial related party
Huiyang Tamsui New Sun City Construction Co., Ltd.	A substantial related party
Shanghai Guorui Tongshun Environmental Protection Technology Co., Ltd.	A substantial related party
Shanghai Qianshu Commercial Management Co., Ltd.	A substantial related party
Haikou Zhuke Technology Co., Ltd.	An associate
Wuhan Zhuke Technology Co., Ltd.	An associate
Shanghai Zhuke Technology Co., Ltd.	An associate
Chengdu Zhuke Technology Co., Ltd.	An associate
Changsha Zhuke Technology Co., Ltd.	An associate
Haikou Zhuke Technology Co., Ltd.	An associate
Da Yu Financial Holding Ltd.	An associate

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(c) Significant transactions with related parties

(i) Sales

The amounts of significant interest income of finance leases and lease receivables by the Group to related parties were as follows:

	Operating revenues		Lease receivables		
	For the three months ended March 31		March 31,	December	March 31,
	2021	2020	2021	31, 2020	2020
Hainan Sanhe Licheng Business Service Co., Ltd.	$ 4,715	4,559	167,907	169,068	196,782
huke Technology Co., Ltd.	12,595	-	452,347	487,746	-
	$ 17,310	4,559	620,254	656,814	196,782

The interest income of finance leases between the Group and the associates is based on the interest rate agreed by both parties and collected monthly. The interest rate is not significantly different from the one with non-related parties. The receivables with related parties are guaranteed by vehicles for finance lease, and no impairment losses were required after the assessment. Chengdu Sanhe Licheng is joint guarantor of the receivables from Hainah Sanhe LichengPayables to related parties

(ii) Payables to related parties were as follows:

Account	Category of related party	March 31, 2021	December 31, 2020	March 31, 2020
Other payables	Other related parties	$ -	3,200	$ 4,805

(iii) Prepayments

	March 31, 2021	December 31, 2020	March 31, 2020
Other related parties	$ 70,500	49,921	48,183

Note: It is a short-term prepaid lease fee and a monthly fixed prepaid variable rent of the Group, which is settled at the end of the year.

(iv) Lease

1) Liabilities lease and Interest

		Lease liabilities			Interest expense	
		March 31,	December 31,	March 31,	For the three months ended	
Relationship	Purpose	2021	2020	2020	2021	2020
Other related parties	Office building and department store	$ 43,500	50,590	69,082	559	872
Other related parties	Energy-saving renovation engineering equipment	45,967	47,905	51,673	572	644
		$ 89,467	98,595	120,755	1,131	1,516

2) Operating lease

		Payments that are not included in the measurement of the lease liability		Rent expense	
		For the three months ended		For the three months ended	
Relationship	Account	2021	2020	2021	2020
Other related parties	office building and department store	$ 25,084	17,349	940	986

As of March 31, 2021, December 31, 2020, and March 31, 2020, the rental security deposit of the Group to other related parties amounted to $ 11,904 thousand, $11,968 thousand and $ 11,699 thousand, respectively.

(v) Guarantees Others

On March 31, 2021, December 31, 2020, and March 31, 2020, the amount of guarantee that the Group provided for associates, which signed the finance lease agreements with non-related parties, were $160,251 thousand (CNY$36,911 thousand)、$179,696 thousand (CNY$41,169 thousand) and $103,635 thousand (CNY$ 24,289 thousand) , respectively.

(vi) Others

1) The Group provided management consulting services and signed service contracts with other related parties. For the three months ended March 31, 2021 and 2020, the revenue from consulting services was $ 6,879 thousand and zero, respectively. On March 31, 2021, December 31, 2020, and March 31, 2020, the outstanding amounts were $ 6,826 thousand and zero and zero which reported as other receivables.

2) On March 16, 2021, the board of directors of the Group resolved to sell the equity of the subsidiary Morton Securities Ltd to Da Yu Financial Holdings Ltd. and the disposal price was $ 26,212 thousand (HK$ 7,140 thousand), deducting the company after the net assets of $32,502 thousand, the disposal loss of $6,926 thousand was recognized. The disposal loss includes the loss of $ 636 thousand that is related to the subsidiary and recognized in other comprehensive profit and loss

(d) Key management personnel compensation

(i) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended March 31	
	2021	**2020**
Short-term employee benefits	$ 14,003	13,642

(ii) The Group granted key management personnel rights to subscribe treasury shares as prepaid salaries. As of March 31, 2021, December 31, 2020 and March 31, 2020, those prepaid salaries amounting to $41,088 thousand (CNY$9,464 thousand), $41,291 thousand (CNY$9,460 thousand) and $ 44,989 thousand (CNY$ 10,544 thousand), which were recognized under other current assets and other non-current assets accounts.

(8) Pledged assets:

(a) The carrying amount of pledged assets were as follows:

Pledged assets	Object	March 31, 2021	December 31, 2020	March 31, 2020
Inventories (for construction business)	Bank loans	$ 1,089,039	1,099,702	95,771
Other financial assets－current and non-current	Bank loans, bank depository funds and ordinary bonds payable	83,340	383,554	522,533
Accounts receivable	Other secured loans	103,488	127,118	118,264
Lease payment receivables	Other secured loans	123,857	131,402	194,539
Property, plant and equipment(Note)	Bank loans and ordinary bonds payable	9,647,563	8,823,715	9,359,575
Investment Property	Bank loans, ordinary bonds payable	142,792	143,036	143,766
		$ 11,190,079	10,708,527	10,434,448

Note：Including the land use rights, which are recognized as right-of-use assets

(9) Significant commitments and contingencies:

Except for those described in note 6, the Group's other significant commitments and contingencies were as follows:

(a) Unrecognized contractual commitments

(i) The unrecognized contractual commitments of the Group were as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Contracted price			
Construction contract of land and building	$ 714,038	665,331	665,331
Purchase contract of vehicle for rent	11,990	12,054	23,730
Sales contract of land	-	-	386,011
Purchase vessel equipment	943,887	1,870,680	1,940,766
Received or paid price			
Construction contract of land and building	153,309	108,309	108,309
Purchase contract of vehicle for rent(recorded as other current assets)	10,854	10,912	16,640
Sales contract of land	-	-	57,289
Purchase vessel equipment	291,976	1,217,580	388,153

(ii) The Group signed a finance lease business cooperation agreement with Shanghai Financial Leasing Co., Ltd., then found and reviewed customers according to the contracted risk control standards. Shanghai Financial Leasing Co., Ltd. signed a finance lease contract with the customer, and the Group received some contract considerations from Shanghai Financial Leasing Co., Ltd. on schedule. In addition, the Group promised to buy unconditionally the default claims from Shanghai Financial Leasing Co., Ltd. if the customers violate the agreement, it will buy the default claims from Shanghai Financial Leasing Co., Ltd. Since there was no past due occurred, the Group did not accrue expected credit losses after evaluation.

	March 31, 2021	December 31, 2020	March 31, 2020
Contracted value	$ 159,872	143,698	59,443
Remaining amount building	$ 129,815	120,682	54,155

(iii) The Group signed the joint construction contracts with other companies as follows:

Item	Construction name
Joint construction with allocation of buildings	Me island phase III B1
Joint investing and developing on construction site	Nan Jing Jian Kang
Joint construction with allocation of buildings, Joint investing and developing on construction site	Tucheng Yongfu

(b) Contingencie

(i) While the Group acquired the Quanzhou real estate, the assignor, Quanzhou FuHua Co., Ltd., failed to comply with the term of the contract, which stated that the assignor should repay the mortgage loan secured by the fourth floor of Quanzhou real estate with the consideration paid by the Group to release the mortgage. Therefore, the mortgagee filed an application to freeze the rent earned from the fourth floor of Quanzhou real estate in June 2020. The Group evaluates that the creditor still has means to repay the mortgage loan; hence, the fourth floor of Quanzhou real estate may not be at risk of impairment.

(ii) The subsidiaries of the Group, Chongqing Guanggu Grand Ocean Department Store Co., Ltd., negotiated with the lessor, Chongqing ZhengSheng Real Estate Ltd., to reduce the lease payments and to shorten the length of lease because its business was not able to operate as expected and its lease payments were higher than those within the vicinity. Meanwhile, the subsidiaries negotiated with the lessor about rent concessions due to the COVID-19 pandemic during 2020. The aforementioned negotiation about lease payments reduction and rent concessions failed to reach an agreement, resulting in the lessor to file a lawsuit against Chongqing Guanggu Grand Ocean Department Store Co., Ltd. in November 2020 for overdue payments. The aforementioned overdue payments include rent in dispute, which the lessor claimed that the lessee had occupied the area not mutually agreed on. As of the reporting date, the trial has yet to be conducted. Meanwhile, the Group files a counterclaim, wherein both parties are now applying for settlement negotiations out of court.

(10) Losses due to major disasters: None

(11) Subsequent events: None

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(12) Other:

(a) The employee benefit expenses, depreciation and amortization, categorized by function, were as follows:

	For the three months ended March 31					
By function	2021			2020		
By item	Operating Cost	Operating expense	Total	Operating Cost	Operating expense	Total
Employee benefits						
Salary	51,745	122,957	174,702	46,130	140,273	186,403
Health and labor insurance	334	938	1,272	307	1,152	1,459
Pension	360	13,976	14,336	323	6,334	6,657
Others	3,775	25,513	29,288	4,110	23,761	27,871
Depreciation	92,030	387,781	479,811	87,973	397,183	485,156
Depletion	-	-	-	-	-	-
Amortization	5,347	1,816	7,163	7,459	2,630	10,089

(b) Seasonality of operations

The Group's retail business is subject to seasonal fluctuations as a result of vacation. Thus, this industry typically has higher revenues and results for the first and fourth quarter of the year. Due to the impact of the spread of COVID-19 virus in the first quarter of 2020, the Group were temporarily closed from the end of January in 2020, and resumed business in mid-February, that leading to a decline in business conditions in the first quarter of 2020, the Group been working hard to resume normal operations since March.

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

(i) Loans to other parties：Appendix 1, please refer to the chinese version consolidated financial statements P52-54.

(ii) Guarantees and endorsements for other parties：Appendix 2, please refer to the chinese version consolidated financial statements P55-56.

(iii) Securities held as of March 31, 2021 (excluding investment in subsidiaries, associates and joint ventures) ：Appendix 3, please refer to the chinese version consolidated financial statements P57.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300,000 thousand or 20% of the capital stock： None.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300,000 thousand or 20% of the capital stock： None.

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300,000 thousand or 20% of the capital stock：None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of

NT$300,000 thousand or 20% of the capital stock：None

(viii) Receivables from related parties with amounts exceeding the lower of NT$100,000 thousand or 20% of the capital stock：Appendix 4, please refer to the chinese version consolidated financial statements P58.

(ix) Trading in derivative instruments：None

(x) Business relationships and significant intercompany transactions：Appendix 5, please refer to the chinese version consolidated financial statements P59.

(b) Information on investees：Appendix 6, please refer to the chinese version consolidated financial statements P60-61

(c) Information on investment in mainland China：Appendix 7, please refer to the chinese version consolidated financial statements P62-63

(d) Major shareholders:

Shareholding Shareholder's Name	Shares	Percentage
Capital Securities Corporation is entrusted with the custody of the special investment account of Lukfook Securities (Hong Kong) Ltd.	59,205,374	7.93%
Henghua Investment Co., Ltd.	57,065,945	7.64%
Jen-Hao Kuo	39,057,006	5.23%

Note: (1) The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership exceeding 5%, that have been issued by the Company without physical registration (including treasury shares) as of the last business day of the current quarter. The share capital in the consolidated financial statements may differ from the actual numbers of shares that have been issued without physical registration due to different preparation basis.

(2) In the case of the above information, if a shareholder delivers shares to the trust, the shares will be individually disclosed by the trustee who opened the trust account. As for the declaration of insider shareholdings exceeding 10% in accordance with the securities and exchange act, the shareholdings should include the shares held by the shareholder, as well as those that have been delivered to the trust and for which the shareholder has the right to determine the use of trust property. For information on the declaration of insider shareholdings, please refer to the Market Observation Post System website of the TWSE.

FIRST STEAMSHIP COMPANY LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(14) Segment information:

The Group's operating segment information and reconciliation were as follows:

For the three months ended March 31, 2021	Freight department	Invest department	Retail department	Lease department	Other segment	Reconciliation and elimination	Total
Revenue:							
Revenue from external customers	$ 254,214	1,188	1,457,857	54,082	20,353	-	1,787,694
Intersegment revenues	-	17,195	-	-	-	(17,195)	-
Total revenue	$ 254,214	18,383	1,457,857	54,082	20,353	(17,195)	1,787,694
Reportable segment profit or loss	$ 30,309	(14,381)	77,285	(16,722)	1,431	-	77,922

For the three months ended March 31, 2020	Freight department	Invest department	Retail department	Lease department	Other segment	Reconciliation and elimination	Total
Revenue:							
Revenue from external customers	$ 243,759	15,203	885,613	59,395	10,836	-	1,214,806
Intersegment revenues	-	16,640	-	-	-	(16,640)	-
Total revenue	$ 243,759	31,843	885,613	59,395	10,836	(16,640)	1,214,806
Reportable segment profit or loss	$ 25,390	(145,768)	(102,073)	(37,131)	(1,385)	-	(260,967)