

WISDOM MARINE LINES CO., LIMITED
(CAYMAN)
AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT AUDITORS
30 SEPTEMBER 2021 AND 2020

Registered: Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman

KY1-1108, Cayman Islands

Address: 7F., No. 237, Sec. 2, Fushing S. Rd., Taipei City, Taiwan

Telephone: 886-2-2755-2637

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

TABLE OF CONTENTS

Contents	Page
Cover page	1
Table of contents	2
Review report of independent auditors	3-4
Consolidated balance sheets	5-6
Consolidated statements of comprehensive income	7
Consolidated statements of changes in equity	8
Consolidated statements of cash flows	9
Notes to the consolidated financial statements	
1. History and organization	10
2. Date and authorization of financial statements for issue	10
3. Newly issued or revised standards and interpretations	10-13
4. Summary of significant accounting policies	14-37
5. Significant accounting judgments, estimates and assumptions	37
6. Contents of significant accounts	37-69
7. Related party transactions	69-75
8. Pledged assets	75
9. Significant commitments and contingencies	76
10. Losses due to major disasters	77
11. Significant subsequent events	77
12. Others	77-87
13. Other disclosure	87-88
14. Segment information	88-89

Review Report of Independent Auditors

Independent Auditors' Report Translated from Chinese

To the Board of Directors and Stockholders of
Wisdom Marine Lines Co., Limited (Cayman)

Introduction

We have reviewed the accompanying consolidated balance sheets of Wisdom Marine Lines Co., Limited (Cayman) (the “Company”) and its subsidiaries (together the “Group”) as at 30 September 2021, the related consolidated statements of comprehensive income for the three-month periods ended 30 September 2021 and 2020 and the nine-month periods ended 30 September 2021 and 2020, the consolidated statements of changes in equity and cash flows for the nine-month periods ended 30 September 2021 and 2020, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the administration rule No.10200546801 of Financial Supervisory Commission of the Republic of China and International Accounting Standard 34, “Interim Financial Reporting”. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with Statement of Auditing Standards No. 65, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China 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.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as at 30 September 2021, and their consolidated financial performance for the three-month periods ended 30 September 2021 and 2020 and the nine-month periods ended 30 September 2021 and 2020, and their consolidated cash flows for the nine-month periods ended 30 September 2021 and 2020, in accordance with the administration rule No.10200546801 of Financial Supervisory Commission of the Republic of China and International Accounting Standard 34, “Interim Financial Reporting”.

/s/Lu, Chian Uen

/s/Liu, Jung Chin

Ernst & Young, Taiwan

29 October 2021

Notice to Readers

The accompanying consolidated financial statements are intended only to present the financial position, results of operations and cash flows in accordance with 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.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
30 SEPTEMBER 2021 AND 31 DECEMBER 2020
(All Amounts Expressed in US Dollars)
(30 September 2021 Was Unaudited)

	Notes	30 September 2021	31 December 2020
ASSETS			
Cash and cash equivalents	6.1	\$128,721,452	\$20,895,280
Current financial assets at fair value through other comprehensive income	6.2 & 8	1,646,643	1,685,039
Accounts receivable, net	6.3 & 6.15	5,306,797	5,070,695
Accounts receivable due from related parties, net	6.3, 6.15 & 7	386,522	412,739
Other receivables	7	14,095,205	3,092,745
Inventories	6.4	4,068,259	10,517,805
Prepayments	7	5,944,102	5,928,880
Other current financial assets	6.1 & 8	56,573,452	58,438,469
Other current assets	7	19,676,313	18,293,713
Total current assets		236,418,745	124,335,365
Investments accounted for using the equity method	6.5	10,149,561	8,561,823
Property, plant and equipment	6.6 & 8	2,555,372,695	2,612,894,085
Right-of-use assets	6.11 & 7	143,300,019	126,269,568
Investment property, net	6.7 & 8	2,615,079	2,599,070
Deferred tax assets	6.19	91,578	136,498
Guarantee deposits paid		10,977,956	11,902,138
Other non-current assets	6.8	29,836,114	46,098,420
Total non-current assets		2,752,343,002	2,808,461,602
TOTAL ASSETS		\$2,988,761,747	\$2,932,796,967

WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS(CONT'D)

30 SEPTEMBER 2021 AND 31 DECEMBER 2020

(All Amounts Expressed in US Dollars)

(30 September 2021 Was Unaudited)

	Note	30 September 2021	31 December 2020
LIABILITIES			
Short-term borrowings	6.9	\$23,000,000	\$73,669,964
Current contract liabilities	6.14	-	30,446
Accounts payable		7,298,117	12,496,823
Accounts payable to related parties	7	5,950	580,114
Other accrued expenses	7	20,106,539	21,445,966
Advance receipts		18,386,043	20,924,645
Other current liabilities		977,017	123,867
		<u>69,773,666</u>	<u>129,271,825</u>
Current lease liabilities	6.11 & 7	15,100,202	14,011,443
Long-term borrowings, current portion	6.9	293,801,481	178,613,676
Long-term accounts payable, current portion		4,766,246	3,163,612
Long-term accounts payable to related parties, current portion	6.11 & 7	1,034,343	1,122,219
		<u>314,702,272</u>	<u>196,910,950</u>
Total current liabilities		<u>384,475,938</u>	<u>326,182,775</u>
Bonds payable	6.10	49,331,732	48,778,634
Long-term borrowings, non-current portion	6.9	1,108,625,293	1,311,576,937
Deferred tax liabilities	6.19	7,422	47,709
Non-current lease liabilities	6.11 & 7	113,515,183	110,245,615
Long-term accounts payable, non-current portion		37,294,181	37,141,208
Long-term accounts payable to related parties, non-current portion	6.11 & 7	156,250,083	152,743,197
Net defined benefit liability, non-current	6.12	155,343	153,961
Guarantee deposits received	7	1,804,454	3,000,384
Total non-current liabilities		<u>1,466,983,691</u>	<u>1,663,687,645</u>
TOTAL LIABILITIES		<u>1,851,459,629</u>	<u>1,989,870,420</u>
EQUITY	6.10 & 6.13		
Common stock		238,739,686	238,739,686
Capital surplus		1,237,415	19,899,726
Legal reserve		6,960	6,960
Unappropriated retained earnings		690,103,152	525,443,419
Exchange differences on translation of foreign financial statements		207,168,221	158,789,935
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		46,684	46,821
TOTAL EQUITY		<u>1,137,302,118</u>	<u>942,926,547</u>
TOTAL LIABILITIES AND EQUITY		<u>\$2,988,761,747</u>	<u>\$2,932,796,967</u>

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

WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2021 AND 2020
AND FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021 AND 2020
(All Amounts Expressed in US Dollars)
(Unaudited)

	Notes	For the Three Months Ended 30 September		For the Nine Months Ended 30 September	
		2021	2020	2021	2020
Operating revenue	6.14 & 7	\$182,782,949	\$106,336,912	\$464,169,050	\$290,213,159
Operating costs	6.16 & 7	97,337,810	87,744,452	279,197,016	257,570,720
Gross profit from operations		85,445,139	18,592,460	184,972,034	32,642,439
Operating expenses					
Administrative expenses	7	1,473,043	1,310,970	4,198,606	3,770,071
Expected credit losses (gains)	6.15	26,840	101,409	54,070	167,976
Total operating expenses		1,499,883	1,412,379	4,252,676	3,938,047
Net operating income		83,945,256	17,180,081	180,719,358	28,704,392
Non-operating income and expenses					
Interest income	6.17	47,332	101,310	148,560	590,333
Other income, others	6.17	20,050,288	30,569	87,449,223	264,457
Foreign exchange gains (losses)	6.17	579,185	(3,081,395)	4,805,211	(5,112,325)
Gains on financial assets or liabilities at fair value through profit or loss	6.10 & 6.17	-	207,013	-	1,744,862
Miscellaneous expenses	6.17 & 7	(391,760)	(857,331)	(2,076,298)	(1,885,409)
Gains (losses) on disposal of property, plant and equipment	6.6 & 6.17	169,895	-	(2,359,918)	-
Losses from lease modification	6.17	-	(52)	-	(7,928)
Impairment loss	6.6 & 6.17	-	-	(59,300,000)	-
Interest expense	6.6, 6.10, 6.17 & 7	(8,123,558)	(9,385,468)	(24,850,359)	(33,796,423)
Share of loss of associates and joint ventures accounted for using the equity method	6.5	(289,135)	(197,721)	(640,779)	(629,668)
Total non-operating income and expenses		12,042,247	(13,183,075)	3,175,640	(38,832,101)
Profit (loss) from continuing operations before tax		95,987,503	3,997,006	183,894,998	(10,127,709)
Income tax expense	6.19	172,966	153,625	521,567	419,431
Net income (loss)		95,814,537	3,843,381	183,373,431	(10,547,140)
Other comprehensive income (loss):	6.18				
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
Exchange differences on translation of foreign financial statements		7,845,370	(12,326,010)	48,378,286	(17,724,549)
Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income		(7,959)	8,265	(137)	25,354
Other comprehensive income (loss), net of tax		7,837,411	(12,317,745)	48,378,149	(17,699,195)
Total comprehensive income (loss)		\$103,651,948	\$(8,474,364)	\$231,751,580	\$(28,246,335)
Net income (loss) attributable to:					
Net income (loss) attributable to owners of parent		\$95,814,537	\$3,843,381	\$183,373,431	\$(10,547,140)
Comprehensive income (loss) attributable to:					
Comprehensive income (loss) attributable to owners of parent		\$103,651,948	\$(8,474,364)	\$231,751,580	\$(28,246,335)
Basic earnings (loss) per share	6.20	\$0.13	\$(0.01)	\$0.25	\$(0.01)
Diluted earnings (loss) per share	6.20	\$0.13	\$(0.01)	\$0.25	\$(0.02)

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021 AND 2020
(All Amounts Expressed in US Dollars)
(Unaudited)

	Total retained earnings		Other components of equity				Total
	Common stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	
Balance, 1 January 2020	\$219,596,023	\$45,042,948	\$6,960	\$521,664,170	\$191,123,299	\$6,919	\$977,440,319
Other changes in capital surplus:							
Stock dividends from capital surplus	5,745,838	(5,745,838)	-	-	-	-	-
Cash dividends distributed from capital surplus	-	(34,475,074)	-	-	-	-	(34,475,074)
Loss for the nine months ended 30 September 2020	-	-	-	(10,547,140)	-	-	(10,547,140)
Other comprehensive income (loss), net of tax, for the nine months ended 30 September 2020	-	-	-	-	(17,724,549)	25,354	(17,699,195)
Total comprehensive income (loss) for the nine months ended 30 September 2020	-	-	-	(10,547,140)	(17,724,549)	25,354	(28,246,335)
Issuance of common stock for cash	13,373,454	15,035,951	-	-	-	-	28,409,405
Conversion of convertible bonds	24,371	41,739	-	-	-	-	66,110
Balance, 30 September 2020	\$238,739,686	\$19,899,726	\$6,960	\$511,117,030	\$173,398,750	\$32,273	\$943,194,425
Balance, 1 January 2021	\$238,739,686	\$19,899,726	\$6,960	\$525,443,419	\$158,789,935	\$46,821	\$942,926,547
Appropriation and distribution of retained earnings:							
Cash dividends of ordinary share	-	-	-	(18,713,698)	-	-	(18,713,698)
Other changes in capital surplus:							
Cash dividends distributed from capital surplus	-	(18,662,311)	-	-	-	-	(18,662,311)
Profit for the nine months ended 30 September 2021	-	-	-	183,373,431	-	-	183,373,431
Other comprehensive income (loss), net of tax, for the nine months ended 30 September 2021	-	-	-	-	48,378,286	(137)	48,378,149
Total comprehensive income (loss) for the nine months ended 30 September 2021	-	-	-	183,373,431	48,378,286	(137)	231,751,580
Balance, 30 September 2021	\$238,739,686	\$1,237,415	\$6,960	\$690,103,152	\$207,168,221	\$46,684	\$1,137,302,118

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

WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
 UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021 AND 2020
 (All Amounts Expressed in US Dollars)
 (Unaudited)

	For the Nine Months Ended 30 September 2021	For the Nine Months Ended 30 September 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) from continuing operations before tax	\$183,894,998	\$(10,127,709)
Adjustments to reconcile net income (loss) before tax:		
Depreciation expense	115,340,742	112,052,940
Amortization expense	10,352	11,175
Expected credit losses	54,070	167,976
Net gains on financial assets or liabilities at fair value through profit or loss	-	(1,744,862)
Interest expense	24,850,359	33,796,423
Interest income	(148,560)	(590,333)
Effect of exchange rate changes of bonds payable	438,356	2,168,750
Share of loss of associates and joint ventures accounted for using the equity method	640,779	629,668
Losses on disposal of property, plant and equipment	2,359,918	-
Amortization of financial assets at fair value through other comprehensive income	(3,082)	(1,657)
Amortization of issuance costs of convertible bonds payable	-	5,719
Impairment loss	59,300,000	-
Unrealized foreign exchange (gains) losses	(2,160,586)	1,486,293
Other adjustments	(3,162,650)	1,322,444
Changes in operating assets and liabilities:		
Decrease (increase) in contract assets	-	18,147
Decrease (increase) in accounts receivable	(702,911)	1,746,534
Decrease (increase) in accounts receivable due from related parties	26,217	(34,154)
Decrease (increase) in other receivables	(11,055,540)	1,345,338
Decrease (increase) in inventories	6,449,546	225,163
Decrease (increase) in prepayments	(15,222)	1,128,202
Decrease (increase) in other current assets	(1,382,600)	(1,450,920)
Increase (decrease) in contract liabilities	(30,446)	153,567
Increase (decrease) in accounts payable	(5,198,706)	4,591,159
Increase (decrease) in accounts payable to related parties	(574,164)	(169,500)
Increase (decrease) in other accrued expenses	(1,251,410)	(1,105,372)
Increase (decrease) in advance receipts	(2,538,602)	(3,344,335)
Increase (decrease) in other current liabilities	853,150	(309,235)
Cash generated from operations	365,994,008	141,971,421
Interest received	161,324	710,764
Interest paid	(24,882,785)	(35,551,113)
Income taxes paid	(396,339)	(432,782)
Net cash generated from operating activities	340,876,208	106,698,290
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	-	(578,211)
Proceeds from disposals of financial assets for hedging	(16,455)	-
Acquisition of investments accounted for using the equity method	(2,154,399)	(690,369)
Acquisition of property, plant and equipment	(14,051,214)	(21,041,343)
Proceeds from disposals of property, plant and equipment	65,918,550	-
Decrease (increase) in guarantee deposits paid	382	(34,935)
Acquisition of right-of-use assets	(1,165,819)	(540,322)
Decrease (increase) in other financial assets	1,865,017	(1,272,911)
Decrease (increase) in other non-current assets (prepayments for vessels)	(145,058,859)	(167,581,250)
Net cash used in investing activities	(94,662,797)	(191,739,341)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	(49,955,227)	9,906,247
Repayments of bonds	-	(5,000,000)
Increase (decrease) in long-term borrowings	(46,555,030)	1,240,384
Increase (decrease) in guarantee deposits received	-	(31,796)
Repayments of the principal portion of lease liabilities	(10,643,573)	(10,292,350)
Increase (decrease) in other financial liabilities (long-term accounts payable (including to related parties))	9,364,750	49,905,847
Distribution of cash dividend	(40,249,709)	(34,475,074)
Proceeds from issuance of common stock for cash	-	28,316,726
Net cash generated from (used in) financing activities	(138,038,789)	39,569,984
Effect of exchange rate changes on cash and cash equivalents	(348,450)	(10,355)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	107,826,172	(45,481,422)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	20,895,280	63,589,694
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$128,721,452</u>	<u>\$18,108,272</u>

The accompanying notes are an integral part of the consolidated financial statement.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN)
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2021 AND 2020
(Unaudited)
(In US Dollars Unless Stated Otherwise)

1. History and organization

Wisdom Marine Lines Co., Limited (Cayman) (the “Company”) was incorporated in the Cayman Islands on 21 October 2008 as a tax-exempt company with limited liability under the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company and its subsidiaries (the “Group”) primarily provide marine cargo transportation services, service related to the maintenance, vessel leasing, and shipping agency and management services. On 1 December 2010, the Company was approved and listed on Taiwan Stock Exchange (TWSE).

The Company’s ultimate parent company: None.

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements were authorized for issue by the board of directors on 29 October 2021.

3. Newly issued or revised standards and interpretations

(1) Except for the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended 31 December 2020. The following are the new standards and amendments for the annual periods beginning on or after 1 January 2021 which had no material impact on the Group.

A. Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

This amendment extends the practical expedient in paragraph 46A of IFRS 16 Leases for one year. This amendment that are applicable for annual periods beginning on or after 1 April 2021 have no material impact on the Group.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(2) The following standards or interpretations issued by IASB are not yet effective:

A. IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”-Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in *IFRS 10 Consolidated Financial Statements* and *IAS 28 Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

B. IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

C. Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

D. Narrow-scope amendments of IFRS, including Amendments to IFRS 3, Amendments to IAS 16, Amendments to IAS 37 and the Annual Improvements

(a) Updating a Reference to the Conceptual Framework (Amendments to IFRS 3)

The amendments updated IFRS 3 by replacing a reference to an old version of the Conceptual Framework for Financial Reporting with a reference to the latest version, which was issued in March 2018. The amendments also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential “day 2” gains or losses arising for liabilities and contingent liabilities. Besides, the amendments clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Conceptual Framework.

(b) Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.

(c) Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments clarify what costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

(d) Annual Improvements to IFRS Standards 2018 - 2020

Amendment to IFRS 1

The amendment simplifies the application of IFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Amendment to IFRS 9 Financial Instruments

The amendment clarifies the fees a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

Amendment to Illustrative Examples Accompanying IFRS 16 Leases

The amendment to Illustrative Example 13 accompanying IFRS 16 modifies the treatment of lease incentives relating to lessee's leasehold improvements.

Amendment to IAS 41

The amendment removes a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in IAS 41 with those in other IFRS Standards.

E. Disclosure Initiative - Accounting Policies – Amendments to IAS 1

The amendments improve accounting policy disclosures that to provide more useful information to investors and other primary users of the financial statements.

F. Definition of Accounting Estimates – Amendments to IAS 8

The amendments introduce the definition of accounting estimates and included other amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to help companies distinguish changes in accounting estimates from changes in accounting policies.

G. Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The abovementioned standards and interpretations issued by IASB are not yet effective at the date when the Group's financial statements were authorized for issue. As the Group is still currently determining the potential impact of the standards and interpretations listed under A, F and G, it is not practicable to estimate their impact on the Group at this point in time. All other standards and interpretations have no material impact on the Group.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4. Summary of significant accounting policies

(1) Statement of compliance

The consolidated financial statements of the Group for the nine-month periods ended 30 September 2021 and 2020 have been prepared in accordance with the administration rule No.10200546801 of Financial Supervisory Commission of the Republic of China and IAS 34 “Interim Financial Reporting”. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2020. These consolidated financial statements do not include all information or disclosures required for full annual financial statements prepared in accordance with International Financial Reporting Standards.

(2) Basis of preparation

A. Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for those financial instruments that are measured at fair value with changes therein shown in the consolidated financial statements.

B. Functional and presentation currency

The functional currency of each Group entities is determined based on the primary economic environment in which the entities operate. The Group’s consolidated financial statements are presented in US Dollar, which is the Company’s functional currency and presentation currency.

(3) Basis of consolidation

A. Preparation principle of consolidated financial statements

The consolidated financial statements have been prepared on the same basis as the consolidated financial statements as at 31 December 2020. Please refer to Note 4 to the consolidated financial statements as at 31 December 2020 for details.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

B. The consolidated entities are listed as follows:

Investor	Investee Company Name	2021.09.30 Ownership Percentage	2020.12.31 Ownership Percentage
The Company	Wisdom Marine Lines S.A. (Panama) (WML)	100%	100%
The Company	Wisdom Marine International Inc. (WII)	100%	100%
WII	Well Ship management and Maritime Consultant Co., Ltd. (WELL)	100%	100%
WII	Wisdom Lines Europe B.V.	100%	100%
WML	Adixi Wisdom S.A.	100%	100%
WML	Amis Carriers S.A.	100%	100%
WML	Amis Elegance S.A.	100%	100%
WML	Amis Fortune S.A.	100%	100%
WML	Amis Hero S.A.	100%	100%
WML	Amis Integrity S.A.	100%	100%
WML	Amis International S.A.	100%	100%
WML	Amis Justice S.A.	100%	100%
WML	Amis Mariner S.A.	100%	100%
WML	Amis Miracle S.A.	100%	100%
WML	Amis Nature Inc.	100%	100%
WML	Amis Navigation S.A.	100%	100%
WML	Amis Star S.A.	100%	100%
WML	Amis Victory S.A.	100%	100%
WML	Amis Wisdom S.A.	100%	100%
WML	Arikun Wisdom S.A.	100%	100%
WML	Atayal Brave S.A.	100%	100%
WML	Atayal Mariner S.A.	100%	100%
WML	Atayal Star S.A.	100%	100%
WML	Atayal Wisdom S.A.	100%	100%
WML	Babuza Wisdom S.A.	100%	100%
WML	Beagle Marine S.A.	100%	100%
WML	Beagle Wisdom S.A.	100%	100%
WML	Bunun Brave S.A.	100%	100%
WML	Bunun Champion S.A.	100%	100%
WML	Bunun Dynasty S.A.	100%	100%
WML	Bunun Elegance S.A.	100%	100%
WML	Bunun Fortune S.A.	100%	100%
WML	Bunun Hero S.A.	100%	100%
WML	Bunun Infinity S.A.	100%	100%
WML	Bunun Justice S.A.	100%	100%
WML	Bunun Marine S.A.	100%	100%
WML	Bunun Navigation S.A.	100%	100%
WML	Bunun Noble Inc.	100%	100%

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Investor	Investee Company Name	2021.09.30 Ownership Percentage	2020.12.31 Ownership Percentage
WML	Bunun Treasure S.A.	100%	-
WML	Bunun Wisdom S.A.	100%	100%
WML	Cosmic Wisdom S.A.	100%	100%
WML	Daiwan Champion S.A.	100%	100%
WML	Daiwan Dolphin S.A.	100%	100%
WML	Daiwan Elegance S.A.	100%	100%
WML	Daiwan Fortune S.A.	100%	100%
WML	Daiwan Glory S.A.	100%	100%
WML	Daiwan Hero S.A.	100%	100%
WML	Daiwan Infinity S.A.	100%	100%
WML	Daiwan Justice S.A.	100%	100%
WML	Daiwan Kalon S.A.	100%	100%
WML	Daiwan Leader S.A.	100%	100%
WML	Daiwan Miracle S.A.	100%	100%
WML	Dumun Marine S.A.	100%	100%
WML	Dumun Navigation S.A.	100%	100%
WML	Elite Steamship S.A.	100%	100%
WML	Euroasia Investment S.A.	100%	100%
WML	Favoran Wisdom S.A.	100%	100%
WML	Fourseas Maritime S.A. Panama	100%	100%
WML	Fraternity Marine S.A.	100%	100%
WML	Fraternity Ship Investment S.A.	100%	100%
WML	Genius Marine S.A.	100%	100%
WML	Genius Prince S.A.	100%	100%
WML	Genius Star Carriers S.A.	100%	100%
WML	Genius Star Navigation S.A.	100%	100%
WML	GS Global S.A.	100%	100%
WML	GS Navigation S.A.	100%	100%
WML	GSX Maritime S.A.	100%	100%
WML	Guma Marine S.A.	100%	100%
WML	Guma Navigation S.A.	100%	100%
WML	Harmony Pescadores S.A.(Panama)	100%	100%
WML	Harmony Transport S.A.	100%	100%
WML	Hoanya Wisdom S.A.	100%	100%
WML	Infinite Wisdom S.A.	100%	100%
WML	Katagalan Carriers S.A.	100%	100%
WML	Katagalan Line S.A.	100%	100%
WML	Katagalan Marine S.A.	100%	100%
WML	Katagalan Navigation S.A.	100%	100%
WML	Katagalan Star S.A.	100%	100%
WML	Katagalan Wisdom S.A.	100%	100%

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Investor	Investee Company Name	2021.09.30 Ownership Percentage	2020.12.31 Ownership Percentage
WML	Kavalan Wisdom S.A.	100%	100%
WML	Ligulao Wisdom S.A.	100%	100%
WML	Lloa Wisdom S.A.	100%	100%
WML	Log Wisdom S.A.	100%	100%
WML	Luilang Wisdom S.A.	100%	100%
WML	Magnate Maritime S.A.	100%	100%
WML	Makatao Wisdom S.A.	100%	100%
WML	Mercy Marine Line S.A.	100%	100%
WML	Mighty Maritime S.A.	100%	100%
WML	Mimasaka Investment S.A.	100%	100%
WML	Mount Wisdom S.A.	100%	100%
WML	Paiwan Wisdom S.A.	100%	100%
WML	Papora Wisdom S.A.	100%	100%
WML	Pazeh Wisdom S.A.	100%	100%
WML	Pescadores International Line S.A.	100%	100%
WML	Poavosa International S.A.	100%	100%
WML	Poavosa Maritime S.A.	100%	100%
WML	Poavosa Navigation S.A.	100%	100%
WML	Poavosa Wisdom S.A.	100%	100%
WML	Rukai Maritime S.A.	100%	100%
WML	Sakizaya Diamond S.A.	100%	100%
WML	Sakizaya Fortune S.A.	100%	100%
WML	Sakizaya Glory S.A.	100%	100%
WML	Sakizaya Hero S.A.	100%	100%
WML	Sakizaya Integrity S.A.	100%	100%
WML	Sakizaya Justice S.A.	100%	100%
WML	Sakizaya Kalon S.A.	100%	100%
WML	Sakizaya Leader S.A.	100%	100%
WML	Sakizaya Line S.A.	100%	100%
WML	Sakizaya Marine S.A.	100%	100%
WML	Sakizaya Miracle S.A.	100%	100%
WML	Sakizaya Navigation S.A.	100%	100%
WML	Sakizaya Orchid S.A.	100%	100%
WML	Sakizaya Power S.A.	100%	100%
WML	Sakizaya Queen S.A.	100%	100%
WML	Sakizaya Respect S.A.	100%	100%
WML	Sakizaya Unicorn S.A.	100%	100%
WML	Sakizaya Victory S.A.	100%	100%
WML	Sakizaya Wisdom S.A.	100%	100%
WML	Sao Wisdom S.A.	100%	100%
WML	Sakizaya Youth S.A.	100%	-

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Investor	Investee Company Name	2021.09.30 Ownership Percentage	2020.12.31 Ownership Percentage
WML	Saysiat Wisdom S.A.	100%	100%
WML	Siraya Wisdom S.A.	100%	100%
WML	Taivoan Wisdom S.A.	100%	100%
WML	Tao Ace S.A.	100%	100%
WML	Tao Brave S.A.	100%	100%
WML	Tao Mariner S.A.	100%	100%
WML	Tao Star S.A.	100%	100%
WML	Tao Treasure S.A.	100%	100%
WML	Taokas Marine S.A.	100%	100%
WML	Taokas Navigation S.A.	100%	100%
WML	Taokas Wisdom S.A.	100%	100%
WML	Taroko Maritime S.A.	100%	100%
WML	Taroko Wisdom S.A.	100%	100%
WML	Triumph Wisdom S.A.	100%	100%
WML	Trobian Wisdom S.A.	100%	100%
WML	Unicorn Bravo S.A.	100%	100%
WML	Unicorn Fortune S.A.	100%	100%
WML	Unicorn Logger S.A.	100%	100%
WML	Unicorn Logistics S.A.	100%	100%
WML	Unicorn Marine S.A.	100%	100%
WML	Unicorn Pescadores S.A.	100%	100%
WML	Unicorn Successor S.A.	100%	100%
WML	Vayi Wisdom S.A.	100%	100%
WML	Winsome Wisdom S.A.	100%	100%
WML	Wisdom Ace S.A.	100%	100%

Subsidiaries excluded from consolidation: None.

(4) Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- B. Foreign currency items within the scope of IFRS 9 “*Financial Instruments*” are accounted for based on the accounting policy for financial instruments.
- C. Exchange differences arising on a monetary item that forms part of a reporting entity’s net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized.

The following partial disposals are accounted for as disposals:

- A. when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
- B. when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and non-current distinction

An asset is classified as current when:

- A. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- B. The Group holds the asset primarily for the purpose of trading
- C. The Group expects to realize the asset within twelve months after the reporting period
- D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- A. The Group expects to settle the liability in its normal operating cycle
- B. The Group holds the liability primarily for the purpose of trading
- C. The liability is due to be settled within twelve months after the reporting period
- D. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(7) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Time deposits which mature over three months are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. They are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value, therefore they are reported as cash and cash equivalents.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(8) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 “*Financial Instruments*” are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost or fair value through other comprehensive income on the basis of both:

- (a) the Group’s business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- (a) purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- (b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income is described as below:

- (a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- (b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- (c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
 - i. Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
 - ii. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

B. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the statement of financial position.

The Group measures expected credit losses of a financial instrument in a way that reflects:

- (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) the time value of money; and
- (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follow:

- (a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance for a financial asset at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that condition is no longer met.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- (b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- (c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
- (d) For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has been increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

- (a) The rights to receive cash flows from the asset have expired
- (b) The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- (c) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Compound instruments

The Group evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Group assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not re-measured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 “*Financial Instruments*”.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 “*Financial Instruments*” are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. A financial liability is classified as held for trading if:

- (a) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- (b) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- (c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

- (a) it eliminates or significantly reduces a measurement or recognition inconsistency; or
- (b) a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or losses including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Derivative instrument

The Group uses derivative instruments to hedge its foreign currency risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss (held for trading) except for derivatives that are designated effective hedging instruments which are classified as derivative financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in equity.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value through profit or loss.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(10) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- A. In the principal market for the asset or liability, or
- B. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(11) Inventories

Inventories are bunker oil and are carried at the lower of cost or net realizable value. The cost of fuel is determined using the weighted-average cost method. Net realizable value is the determined based on the estimated selling price in the ordinary course of business, less the estimated selling expenses at the end of the period.

(12) Investments accounted for using the equity method

The Group's investment in its associate is accounted for using equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Under equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate. After the interest in the associate is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's related interest in the associate.

When the associate issues new stock, and the Group's interest in an associate is reduced or increased as the Group fails to acquire shares newly issued in the associate proportionately to its original ownership interest, the increase or decrease in the interest in the associate is recognized in Additional Paid in Capital and Investment accounted for using equity method. When the interest in the associate is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired in accordance with IAS 28 "*Investments in Associates and Joint Ventures*". If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 "*Impairment of Assets*". In determining the value in use of the investment, the Group estimates:

- A. Its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
- B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 "*Impairment of Assets*".

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Upon loss of significant influence over the associate, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply equity method and does not remeasure the retained interest.

(13) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *“Property, Plant and Equipment”*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

All major components of the vessels are depreciated on a straight-line basis over the useful life of the assets. Depreciation is based on cost less the estimated residual value. The residual value is estimated as the lightweight tonnage of each vessel multiplied by scrap value per ton.

The dry-docking cost, including acquisition of a new vessel, is separated from the remaining cost of the vessel. These two cost elements are recognized and depreciated separately. For the building of new vessels, the initial dry-docking cost is also segregated and capitalized separately.

The Group has a long-term plan for dry-docking of the vessels. Dry-docking cost is capitalized and depreciated until the next planned dry-docking. Other capitalized improvements are depreciated over the estimated economic life.

The carrying values of vessels and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Valuations are performed frequently to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. The residual values, useful lives, and depreciation methods are reviewed, and adjusted if appropriate, at the end of each reporting period, except for those cases which are of little consequence.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

A vessel or item of equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement in the year the asset is derecognized.

Expenditures on the building of new vessels are capitalized as vessels under construction as they are paid. Capitalized value is reclassified from vessel under construction to vessels upon delivery from the dock. The total acquisition cost of a vessel is determined based on the sum of installments paid plus the costs incurred during the construction period. Borrowing costs that are attributable to the construction of the vessels are capitalized as part of the vessel. The interest rate is based on the weighted-average borrowing costs for the Group, limited to the total borrowing costs incurred in the period.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	28 years
Vessels	16-25 years
Vessel equipment	3-5 years
Dry dock	2.5 years
Other	3-5 years
Right-of-use assets	1.5-25 years

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(14) Investment property

The Group's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 *"Non-current Assets Held for Sale and Discontinued Operations"*, investment properties are measured using the cost model in accordance with the requirements of IAS 16 *"Property, Plant and Equipment"* for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	28 years
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Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The Group transfers properties to or from investment properties according to the actual use of the properties.

The Group transfers to or from investment properties when there is a change in use for these assets. Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(15) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

- A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
- B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments discount using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- C. amounts expected to be payable by the lessee under residual value guarantees;
- D. the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which is increasing the carrying amount to reflect interest on the lease liability by using an effective interest method; and reducing the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- A. the amount of the initial measurement of the lease liability;
- B. any lease payments made at or before the commencement date, less any lease incentives received;
- C. any initial direct costs incurred by the lessee; and
- D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 “*Impairment of Assets*” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and presents interest expense separately from the depreciation charge associate with those leases in the consolidated income statement.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

For the rent concession arising as a direct consequence of the Covid-19 pandemic, the Group elected not to assess whether it is a lease modification but accounted it as a variable lease payment and the practical expedient has been applied to such rent concessions.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(16) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 "*Impairment of Assets*" may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(17) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract or the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(18) Revenue recognition

Hire revenue

Hire revenue is recognized when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably. The revenue is measured at the fair value of consideration that the Group has received or had the right to receive. The revenue is recognized on a time proportion basis over the lease term.

Freight revenue and vessel management revenue

The Group's revenue arising from contracts with customers are rendering of services, including shipping services and vessel management services. Such services are separately priced or negotiated, and provided based on contract periods. As the Group provides the services over the contract period, so that the customers simultaneously receive and consume the benefits provided by the Group. Accordingly, the performance obligations are satisfied over time and the related revenue are recognized by reference to the stage of completion over the period.

Most of the contractual considerations of the Group are received on average during the contract period after the provision of services. When the Group has performed the services to customers but does not has a right to an amount of consideration that is unconditional, these contracts should be presented as contract assets. However, for some rendering of services contracts, part of the consideration was received from customers upon signing the contract, and the Group has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component arises.

(19) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(20) Post-employment benefits

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss during which services are rendered by employees.

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted and disclosed for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(21) Income taxes

Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

5. Significant accounting judgments, estimates and assumptions

The same significant accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Company's consolidated financial statements for the year ended 31 December 2020. Please refer to the Note 5 in the consolidated financial statements as at 31 December 2020 for details.

6. Contents of significant accounts

(1) Cash and cash equivalents

	30 September 2021	31 December 2020
Cash on hand	\$5,408	\$5,424
Checking accounts	-	18
Demand deposits	96,266,044	19,039,838
Time deposits	32,450,000	1,850,000
Total	<u>\$128,721,452</u>	<u>\$20,895,280</u>

As at 30 September 2021 and 31 December 2020, cash and cash equivalents with carrying amounts of \$56,573,452 and \$58,438,469, respectively, were pledged to secure bank loans and were classified under other financial assets.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(2) Financial assets at fair value through other comprehensive income

	30 September 2021	31 December 2020
Investments in debt instruments measured at fair value through other comprehensive income		
Bonds		
-Current	\$1,646,643	\$1,685,039

A. For the amount of aforementioned financial assets pledged for bank loans as at 30 September 2021 and 31 December 2020, please refer to Note 8.

B. For the credit risk information of financial assets at fair value through other comprehensive income, please refer to Note 12.

(3) Accounts receivable and accounts receivable due from related parties, net

	30 September 2021	31 December 2020
Accounts receivable	\$5,725,849	\$5,435,677
Less: loss allowance	(419,052)	(364,982)
Subtotal	5,306,797	5,070,695
Accounts receivable due from related parties	386,522	412,739
Less: loss allowance	-	-
Subtotal	386,522	412,739
Accounts receivable, net	\$5,693,319	\$5,483,434

The aforementioned accounts receivable is generated from operations and the Group does not hold any collateral for such trade receivables.

The total carrying amount as at 30 September 2021 and 31 December 2020 are \$6,112,371 and \$5,848,416, respectively. Please refer to Note 6.(15) for more details on loss allowance of trade receivables for the nine-month periods ended 30 September 2021 and 2020. Please refer to Note 12 for more details on credit risk management.

(4) Inventories

	30 September 2021	31 December 2020
Fuel	\$4,068,259	\$10,517,805

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- A. The cost of inventories recognized in expenses amounts to \$1,986,279 for the nine-month periods ended 30 September 2021, including the reversal of write-down of inventories of \$508,107.
- B. The cost of inventories recognized in expenses amounts to \$11,433,239 for the nine-month periods ended 30 September 2020, including the write-down of inventories of \$536,647.
- C. As at 30 September 2021 and 31 December 2020, the aforementioned inventories were not pledged as collateral.

(5) Investments accounted for using the equity method

	30 September 2021		31 December 2020	
	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investees				
Investments in associates:				
Pescadores Investment and Development Inc.	<u>\$10,149,561</u>	40%	<u>\$8,561,823</u>	40%

- A. For the purpose of building the Group's headquarter, the Group has participated in an investment with Pescadores Co., Ltd. and Mr. Lan Chun Sheng by subscribing for new shares of Pescadores Investment and Development Inc., of which capital has amounted to NT\$1 billion. The Group holds 40% of the shares issued by Pescadores Investment and Development Inc. As at 30 September 2021, the Group had contributed capital amounting to NT\$5.72 million and recognized investment losses amounting to NT\$2.89 million.
- B. The Group has subscribed for new shares of Pescadores Investment and Development Inc., of which capital has amounted to NT\$1.28 billion, with a par value of NT\$10 per share for 2,000,000 shares. The Group remains 40% interest in the shares issued by Pescadores Investment and Development Inc. As at 16 June 2020, the Group had fully paid the amount. As at 22 July 2020, Pescadores Investment and Development Inc. had completed the alteration of the registered capital amount.
- C. The Group has subscribed for new shares of Pescadores Investment and Development Inc., of which capital has amounted to NT\$1.43 billion, with a par value of NT\$10 per share for 6,000,000 shares. The Group remains 40% interest in the shares issued by Pescadores Investment and Development Inc. As at 16 July 2021, the Group had fully paid the amount. As at 25 August 2021, Pescadores Investment and Development Inc. had completed the alteration of the registered capital amount.
- D. The urban renewal project of Pescadores Investment and Development Inc. was approved by Taipei City Government on 17 December 2019. The permission of capacity transfer was obtained on 25 January 2021. The construction registration was applied on 27 May 2021. However, the building permit has not been obtained.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

E. Reconciliation of the associate's summarized financial information presented to the carrying amount of the Group's interest in the associate:

	30 September 2021	31 December 2020
Current assets	\$2,159,591	\$457,154
Non-current assets	165,977,686	164,501,017
Current liabilities	(2,154)	(30,482)
Non-current liabilities	(142,761,221)	(143,523,132)
Equity	25,373,902	21,404,557
Percentage of ownership (%)	40%	40%
Group's carrying amount of the investment	<u>\$10,149,561</u>	<u>\$8,561,823</u>

	3-month period ended 30 September		9-month period ended 30 September	
	2021	2020	2021	2020
Operating revenue	\$-	\$-	\$-	\$-
Loss from continuing operations	(722,837)	(494,303)	(1,601,948)	(1,574,171)
Other comprehensive income	-	-	-	-
Total comprehensive loss	<u>\$(722,837)</u>	<u>\$(494,303)</u>	<u>\$(1,601,948)</u>	<u>\$(1,574,171)</u>

(a) The investments in associates do not have a quoted market price in active market.

(b) The investments in associates had no contingent liabilities, capital commitments, or guarantees.

F. The aforementioned investments in associates had no contingent liabilities, capital commitments, or guarantees as at 30 September 2021 and 31 December 2020.

(6) Property, plant and equipment

	30 September 2021	31 December 2020
Owner occupied property, plant and equipment	\$14,193,171	\$14,140,468
Property, plant and equipment leased out under operating leases	2,541,179,524	2,598,753,617
Total	<u>\$2,555,372,695</u>	<u>\$2,612,894,085</u>

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

A. Owner occupied property, plant and equipment

	Beginning				Foreign exchange	
30 September 2021	balance	Additions	Disposals	Re-classification	differences	Ending balance
Cost						
Land	\$12,427,758	\$-	\$-	\$-	\$111,560	\$12,539,318
Buildings	1,704,103	-	-	-	15,297	1,719,400
Transportation equipment	100,712	-	-	-	904	101,616
Office equipment	354,886	-	-	-	3,186	358,072
Total	14,587,459	-	-	-	130,947	14,718,406
Accumulated depreciation						
Buildings	91,613	55,436	-	-	1,060	148,109
Transportation equipment	79,379	3,710	-	-	728	83,817
Office equipment	275,999	14,769	-	-	2,541	293,309
Total	446,991	73,915	-	-	4,329	525,235
Net Balance	\$14,140,468	\$(73,915)	\$-	\$-	\$126,618	\$14,193,171

	Beginning				Foreign exchange	
31 December 2020	balance	Additions	Disposals	Re-classification	differences	Ending balance
Cost						
Land	\$8,659,490	\$-	\$-	\$3,188,915	\$579,353	\$12,427,758
Buildings	1,041,105	200,190	-	383,394	79,414	1,704,103
Transportation equipment	94,396	-	-	-	6,316	100,712
Office equipment	276,647	56,954	-	-	21,285	354,886
Total	10,071,638	257,144	-	3,572,309	686,368	14,587,459
Accumulated depreciation						
Buildings	20,942	59,774	-	6,583	4,314	91,613
Transportation equipment	69,787	4,694	-	-	4,898	79,379
Office equipment	239,326	19,701	-	-	16,972	275,999
Total	330,055	84,169	-	6,583	26,184	446,991
Net Balance	\$9,741,583	\$172,975	\$-	\$3,565,726	\$660,184	\$14,140,468

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

B. Property, plant and equipment leased out under operating leases

30 September 2021	Beginning balance	Additions	Impairment	Disposals	Re-classification	Foreign exchange differences	Ending balance
Cost							
Vessel	\$3,530,390,668	\$2,037,125	\$-	\$143,486,062	\$160,377,580	\$25,607	\$3,549,344,918
Vessel equipment	10,993,246	2,184,413	-	355,602	-	129	12,822,186
Dry-dock	30,556,393	9,829,676	-	2,694,993	572,838	6,231	38,270,145
Total	3,571,940,307	14,051,214	-	146,536,657	160,950,418	31,967	3,600,437,249
Accumulated depreciation and impairment							
Vessel	953,867,184	95,644,147	59,300,000	78,955,402	-	18,437	1,029,874,366
Vessel equipment	6,036,040	1,701,087	-	186,395	-	129	7,550,861
Dry-dock	13,283,466	10,165,467	-	1,244,751	(377,162)	5,478	21,832,498
Total	973,186,690	107,510,701	59,300,000	80,386,548	(377,162)	24,044	1,059,257,725
Net Balance	\$2,598,753,617	\$(93,459,487)	\$(59,300,000)	\$66,150,109	\$161,327,580	\$7,923	\$2,541,179,524

31 December 2020	Beginning balance	Additions	Disposals	Re-classification	Foreign exchange differences	Ending balance
Cost						
Vessel	\$3,307,622,092	\$8,792,940	\$-	\$213,796,750	\$178,886	\$3,530,390,668
Vessel equipment	11,943,342	2,423,004	-	(3,373,998)	898	10,993,246
Dry-dock	25,251,712	14,586,320	-	(9,325,169)	43,530	30,556,393
Total	3,344,817,146	25,802,264	-	201,097,583	223,314	3,571,940,307
Accumulated depreciation and impairment						
Vessel	827,887,637	125,854,325	-	-	125,222	953,867,184
Vessel equipment	7,265,250	2,143,890	-	(3,373,998)	898	6,036,040
Dry-dock	11,469,413	12,570,049	-	(10,790,169)	34,173	13,283,466
Total	846,622,300	140,568,264	-	(14,164,167)	160,293	973,186,690
Net Balance	\$2,498,194,846	\$(114,766,000)	\$-	\$215,261,750	\$63,021	\$2,598,753,617

C. As at 30 September 2021 and 31 December 2020, the residual value of the vessels amounted to \$445,012 thousand and \$440,085 thousand, respectively, and the estimated useful lives were ranging from 16 to 25 years and 16 to 25 years, respectively.

D. As at 30 September 2021 and 31 December 2020, the Group had deposited the chartering income of some vessels, including those still being built, into reserve accounts of lending institutions.

E. For the amount of property, plant and equipment under pledge as at 30 September 2021 and 31 December 2020, please refer to Note 8 for further details.

F. As at 30 September 2021, the Group has entered into certain ship building contracts, please refer to Note 9.(1) for further details.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

G. For the nine-month periods ended 30 September 2021 and 2020, the amounts of total interest expense before capitalization of borrowing costs were \$24,901,643 and \$33,874,330; the capitalized interest were \$51,284 and \$77,907, respectively, with capitalization of rate of borrowing costs at 1.36%~2.05% and 1.61~3.98%, respectively.

H. For the nine-months periods ended 30 September 2021 and 2020, the Group disposed of certain vessels for \$65,918,550 and \$0, which resulted in losses on disposal of property and equipment of \$2,359,918 and \$0.

I. In the nine-month period ended 30 September 2021, the \$59,300,000 impairment loss represented the write down of certain property, plant and equipment in the group of Capesize to the recoverable amount. This has been recognized in the statement of comprehensive income. The recoverable amount was based on value in use and was determined at the level of the cash generating unit. The projected cash flows that were used to calculate value in use reflect the demand for services. In determining value in use for the cash-generating unit, the cash flows were discounted at a rate of 6.65%.

(7) Investment property, net

The Group's investment property is owned investment properties. The Group has entered into commercial property leases on its owned investment properties with terms within two years.

30 September 2021	Beginning balance	Additions	Disposals	Re-classification	Foreign exchange differences	Ending balance
Cost						
Land	\$2,333,803	\$-	\$-	\$-	\$20,950	\$2,354,753
Buildings	280,586	-	-	-	2,519	283,105
Total	2,614,389	-	-	-	23,469	2,637,858
Accumulated depreciation						
Buildings	15,319	7,291	-	-	169	22,779
Total	15,319	7,291	-	-	169	22,779
Net Balance	\$2,599,070	\$(7,291)	\$-	\$-	\$23,300	\$2,615,079

31 December 2020	Beginning balance	Additions	Disposals	Re-classification	Foreign exchange differences	Ending balance
Cost						
Land	\$5,176,396	\$-	\$-	\$(3,188,915)	\$346,322	\$2,333,803
Buildings	622,343	-	-	(383,394)	41,637	280,586
Total	5,798,739	-	-	(3,572,309)	387,959	2,614,389
Accumulated depreciation						
Buildings	12,518	8,149	-	(6,583)	1,235	15,319
Total	12,518	8,149	-	(6,583)	1,235	15,319
Net Balance	\$5,786,221	\$(8,149)	\$-	\$(3,565,726)	\$386,724	\$2,599,070

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

	3-month period ended 30 September		9-month period ended 30 September	
	2021	2020	2021	2020
Rental income from investment property	\$29,476	\$8,312	\$88,070	\$22,003
Less:				
Direct operating expenses from investment property generating rental income	(7,150)	(1,149)	(24,176)	(20,067)
Direct operating expenses from investment property not generating rental income	-	(210)	-	(31,857)
Total	<u>\$22,326</u>	<u>\$6,953</u>	<u>\$63,894</u>	<u>\$(29,921)</u>

A. The Group acquired land and buildings located at the 3th subsection, Da-an district, Taipei for \$15,032,027 in May 2019 for the use of office space. As all the rental agreements with existing lessees, for approximately 37.41% of the total pings, have been expired in March 2020, the investment property was transferred to property, plant and equipment. On 14 September 2020, the Group leased out unused office space for approximately 15.81% of the total pings of the property, equivalent to \$2,599,070 which had been transferred from property, plant and equipment to investment property, please refer to Note 6.(6).

B. For the amount of investment property under pledge as at 30 September 2021 and 31 December 2020, please refer to Note 8.

C. Investment properties held by the Group are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized within Level 3. The fair value of investment properties is \$2,795,768 and \$2,770,894 as at 30 September 2021 and 31 December 2020, respectively. The fair value has been determined based on valuations performed by an independent valuer and rental rates. The valuation methods used are sales comparison approach and income approach.

(8) Other non-current assets

	30 September 2021	31 December 2020
Prepayment for vessels	\$29,804,000	\$46,061,000
Deferred expenses	32,114	37,420
Total	<u>\$29,836,114</u>	<u>\$46,098,420</u>

Prepayment for vessels is the amount prepaid for building new vessels. The Group had entered into ship building contracts, please refer to Note 9.(1).

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(9) Borrowings

	30 September 2021	31 December 2020
Bank loans		
— Short-term borrowings	\$23,000,000	\$73,669,964
— Long-term borrowings (including current portion)	\$1,402,426,774	\$1,490,190,613

A. Terms and conditions of outstanding loans were as follows:

Loans	Currency	Nominal interest rates	Maturity date	Amount
30 September 2021				
Unsecured	USD	1.27%~1.82%	2019.10.01~2023.07.08	\$26,105,000
	JPY	0.88%~1.33%	2021.09.01~2023.08.31	10,950,210
Secured	USD	1.03%~2.82%	2010.02.22~2030.06.23	881,633,037
	JPY	0.88%~2.01%	2007.12.18~2030.04.02	494,141,040
	TWD	1.32%~2.00%	2016.03.28~2024.05.31	12,597,487
Total				\$1,425,426,774
31 December 2020				
Unsecured	USD	1.52%~3.67%	2019.01.13~2022.10.01	\$56,074,167
	JPY	0.88%~1.36%	2019.11.07~2022.08.31	13,286,781
Secured	USD	1.08%~4.54%	2009.02.20~2030.06.23	928,809,640
	JPY	0.88%~2.13%	2007.12.18~2030.04.02	552,325,576
	TWD	1.31%~2.07%	2016.03.28~2024.05.31	13,364,413
Total				\$1,563,860,577

B. Future settlements of long-term borrowings were as follows:

Maturity period	30 September 2021	31 December 2020
Within one year	\$293,801,481	\$178,613,676
Beyond one year and up to five years	843,262,255	1,021,902,250
More than five years	265,363,038	289,674,687
Total	\$1,402,426,774	\$1,490,190,613

(a) As at 30 September 2021 and 31 December 2020, WML had provided financing guarantees for its subsidiaries of \$1,115,211 thousand and \$1,106,409 thousand, respectively.

(b) As at 30 September 2021 and 31 December 2020, the Group had unused credit facilities of \$95,019 thousand and \$82,990 thousand, respectively.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(c) The Group's covenants under the loan agreements are as follows:

- i. Loan lenders shall be notified of any significant movement of the Group's shareholder's equity.
- ii. In certain circumstances, the Group retains the option to select the currency to be used for loan or debt settlement.
- iii. Some equity shares of the Company's subsidiaries were pledged to secure bank loans.

(d) As at 30 September 2021, the Group negotiated with some banks for deferral of principal payments for one year and lower interest rates.

(e) As at 31 September 2021 and 31 December 2020, WML and the Company had provided financial guarantees for the Company's subsidiaries. Please refer to Note 9.(2) for further details.

(10) Bonds payable

	30 September 2021	31 December 2020
Secured bonds	\$49,331,732	\$48,778,634
Less: current portion	-	-
Net	<u>\$49,331,732</u>	<u>\$48,778,634</u>

The Group's convertible bonds matured on 30 September 2020 and were repaid to debtors on 22 October 2020.

A. The Group's overseas secured bonds were as follows:

	30 September 2021	31 December 2020
First R.O.C. secured bonds issued in 2019		
Bonds issued	\$44,814,755	\$44,814,755
Accumulated converted amount	(341,951)	(456,693)
Valuation on bonds payable	<u>4,858,928</u>	<u>4,420,572</u>
Net	49,331,732	48,778,634
Less: current portion of bonds payable	-	-
Total	<u>\$49,331,732</u>	<u>\$48,778,634</u>
Interest expense	<u>\$424,086</u>	<u>\$539,236</u>

The Group issued five-year secured bonds with a face value of NT\$1,385,000 thousand for the first time on 7 May 2019. The interest is paid every year at the annual interest rate of 0.86%.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

B. The Group's overseas convertible bonds were as follows:

	31 December 2020
Second Singapore unsecured convertible bonds issued in 2015	
Convertible bonds issued	\$80,000,000
Discounts on bonds payable	-
Accumulated converted amount	-
Accumulated redeemed amount	(80,000,000)
Net	-
Less: current portion of bonds payable	-
Subtotal	-
Second R.O.C. secured convertible bonds issued in 2017	
Convertible bonds issued	13,218,771
Discounts on bonds payable	-
Accumulated converted amount	(92,832)
Accumulated redeemed amount	(13,707,283)
Valuation on bonds payable	581,344
Net	-
Less: current portion of bonds payable	-
Subtotal	-
Third R.O.C. unsecured convertible bonds issued in 2017	
Convertible bonds issued	26,307,136
Discounts on bonds payable	-
Accumulated converted amount	(22,519,561)
Accumulated redeemed amount	(3,469,106)
Valuation on bonds payable	(318,469)
Net	-
Less: Current portion of bonds payable	-
Subtotal	-
Total	\$-
Embedded derivative instruments — conversion right, accounted for under financial liabilities at fair value through profit or loss	\$-
Equity components — capital surplus, accounted under capital surplus and other	\$6,262,129
Liability components — financial liabilities at fair value through (profit) or loss	\$(1,744,862)
Interest expense	\$403,593

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

C. The offering information of the overseas convertible bonds was as follows:

Item	Second Singapore unsecured convertible bonds issued in 2015
1. Offering amount	US\$80 million
2. Issue date	10 April 2015
3. Outstanding amount	US\$0 million
4. Interest	The bonds will not bear any interest.
5. Issue period	From 10 April 2015 to maturity date of 10 April 2020
6. Guarantee institutions	None
7. Settlement	Unless the bonds have been previously redeemed, repurchased and cancelled or converted, the bonds will be redeemed by the Company on maturity date at an amount equal to the principal amount of the bonds with a yield-to-maturity of 2.0% per annum, calculated on semi-annual basis, which is 110.46% of the principal amount.
8. Redemption at the option of the holder	(1) Each holder has the right to require the Company to redeem all or any portion of the principal amount of such holder's bonds on 10 April 2017 at a redemption price equal to the principal amount of the bonds with a yield-to-maturity of 2.0% per annum, calculated on semi-annual basis, which is 104.06% of the principal amount. (2) In the event that the Company's common shares ceased to be listed or admitted to trading on the TWSE, each holder has the right to require the Company to redeem all or any portion of the principal amount of such holder's bonds at the early redemption amount equal to the principal amount of the bonds with a yield-to-maturity of 2.0% per annum, calculated on semi-annual basis. (3) In the event of change of control occurs with respect to the Company, each holder has the right to require the Company to redeem all or any portion of the principal amount of such holder's bonds at the early redemption amount.
9. Conversion	(1) Conversion period Unless the bonds have been redeemed before maturity, repurchased and cancelled or converted, each holder of the bonds will have the right at any time during the conversion period commencing 21 May 2015 (the 41st day following the closing Date) and ending at the close of business on 31 March 2020 (the 10th day prior to the maturity Date), to convert their bonds. (2) Conversion price The conversion price was NT\$42.79 per share which was 110% of the closing price (NT\$38.90) reported by the TWSE in respect of the common shares of the Company on 1 April 2015. The conversion price had been adjusted from NT\$42.79 per share to NT\$39.78 per share effective 4 July 2015. The conversion price had been adjusted from NT\$39.78 per share to NT\$37.09 per share effective 3 July 2016. The conversion price had been adjusted from NT\$37.09 per share to NT\$36.43 per share effective 28 October 2016. The conversion price had been adjusted from NT\$36.43 per share to NT\$33.5938 per share effective 29 July 2017. The conversion price had been adjusted from NT\$33.5938 per share to NT\$33.31 per share effective 3 November 2017. The conversion price had been adjusted from NT\$33.31 per share to NT\$32.21 per share effective 18 September 2018. The conversion price had been adjusted from NT\$32.21 per share to NT\$30.64 per share effective 3 August 2019. The conversion price had been adjusted from NT\$30.64 per share to NT\$30.42 per share effective 30 September 2019. (3) Conversion to common shares Upon conversion, the number of common shares converted is calculated by the issuance price (translated at a fixed exchange rate applicable on conversion of bonds of NT\$31.271 =US\$1.00) divided by the conversion price on the conversion date.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Item	Second R.O.C. secured convertible bonds issued in 2017
1. Offering amount	NT\$400,000 thousand
2. Issue date	30 September 2017
3. Outstanding amount	NT\$0 thousand
4. Interest	The bonds will not bear any interest.
5. Issue period	From 30 September 2017 to maturity date of 30 September 2020
6. Guarantee institutions	Bank Sinopac Company Limited
7. Settlement	A converting bond holder can convert bonds into the Company's common stock or execute put option based on the Company's conversion rules. The Company can also buy back cancellation from bonds dealers. Otherwise, bonds are repayable at face value by cash when they mature.
8. Redemption at the option of the holder	The bondholders can execute put option after two years from issuance date (30 September 2019). The Company should send through registered mail the "Notification of bondholder's put option" 40 days before the maturity date. (The list of bondholders who should receive the notification through registered mail is based on the register list 5 business days before mailing date. Investors who purchase the bonds after the mailing date are notified through announcement.) OTC (Over the Counter) should be notified by the Company and should announce the bondholder's put option; a written notification should be sent to the share transfer agent by bondholders 40 days after the OTC's announcement. The redemption value is the bonds face value plus interest. (Face value *0% after two years maturity period, the real yield is 0%). After accepting the redemption request, the Company should redeem the bonds by cash within 5 business days after the maturity date.
9. Conversion	(1) Conversion period A. The bondholders will have the right to convert their bonds at any time during the conversion period commencing 1 January 2018 (the 90th day following the closing date) and ending at the close of business on 30 September 2020 (the maturity Date), provided, however, that the conversion right during any closed period shall be suspended and the conversion period shall not include any such closed period, which means (i) the period during which the Company may be required to close its stock transfer books under ROC laws and regulations applicable from time to time; (ii) the period beginning on the 15th trading day prior to the record date for the distribution of stock or cash dividends, or subscription of new shares due to capital increase to the date ending on (and including) such record date; (iii) the period beginning on the record date of a capital reduction to one day prior to the trading day on which the shares of the Company are reissued after such capital reduction. (2) Conversion price The conversion price was NT\$30 per share which was 106.07% of the average closing price (NT\$28.28) reported by the TWSE in respect of the common shares of the Company during the 3 trading day period prior to 22 September 2017. The conversion price had been adjusted from NT\$30 per share to NT\$29.8 per share effective 3 November 2017. The conversion price had been adjusted from NT\$29.8 per share to NT\$28.8 per share effective 18 September 2018. The conversion price had been adjusted from NT\$28.8 per share to NT\$27.5 per share effective 3 August 2019. The conversion price had been adjusted from NT\$27.5 per share to NT\$27.3 per share effective 30 September 2019. The conversion price had been adjusted from NT\$27.3 per share to NT\$27.2 per share effective 4 June 2020. The conversion price had been adjusted from NT\$27.2 per share to NT\$25 per share effective 12 July 2020.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Item	Third R.O.C. unsecured convertible bonds issued in 2017
1. Offering amount	NT\$800,000 thousand
2. Issue date	2 October 2017
3. Outstanding amount	NT\$0 thousand
4. Interest	The bonds will not bear any interest.
5. Issue period	From 2 October 2017 to maturity date of 2 October 2020
6. Guarantee institutions	None
7. Settlement	A converting bond holder can convert bonds into the Company's common stock or execute put option based on the Company's conversion rules. The Company can also buy back cancellation from bonds dealers. Otherwise, bonds are repayable at face value by cash when they mature.
8. Redemption at the option of the holder	The bondholders can execute put option after two years from issuance date (2 October 2019). The Company should send through registered mail the "Notification of bondholder's put option" 40 days before the maturity date. (The list of bondholders who should receive the notification through registered mail is based on the register list 5 business days before mailing date. Investors who purchase the bonds after the mailing date are notified through announcement.) OTC (Over the Counter) should be notified by the Company and should announce the bondholder's put option; a written notification should be sent to the share transfer agent by bondholders 40 days after the OTC's announcement. The redemption value is the bonds face value plus interest. (Face value *1% after two years maturity period, the real yield is 0.5%). After accepting the redemption request, the Company should redeem the bonds by cash within 5 business days after the maturity date.
9. Conversion	(1) Conversion period The bondholders will have the right to convert their bonds at any time during the conversion period commencing 3 January 2018 (the 90th day following the closing date) and ending at the close of business on 2 October 2020 (the maturity Date), provided, however, that the conversion right during any closed period shall be suspended and the conversion period shall not include any such closed period, which means (i) the period during which the Company may be required to close its stock transfer books under ROC laws and regulations applicable from time to time; (ii) the period beginning on the 15th trading day prior to the record date for the distribution of stock or cash dividends, or subscription of new shares due to capital increase to the date ending on (and including) such record date; (iii) the period beginning on the record date of a capital reduction to one day prior to the trading day on which the shares of the Company are reissued after such capital reduction. (2) Conversion price The conversion price was NT\$29.5 per share which was 103.98% of the average closing price (NT\$28.37) reported by the TWSE in respect of the common shares of the Company during the 3 trading day period prior to 25 September 2017. The conversion price had been adjusted from NT\$29.5 per share to NT\$29.3 per share effective 3 November 2017. The conversion price had been adjusted from NT\$29.3 per share to NT\$28.3 per share effective 18 September 2018. The conversion price had been adjusted from NT\$28.3 per share to NT\$27 per share effective 3 August 2019. The conversion price had been adjusted from NT\$27 per share to NT\$26.8 per share effective 30 September 2019. The conversion price had been adjusted from NT\$26.8 per share to NT\$26.7 per share effective 4 June 2020. The conversion price had been adjusted from NT\$26.7 per share to NT\$24.5 per share effective 12 July 2020.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(11) Leases

A. Group as a lessor

Please refer to Note 6.(6)&(7) for relevant disclosure of property, plant and equipment for operating leases under IFRS 16 and the Group's owned investment properties. Leases of owned investment properties and property, plant and equipment are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	3-month period ended 30 September	
	2021	2020
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$ 179,953,527	\$98,665,603
	9-month period ended 30 September	
	2021	2020
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$ 451,958,900	\$270,472,690

For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as at 30 September 2021 and 31 December 2020 are as follows:

	30 September 2021	31 December 2020
Not later than one year	\$589,830,333	\$262,678,478
Later than one year but not later than two years	272,794,706	119,200,601
Later than two years but not later than three years	184,235,077	78,490,688
Later than three years but not later than four years	142,158,175	61,855,338
Later than four years but not later than five years	137,165,518	55,724,695
Later than five years	16,734,900	86,883,187
Total	\$1,342,918,709	\$664,832,987

B. Group as a lessee

The Group leases various assets, including vessels and buildings. The lease terms range from 3 to 9.5 years.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

The effect that leases have on the financial position, financial performance and cash flows of the Group are as follows:

(a) Amounts recognized in the balance sheet

i. Right-of-use assets

The carrying amount of right-of-use assets

	30 September 2021	31 December 2020
Vessels	\$142,512,021	\$126,265,257
Buildings	787,998	4,311
Total	<u>\$143,300,019</u>	<u>\$126,269,568</u>

During the nine-month periods ended 30 September 2021 and 2020, the additions to right-of-use assets of the Group amounting to \$24,771,036 and \$556,607, respectively.

ii. Lease liabilities

	30 September 2021	31 December 2020
Lease liabilities		
Current	\$15,100,202	\$14,011,443
Non-current	113,515,183	110,245,615
Total	<u>\$128,615,385</u>	<u>\$124,257,058</u>

(i) Please refer to Note 6.(17).D for the interest on lease liabilities recognized during the nine-month periods ended 30 September 2021 and 2020 and refer to Note 12.(5) Liquidity Risk Management for the maturity analysis for lease liabilities.

(ii) Please refer to Note 7 for further details of lease liabilities recognized for related party transactions.

(b) Amounts recognized in the statement of comprehensive income

Depreciation charge for right-of-use assets

	3-month period ended 30 September		9-month period ended 30 September	
	2021	2020	2021	2020
Vessels	\$2,653,434	\$2,460,392	\$7,482,955	\$7,275,309
Buildings	88,612	86,354	265,880	332,036
Total	<u>\$2,742,046</u>	<u>\$2,546,746</u>	<u>\$7,748,835</u>	<u>\$7,607,345</u>

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(c) Income and costs relating to leasing activities

	3-month period ended 30 September	
	2021	2020
The expense relating to short-term leases	\$5,500	\$263,153
The expense relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	1,884	1,693
The expense relating to variable lease payments not included in the measurement of lease liabilities	-	1,138
Income from subleasing right-of-use assets	12,745,762	6,757,791
Losses arising from sale and leaseback transactions	16,765	21,791

	9-month period ended 30 September	
	2021	2020
The expense relating to short-term leases	\$398,546	\$794,862
The expense relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	5,631	4,043
The expense relating to variable lease payments not included in the measurement of lease liabilities	-	173,298
Income from subleasing right-of-use assets	28,981,636	19,067,589
Losses arising from sale and leaseback transactions	52,919	66,755

During the nine-month period ended 30 September 2020, the rent concessions arising as a direct consequence of the Covid-19 pandemic amounting to \$22,698, which are recognized in other income to reflect the variable lease payment that arising from the application of the practical expedient.

(d) Cash outflow relating to leasing activities

For the nine-month periods ended 30 September 2021 and 2020, the Group's total cash outflows for lease amounting to \$12,599,808 and \$12,898,032, respectively.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(e) Sale and leaseback transaction

- i. As at 30 September 2021 and 31 December 2020, the Group engaged in vessels sale and leaseback transactions based on operating performance and investment strategies. The sale and leaseback transactions resulted in financial leases, and the related information of these transactions was as follows:

	Vessel	Lease term	Rent	Contract price	Interest rate
30 September 2021	A	7 years from 2018.09	¥28,928,000/quarter	¥810,000,000	1.5%
31 December 2020	A	7 years from 2018.09	¥28,928,000/quarter	¥810,000,000	1.5%

- ii. Future non-cancellable chartering payments as at 30 September 2021 and 31 December 2020 were as follows:

	30 September 2021	31 December 2020
Within one year	\$1,034,343	\$1,122,219
Beyond one year and up to five years	3,103,173	4,208,476
Total	\$4,137,516	\$5,330,695

- iii. Based on the agreements of the sale and leaseback transactions, the Group has the option to buy the vessels at maturity date and can acquire the lease vessels when the Group makes the payment.

- iv. Please refer to Note 7 for further details of sale and leaseback transactions regarding related parties.

(12) Post-employment defined benefit plan

A. Defined contribution plans

WELL and WII provide cash contribution at the rate of 6% of the employee's monthly wages to the Labor Pension personal account of the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

B. Defined benefit plans

WII also have a defined benefit plan covering all regular employees in accordance with the Labor Standards Act. This plan provides for a pension benefit payment of 2 units for each year of service. Each unit of retirement payment referred to above shall be computed as the average monthly salary for the last six months at the time of approved retirement. Under this plan, the Company contributes monthly an amount equal to 2% of gross salary to a pension fund, which is deposited into a designated depository account with the Bank of Taiwan.

(13) Equities

A. Capital

- (a) On 21 October 2008, the Company was incorporated with a registered capital of NT \$3,300,000 thousand. In January 2009, based on the approval of the board of directors, the Company issued shares of stock worth NT\$2,000,000 thousand, divided into 200,000 thousand shares with par value of NT\$10 per share for listing in Taiwan purpose.

As at 30 September 2021 and 31 December 2020, the total outstanding capital of the Company both amounted to NT\$7,464,092 thousand, consisting of 746,409 thousand shares with a par value of NT \$10 per share.

- (b) For the year ended 31 December 2020, convertible bonds were converted into common stock and capital surplus of \$24,371 and \$41,739, respectively.
- (c) A resolution was passed at a board of directors meeting of the Company held on 29 March 2019 and at the shareholders meeting held on 17 May 2019 to issue up to 80,000,000 shares of stock with a par value of NT\$10 per share. The board of directors authorized the chairman of the directors to set the offering price at NT\$27.40 per share for 40,000,000 shares, and the subscription was completed on 1 October 2019. The board of directors authorized the chairman of the directors to set the offering price at NT\$21.30 per share for 40,000,000 shares, and the subscription was completed on 4 June 2020.
- (d) On 22 May 2020, the shareholders resolved at their meeting to appropriate the 2019 earnings by distributing the cash dividends from capital surplus at NT\$1.50 per share and increasing capital from capital surplus of NT\$172,289 thousand, comprising 17,229 thousand shares with a par value of NT\$10. The record date of cash dividends was 12 July 2020, and the distribution date was 31 July 2020.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- (e) On 21 May 2021, the shareholders resolved at their meeting to appropriate the 2020 earnings, by distributing the cash dividends from retained earnings at NT\$0.70 per share and from capital surplus at NT\$0.80. The record date of cash dividends was 25 July 2021, and the distribution date was 13 August 2021.

B. Capital surplus

The components of the capital surplus were as follows:

	30 September 2021	31 December 2020
Additional paid-in capital	\$1,237,415	\$12,699,525
Employee stock option	-	565,552
Others	-	6,634,649
Total	<u>\$1,237,415</u>	<u>\$19,899,726</u>

C. Retained earnings

- (a) The Company's distribution of directors' and supervisors' remuneration is based on the level of earnings and the resolution of the board of directors. Distributions of directors' and supervisors' remuneration are classified into cost or operating expense. Any difference between the amounts approved in the shareholders' meeting and those recognized in the financial statements, if any, is accounted for as a change in accounting estimates and is charged to profit or loss.
- (b) On 21 May 2021 and 22 May 2020, the Company's shareholders resolved at the shareholder's meeting to appropriate the 2020 and 2019 earnings, respectively. These earnings were distributed as dividends and remuneration to directors and supervisors as follows:

	Unit: NTD	
	For the Years Ended 31 December	
Item	2020	2019
Cash dividends from retained earnings-per share	\$0.70	\$-
Cash dividends from capital surplus-per share	\$0.80	\$1.50
Stock dividends from capital surplus-per share	\$-	\$0.25

For the amount and estimate basis of Directors' and supervisors' remuneration please refer to Note 6.(16).E.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(14) Operating revenue

	3-month period ended 30 September		9-month period ended 30 September	
	2021	2020	2021	2020
Revenue from contracts with customers				
Freight revenue	\$782,004	\$4,439,541	\$4,495,009	\$9,676,417
Vessel management revenue	195,036	963,386	985,919	2,919,397
Subtotal	977,040	5,402,927	5,480,928	12,595,814
Hire revenue (Note)				
Hire revenue-long term	132,455,626	84,055,852	335,600,346	222,142,780
Hire revenue-short term	47,468,015	14,602,704	116,269,258	48,306,757
Subtotal	179,923,641	98,658,556	451,869,604	270,449,537
Other operating revenue	1,882,268	2,275,429	6,818,518	7,167,808
Total	<u>\$182,782,949</u>	<u>\$106,336,912</u>	<u>\$464,169,050</u>	<u>\$290,213,159</u>

Note: The Group accounted the hire revenue with lease terms within six months for hire revenue-short term.

Analysis of revenue from contracts with customers during the nine-month periods ended 30 September 2021 and 2020 are as follows:

A. Disaggregation of revenue

	3-month period ended 30 September		9-month period ended 30 September	
	2021	2020	2021	2020
Rendering of services	<u>\$977,040</u>	<u>\$5,402,927</u>	<u>\$5,480,928</u>	<u>\$12,595,814</u>
Timing of revenue recognition:				
Over time	<u>\$977,040</u>	<u>\$5,402,927</u>	<u>\$5,480,928</u>	<u>\$12,595,814</u>

B. Contract balances

(a) Current contract assets

	30 September 2021	31 December 2020	1 January 2020
Rendering of services	\$-	\$-	\$18,147

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

The significant changes in the Group's balances of contract assets during the nine-month periods ended 30 September 2021 and 2020 are as follows:

	9-month period ended 30 September	
	2021	2020
The opening balance transferred to trade receivables	\$-	\$(18,147)
Change in the measure of progress	\$-	\$-

(b) Current contract liabilities

	30 September 2021	31 December 2020	1 January 2020
Rendering of services	\$-	\$30,446	\$91,319

The significant changes in the Group's balances of contract liabilities for the nine-month periods ended 30 September 2021 and 2020 are as follows:

	9-month period ended 30 September	
	2021	2020
The opening balance transferred to revenue	\$(30,446)	\$(91,319)
Change in the measure of progress	\$-	\$244,886

C. Transaction price allocated to unsatisfied performance obligations

No disclosure of transaction price allocated to unsatisfied performance obligation as the duration of all contracts with customers is within one year.

D. Assets recognized from costs to fulfill a contract

None.

(15) Expected credit losses/(gains)

	3-month period ended 30 September		9-month period ended 30 September	
	2021	2020	2021	2020
Operating expenses – expected credit losses/(gains)				
Accounts receivable	\$26,840	\$101,409	\$54,070	\$167,976

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Please refer to Note 12 for more details on credit risk.

The Group measures the loss allowance of its accounts receivable at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as at 30 September 2021 and 2020 are as follows:

Considering counterparties credit rating, industry characteristics and past experiences, the loss allowance of accounts receivable is measured as a single group by using a provision matrix. Details for the provision matrix are as follows:

30 September 2021		Past due					Total
	Not yet due	Under 6 months	7~12 months	13~18 months	19~24 months	Over 24 months	
Gross carrying amount	\$3,835,512	\$84,916	\$475,335	\$1,067,483	\$649,125	\$-	\$6,112,371
Loss ratio	0.74%	12.20%	13.73%	17.16%	20.33%	100%	
Lifetime expected credit losses	28,282	10,360	65,263	183,180	131,967	-	419,052
Net carrying amount	\$3,807,230	\$74,556	\$410,072	\$884,303	\$517,158	\$-	\$5,693,319

30 September 2020		Past due					Total
	Not yet due	Under 6 months	7~12 months	13~18 months	19~24 months	Over 24 months	
Gross carrying amount	\$2,751,169	\$1,160,569	\$106,968	\$361,284	\$420,331	\$-	\$4,800,321
Loss ratio	0.57%	12.86%	14.91%	15.58%	20.33%	100%	
Lifetime expected credit losses	15,574	149,249	15,949	56,288	85,453	-	322,513
Net carrying amount	\$2,735,595	\$1,011,320	\$91,019	\$304,996	\$334,878	\$-	\$4,477,808

The movement in the provision for impairment of accounts receivable during the nine-month periods ended 30 September 2021 and 2020 is as follows:

	9-month period ended 30 September	
	2021	2020
Beginning balance	\$364,982	\$154,537
Addition for the current period	54,070	167,976
Ending balance	\$419,052	\$322,513

(16) Operating costs

	3-month period ended 30 September		9-month period ended 30 September	
	2021	2020	2021	2020
Depreciation	\$38,510,897	\$38,363,568	\$115,169,250	\$111,833,690
Cost of materials	11,061,330	12,489,634	33,885,836	41,766,302
Expenses for chartering services	11,130,432	7,622,990	28,097,012	20,005,773
Wages and personnel expenses	34,133,971	26,789,429	94,089,147	76,596,317
Other operating costs	2,501,180	2,478,831	7,955,771	7,368,638
Total	\$97,337,810	\$87,744,452	\$279,197,016	\$257,570,720

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

A. Cost of materials

	3-month period ended 30 September		9-month period ended 30 September	
	2021	2020	2021	2020
Fuel	\$480,318	\$1,962,658	\$1,986,279	\$11,433,239
Lubricants	2,104,891	2,618,776	6,774,446	7,304,676
Materials	2,347,913	2,232,271	6,833,438	6,821,933
Spare parts	3,283,576	3,297,081	9,920,232	9,622,271
Inspection fees	1,641,201	1,524,753	5,457,407	3,986,370
Repairs and maintenance	840,302	524,135	2,006,044	1,637,239
Paints	363,129	329,960	907,990	960,574
Total	<u>\$11,061,330</u>	<u>\$12,489,634</u>	<u>\$33,885,836</u>	<u>\$41,766,302</u>

B. Expenses for chartering services

	3-month period ended 30 September		9-month period ended 30 September	
	2021	2020	2021	2020
Commissions	\$8,792,731	\$4,515,050	\$21,169,477	\$11,758,675
Port charges	371,320	953,321	1,351,546	2,350,975
Agency costs	116,276	248,322	411,206	563,606
Chartering expenses	-	256,036	370,139	762,542
Dispatch expenses	8,549	88,116	107,786	169,764
Postage expenses	646,464	706,866	2,206,543	2,059,567
Others	1,195,092	855,279	2,480,315	2,340,644
Total	<u>\$11,130,432</u>	<u>\$7,622,990</u>	<u>\$28,097,012</u>	<u>\$20,005,773</u>

C. Wages and personnel expenses

	3-month period ended 30 September		9-month period ended 30 September	
	2021	2020	2021	2020
Crew wages	\$23,699,768	\$20,103,762	\$67,950,839	\$58,781,371
Insurance expenses	2,342,664	2,290,504	7,150,968	6,883,587
Food and meals	1,670,800	1,685,711	5,026,923	4,993,740
Crew travel fees	5,329,230	1,667,745	10,887,284	3,109,391
Bonus	1,043,563	999,675	2,934,595	2,703,630
Pension	47,946	42,032	138,538	124,598
Total	<u>\$34,133,971</u>	<u>\$26,789,429</u>	<u>\$94,089,147</u>	<u>\$76,596,317</u>

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

D. Other operating costs

	3-month period ended 30 September		9-month period ended 30 September	
	2021	2020	2021	2020
Hull and machinery insurance	\$2,020,784	\$1,951,984	\$6,077,931	\$5,775,463
Compensation for damage	333,019	181,136	1,176,379	510,472
Lease payments	755	1,595	2,498	100,907
Others	146,622	344,116	698,963	981,796
Total	<u>\$2,501,180</u>	<u>\$2,478,831</u>	<u>\$7,955,771</u>	<u>\$7,368,638</u>

E. Summary statement of employee benefits, depreciation and amortization expenses by function during the three-month periods and the nine-month periods ended 30 September 2021 and 2020:

	3-month period ended 30 September					
	2021			2020		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	\$24,743,331	\$844,072	\$25,587,403	\$21,103,437	\$452,135	\$21,555,572
Insurance expenses	2,342,664	41,111	2,383,775	2,290,504	27,971	2,318,475
Pension	47,946	19,232	67,178	42,032	16,568	58,600
Other employee benefits expense	1,670,802	10,476	1,681,278	1,685,898	10,754	1,696,652
Depreciation	38,510,897	57,317	38,568,214	38,363,568	67,605	38,431,173
Amortization	-	3,127	3,127	-	3,697	3,697

	9-month period ended 30 September					
	2021			2020		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	\$70,885,434	\$2,019,029	\$72,904,463	\$61,485,001	\$1,273,292	\$62,758,293
Insurance expenses	7,150,968	130,286	7,281,254	6,883,587	92,519	6,976,106
Pension	138,538	55,420	193,958	124,598	47,699	172,297
Other employee benefits expense	5,028,047	32,482	5,060,529	4,995,721	41,264	5,036,985
Depreciation	115,169,250	171,492	115,340,742	111,833,690	219,250	112,052,940
Amortization	-	10,352	10,352	-	11,175	11,175

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

The differences between the actual appropriations of 2020 and 2019 earnings for directors and supervisors' remunerations as approved at the shareholders' meeting and the amounts recognized in the financial statements were as follows:

2020			
	The actual appropriation according to the shareholders' meeting	The amount recognized in the financial report	Difference
Directors' and supervisors' remuneration	\$164,087	\$164,321	\$(234)
2019			
	The actual appropriation according to the shareholders meeting	The amount recognized in the financial report	Difference
Directors' and supervisors' remuneration	\$330,961	\$330,956	\$5

The aforementioned difference for the years ended 31 December 2020 and 2019 was accounted for as a change in accounting estimates and was charged to profit or loss for the years ended 31 December 2021 and 2020.

The Group estimated the amounts of the remuneration to directors and supervisors to be \$588,880 and \$116,500 during the nine-month periods ended 30 September 2021 and 2020, respectively. These amounts were calculated based on the Company's net profit during the nine-month periods ended 30 September 2021 and 2020, and were estimated according to the earnings allocation method, priority and factors for employee benefits and key management personnel compensation as stated under the Articles of Association. These benefits were expensed under salaries expense during the nine-month periods ended 30 September 2021 and 2020.

Information on the board of directors' recommendations and shareholders' approval regarding the employee bonuses and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(17) Non-operating income and expenses

A. Interest income

	3-month period ended 30 September		9-month period ended 30 September	
	2021	2020	2021	2020
Interest income				
Bank deposits	\$34,177	\$88,106	\$109,158	\$556,162
Financial assets at fair value through other comprehensive income	13,155	13,204	39,402	34,171
Total	<u>\$47,332</u>	<u>\$101,310</u>	<u>\$148,560</u>	<u>\$590,333</u>

B. Other income

	3-month period ended 30 September		9-month period ended 30 September	
	2021	2020	2021	2020
Other income, others	<u>\$20,050,288</u>	<u>\$30,569</u>	<u>\$87,449,223</u>	<u>\$264,457</u>

The Group and the lessee had both agreed to early terminate the lease agreement during the nine-month period ended 30 September 2021. The Group received a compensation for \$85,347,430, which was recognized under other income, others.

C. Other gains and losses

	3-month period ended 30 September	
	2021	2020
Foreign exchange gains (losses)	\$579,185	\$(3,081,395)
Gains on financial assets (liabilities) at fair value through profit or loss (Note)	-	207,013
Gains on disposals of property, plant and equipment	169,895	-
Losses from lease modification	-	(52)
Subtotal	749,080	(2,874,434)
Miscellaneous expenses	(391,760)	(857,331)
Total	<u>\$357,320</u>	<u>\$(3,731,765)</u>

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

	9-month period ended 30 September	
	2021	2020
Foreign exchange gains (losses)	\$4,805,211	\$(5,112,325)
Gains on financial assets (liabilities) at fair value through profit or loss (Note)	-	1,744,862
Losses on disposals of property, plant and equipment	(2,359,918)	-
Losses from lease modification	-	(7,928)
Impairment loss	(59,300,000)	-
Subtotal	(56,854,707)	(3,375,391)
Miscellaneous expenses	(2,076,298)	(1,885,409)
Total	<u>\$(58,931,005)</u>	<u>\$(5,260,800)</u>

Note: Arising from held for trading financial liabilities.

D. Interest expense

	3-month period ended 30 September	
	2021	2020
Interest on borrowings from bank	\$6,571,036	\$7,773,781
Interest on bonds payable	146,072	253,754
Interest on lease liabilities	541,106	536,220
Interest on long-term accounts payable (including from related parties)	855,595	821,713
Interest on guarantee deposits received	9,749	-
Total interest expense	<u>\$8,123,558</u>	<u>\$9,385,468</u>

	9-month period ended 30 September	
	2021	2020
Interest on borrowings from bank	\$20,265,396	\$28,550,096
Interest on bonds payable	424,086	804,970
Interest on lease liabilities	1,552,058	1,633,479
Interest on long-term accounts payable (including from related parties)	2,575,528	2,807,878
Interest on guarantee deposits received	33,291	-
Total interest expense	<u>\$24,850,359</u>	<u>\$33,796,423</u>

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(18) Components of other comprehensive income (loss)

3-month period ended 30 September 2021

	Arising during the period	The original cost that was removed to hedged item	Other comprehensive income	Income tax income (expenses)	Other comprehensive income, net of tax
Components of other comprehensive income that will not be reclassified to profit or loss:					
Gains (losses) on remeasurements of defined benefit plans	\$-	\$-	\$-	\$-	\$-
Components of other comprehensive income that will be reclassified to profit or loss:					
Exchange differences on translation	7,845,370	-	7,845,370	-	7,845,370
Unrealised gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	(7,959)	-	(7,959)	-	(7,959)
Total of other comprehensive income (loss)	<u>\$7,837,411</u>	<u>\$-</u>	<u>\$7,837,411</u>	<u>\$-</u>	<u>\$7,837,411</u>

3-month period ended 30 September 2020

	Arising during the period	The original cost that was removed to hedged item	Other comprehensive income	Income tax income (expenses)	Other comprehensive income, net of tax
Components of other comprehensive income that will not be reclassified to profit or loss:					
Gains (losses) on remeasurements of defined benefit plans	\$-	\$-	\$-	\$-	\$-
Components of other comprehensive income that will be reclassified to profit or loss:					
Exchange differences on translation	(12,326,010)	-	(12,326,010)	-	(12,326,010)
Unrealised gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	8,265	-	8,265	-	8,265
Total of other comprehensive income (loss)	<u>\$(12,317,745)</u>	<u>\$-</u>	<u>\$(12,317,745)</u>	<u>\$-</u>	<u>\$(12,317,745)</u>

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

9-month period ended 30 September 2021

	Arising during the period	The original cost that was removed to hedged item	Other comprehensive income	Income tax income (expenses)	Other comprehensive income, net of tax
Components of other comprehensive income that will not be reclassified to profit or loss:					
Gains (losses) on remeasurements of defined benefit plans	\$-	\$-	\$-	\$-	\$-
Components of other comprehensive income that will be reclassified to profit or loss:					
Exchange differences on translation	48,378,286	-	48,378,286	-	48,378,286
Unrealised gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	(137)	-	(137)	-	(137)
Total of other comprehensive income (loss)	<u>\$48,378,149</u>	<u>\$-</u>	<u>\$48,378,149</u>	<u>\$-</u>	<u>\$48,378,149</u>

9-month period ended 30 September 2020

	Arising during the period	The original cost that was removed to hedged item	Other comprehensive income	Income tax income (expenses)	Other comprehensive income, net of tax
Components of other comprehensive income that will not be reclassified to profit or loss:					
Gains (losses) on remeasurements of defined benefit plans	\$-	\$-	\$-	\$-	\$-
Components of other comprehensive income that will be reclassified to profit or loss:					
Exchange differences on translation	(17,724,549)	-	(17,724,549)	-	(17,724,549)
Unrealised gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	25,354	-	25,354	-	25,354
Total of other comprehensive income (loss)	<u>\$(17,699,195)</u>	<u>\$-</u>	<u>\$(17,699,195)</u>	<u>\$-</u>	<u>\$(17,699,195)</u>

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(19) Income tax

A. Pursuant to the rules and regulations of the local authority, the Group income tax include WML, WELL and WII. Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. As a result, the Group does not disclose the reconciliation between accounting profit and taxable income.

B. For the nine-month periods ended 30 September 2021 and 2020, the components of income tax expenses (income) of WML, WELL and WII were as follows:

	3-month period ended 30 September	
	2021	2020
Current income tax expense:		
Current income tax charge	\$173,949	\$133,111
Deferred tax expense (income):		
Adjustments in respect of current income tax of prior periods	-	563
Deferred tax expense (income) relating to origination and reversal of temporary differences	(1,001)	19,951
Deferred tax expense arising from write-down or reversal of write-down of deferred tax asset	18	-
Total income tax expense	<u>\$172,966</u>	<u>\$153,625</u>
	9-month period ended 30 September	
	2021	2020
Current income tax expense:		
Current income tax charge	\$516,162	\$419,757
Deferred tax expense (income):		
Adjustments in respect of current income tax of prior periods	-	563
Deferred tax expense (income) relating to origination and reversal of temporary differences	(3,475)	(889)
Deferred tax expense arising from write-down or reversal of write-down of deferred tax asset	8,880	-
Total income tax expense	<u>\$521,567</u>	<u>\$419,431</u>

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

C. The assessment of income tax returns

As at 30 September 2021, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	The assessment of income tax returns
Wisdom Marine International Inc. (WII)	Assessed and approved up to 2019
Well Shipmanagement and Maritime Consultant Co., Ltd. (WELL)	Assessed and approved up to 2019

(20) Earnings (loss) per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible bonds and etc.) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	3-month period ended 30 September	
	2021	2020
Basic earnings per share		
Profit attributable to ordinary shareholders	\$95,814,537	\$3,843,381
Weighted-average number of ordinary shares	746,409,199	746,398,395
	\$0.13	\$0.01
Diluted earnings per share		
Profit attributable to ordinary shareholders (diluted)	\$95,814,537	\$3,843,381
Profit attributable to ordinary shareholders (diluted)	\$95,814,537	\$3,843,381
Weighted-average number of ordinary shares (diluted)	746,409,199	746,398,395
Effect of conversion of convertible bonds	-	-
Weighted-average number of ordinary shares (diluted)	746,409,199	746,398,395
	\$0.13	\$0.01

Note: For the three-month period ended 30 September 2020, all convertible bonds are excluded from calculation of earnings per share due to anti-dilution.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

	9-month period ended 30 September	
	2021	2020
Basic earnings (loss) per share		
Profit (loss) attributable to ordinary shareholders	\$183,373,431	\$(10,547,140)
Weighted-average number of ordinary shares	746,409,199	723,636,507
	<u>\$0.25</u>	<u>\$(0.01)</u>
Diluted earnings (loss) per share		
Profit (loss) attributable to ordinary shareholders (diluted)	\$183,373,431	\$(10,547,140)
Interest expenses on convertible bonds, net of tax	-	344,323
Foreign exchange losses	-	576,676
Gains on valuation of convertible bonds, net of tax	-	(1,744,862)
Profit (loss) attributable to ordinary shareholders (diluted)	<u>\$183,373,431</u>	<u>\$(11,371,003)</u>
Weighted-average number of ordinary shares (diluted)	746,409,199	723,636,507
Effect of conversion of convertible bonds	-	25,390
Weighted-average number of ordinary shares (diluted)	<u>746,409,199</u>	<u>723,661,897</u>
	<u>\$0.25</u>	<u>\$(0.02)</u>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

7. Related party transactions

(1) Names and Relationships of Related Parties

Name of Related Party	Relationship
Lan Chun Sheng	Chairman
Pescadores Merchandise Co., Ltd.	Other Related Party
Pescadores Travel Co., Ltd.	Other Related Party
Wisdom Marine Agency Co., Ltd.	Other Related Party
Hui-wen Investment Co., Ltd.	Other Related Party
Unicorn Maritime Agency Co., Ltd.	Other Related Party
Brave Line Co., Ltd.	Other Related Party
YOKO CO., LTD.	Other Related Party
Rich Containership S.A.	Other Related Party
Benefit Transport S.A.	Other Related Party
Samurai Investment S.A.	Other Related Party
Fortunate Transport S.A.	Other Related Party
Asiaeuro Investment S.A.	Other Related Party
M.H. Success Line S.A.	Other Related Party
Genius Star Management Consulting Co., Ltd.	Other Related Party
Oceanlance Maritime Co., Ltd.	Other Related Party
Pescadores Investment and Development Inc.	Associates
Directors, President and Vice President	Key Management

Note1: The name of related party with balance or amount of single transaction over 10% of the total transaction balance or amount would be disclosed separately.

Note2: M.H. Success Line S.A. has become our related party since current period.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(2) Significant transactions with related parties

A. Hire revenue

For the three-month periods and the nine-month periods ended 30 September 2021 and 2020, the Group entered into time chartering with other related parties as follows:

Related party	3-month period ended 30 September		9-month period ended 30 September	
	2021	2020	2021	2020
Other related parties	\$585,198	\$609,987	\$1,759,336	\$1,787,959

The price of time chartering with other related parties was determined based on the market rate and operating cost of the Group.

B. Chartering expenses

For the three-month periods and the nine-month periods ended 30 September 2021 and 2020, the Group entered into time chartering with other related parties as follows:

Related party	3-month period ended 30 September		9-month period ended 30 September	
	2021	2020	2021	2020
Other related parties	\$-	\$256,036	\$370,139	\$762,542

The price of time chartering with other related parties was determined based on the market rate and operating cost of the Group.

C. Services received / rendered

For the three-month periods and the nine-month periods ended 30 September 2021 and 2020, the Group received service from (or rendered service to) related parties as follows:

Related party	Item	Amount
3-month period ended 30 September 2021		
Other related parties	Vessel management service income	\$(195,036)
"	Other income	(25)
"	Commissions	1,567,772
"	Other expenses (business travel expenses, agency fees, inspection fees, management consulting fees and etc.)	218,692
"	Operating expenses (business travel expenses and entertainment expenses)	(4,118)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Related party	Item	Amount
3-month period ended 30 September 2020		
Other related parties	Vessel management service income	\$(609,706)
"	Other income	(55,841)
"	Commissions	862,344
"	Other expenses (business travel expenses, agency fees, inspection fees, management consulting fees and etc.)	180,559
"	Operating expenses (business travel expenses and entertainment expenses)	6,759
"	Ballast water management system costs	450,000

Related party	Item	Amount
9-month period ended 30 September 2021		
Other related parties	Vessel management service income	\$(591,744)
"	Other income	(12,624)
"	Commissions	3,775,847
"	Other expenses (business travel expenses, agency fees, inspection fees, management consulting fees and etc.)	1,022,082
"	Operating expenses (business travel expenses and entertainment expenses)	3,269
"	Miscellaneous expenses	345,850
"	Ballast water management system costs	757,000

Related party	Item	Amount
9-month period ended 30 September 2020		
Other related parties	Vessel management service income	\$(1,869,076)
"	Other income	(71,174)
"	Commissions	2,226,494
"	Other expenses (business travel expenses, agency fees, inspection fees, management consulting fees and etc.)	500,095
"	Operating expenses (business travel expenses and entertainment expenses)	40,459
"	Ballast water management system costs	2,130,000

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

D. Receivables and payables

As at 30 September 2021 and 31 December 2020, the Group incurred receivables and payables with related parties due to vessels operation as follows:

Accounts receivable	30 September 2021	31 December 2020
Name of related party		
Asiaeuro Investment S.A.	\$386,522	\$412,739
Other receivables	30 September 2021	31 December 2020
Name of related party		
Other related parties	\$7,434	\$14,628
Prepayments	30 September 2021	31 December 2020
Name of related party		
Other related parties	\$58,921	\$34,153
Other current assets, other	30 September 2021	31 December 2020
Name of related party		
Other related parties	\$493,036	\$625,275
Accounts payable	30 September 2021	31 December 2020
Name of related party		
Brave Line Co., Ltd.	\$5,950	\$5,067
Genius Star Management Consulting Co., Ltd.	-	575,047
Total	\$5,950	\$580,114
Other accrued expenses	30 September 2021	31 December 2020
Name of related party		
Benefit Transport S.A.	\$2,698,493	\$1,417,903
Other related parties	556,022	297,601
Total	\$3,254,515	\$1,715,504

E. Financing

Details of financing provided by a related party to the Group were as follows (accounted for under long-term accounts payable to related parties):

30 September 2021		
Name of related party	Max balance	Ending balance
Benefit Transport S.A.	\$104,183,721	\$100,795,910
Samurai Investment S.A.	44,351,000	44,351,000
Other related parties	8,000,000	8,000,000
Total	\$156,534,721	\$153,146,910

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

31 December 2020

Name of related party	Max balance	Ending balance
Benefit Transport S.A.	\$105,106,041	\$104,183,721
Samurai Investment S.A.	44,351,000	44,351,000
Total	<u>\$149,457,041</u>	<u>\$148,534,721</u>

Interest expenses	3-month period ended 30 September	
Name of related party	2021	2020
Benefit Transport S.A.	\$536,624	\$476,742
Samurai Investment S.A.	237,259	243,436
Other related parties	42,797	-
Total	<u>\$816,680</u>	<u>\$720,178</u>

Interest expenses	9-month period ended 30 September	
Name of related party	2021	2020
Benefit Transport S.A.	\$1,605,167	\$1,546,189
Samurai Investment S.A.	707,762	923,941
Other related parties	42,797	-
Total	<u>\$2,355,726</u>	<u>\$2,470,130</u>

The interest expenses on financing were calculated based on the LIBOR rate plus 2% per month commencing from 2011.

F. Leases

- (a) For the three-month periods and the nine-month periods ended 30 September 2021 and 2020, the Group entered into leases on its office space with other related parties and key management as a lessee as follows:

Right-of-use assets	30 September 2021	31 December 2020
Name of related party		
Key management	\$401,639	\$-
Other related parties	386,359	-
Total	<u>\$787,998</u>	<u>\$-</u>

Lease liabilities	30 September 2021	31 December 2020
Name of related party		
Key management	\$404,775	\$-
Other related parties	389,376	-
Total	<u>\$794,151</u>	<u>\$-</u>

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Interest expense	3-month period ended 30 September		9-month period ended 30 September	
Name of related party	2021	2020	2021	2020
Key management	\$2,274	\$428	\$7,472	\$1,999
Other related parties	2,187	412	7,188	1,854
Total	<u>\$4,461</u>	<u>\$840</u>	<u>\$14,660</u>	<u>\$3,853</u>

Rent expense	3-month period ended 30 September		9-month period ended 30 September	
Name of related party	2021	2020	2021	2020
Other related parties	<u>\$369</u>	<u>\$1,138</u>	<u>\$736</u>	<u>\$173,298</u>

- (b) For the three-month periods and the nine-month periods ended 30 September 2021 and 2020, the Group entered into leases with other related parties as a lessor as follows:

Rent revenue	3-month period ended 30 September		9-month period ended 30 September	
Name of related party	2021	2020	2021	2020
Other related parties	<u>\$28,059</u>	<u>\$349</u>	<u>\$83,848</u>	<u>\$1,035</u>

The above leases are paid monthly without rental deposits. Lease terms and conditions are agreed by both parties which are not significant different from those with third parties.

G. Guarantee

- (a) As at 30 September 2021 and 31 December 2020, key management had provided a time deposit guarantee for the Group's borrowings of \$15,044 thousand and \$20,316 thousand, respectively.
- (b) As at 31 December 2020, the Group entered into a loan agreement with financial institutes where Benefit Transport S.A. has provided the vessel of M.V. Wisdom Grace as pledge for borrowings. No such situation as of September 30, 2021.

H. Others

- (a) For the nine-month period ended 30 September 2021, the installments for sale and leaseback transactions paid to other related parties were ¥86,784 thousand, while interest expenses were ¥5,839,671. As at 30 September 2021, the unpaid amount of sale and leaseback transactions was ¥462,864 thousand (accounted for under long-term accounts payable to related parties, current and non-current portion, at \$4,137,516).

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(b) For the nine-month period ended 30 September 2020, the installments for sale and leaseback transactions paid to other related parties were ¥86,784 thousand, while interest expenses were ¥7,165,208. As at 31 December 2020, the unpaid amount of sale and leaseback transactions was ¥578,576 thousand (accounted for under long-term accounts payable to related parties, current and non-current portion, at \$5,478,421).

(c) In November 2020, the Group received guarantee deposits from Asiaeuro Investment S.A. for vessel management of \$1,600,000 and for BBHP of \$1,400,000. As at 30 September 2021, the guarantee deposit for BBHP deducting lease receivables was \$204,067. For the nine-month period ended 30 September 2021, the interest expense with regard to the guarantee deposits was \$33,291. As at 30 September 2021, the unpaid amounts of interest was \$31,148.

(3) Key management personnel compensation

For the three-month periods and the nine-month periods ended 30 September 2021 and 2020, key management personnel compensation was as follows:

	3-month period ended 30 September		9-month period ended 30 September	
	2021	2020	2021	2020
Salary and bonus	\$529,413	\$172,260	\$1,064,196	\$479,716
Post-employment benefits	4,415	4,159	13,171	12,316
	<u>\$533,828</u>	<u>\$176,419</u>	<u>\$1,077,367</u>	<u>\$492,032</u>

8. Pledge assets

The carrying values of pledge assets were as follows:

Pledge assets	Secured liabilities	30 September 2021	31 December 2020
Property, plant and equipment	Bank loans and Long-term payables (including due to related parties)	\$2,541,499,000	\$2,599,980,000
Investment property	Bank loans	2,615,079	2,599,070
Financial assets at fair value through other comprehensive income	Bank loans	1,646,643	1,685,039
Other financial assets	Bank loans	56,573,452	58,438,469
		<u>\$2,602,334,174</u>	<u>\$2,662,702,578</u>

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

9. Significant commitments and contingencies

(1) The Group had entered into ship building contracts as follows:

	30 September 2021
Vessels	10
Contract price	\$288,840 thousand
Prepaid	\$29,804 thousand
Financed ship building contracts	- thousand

The remaining balance of the contract price is payable upon keel-laying, launching, and delivery.

The ship building contracts categorized by year of delivery were as follows:

Year of delivery	Contract Price	Number of vessels
	USD (thousand)	
2022	\$133,240	5
2023	122,100	4
2024	33,500	1
Total	\$288,840	10

(2) Financial guarantee

Guarantor	Name of relative party guarantee	30 September 2021	Ending date	Purpose
WML	Subsidiaries	\$715,338 thousand ¥56,846,879 thousand	2030.06	Borrowings
The Company	Subsidiaries	\$815,628 thousand ¥67,513,444 thousand	2030.04	Borrowings and operating fund
WML	The Company	\$62,688 thousand	2023.09	Operating fund
The Company	WII	NT\$333,640 thousand	2024.05	Borrowings
Poavosa Wisdom S.A.	WII	\$5,000 thousand	2021.06	Operating fund
Amis Integrity S.A.	Daiwan Glory S.A.	¥1,352,303 thousand	2022.07	Borrowings
Daiwan Glory S.A.	Amis Integrity S.A.	¥1,773,120 thousand	2022.07	Borrowings

Guarantor	Name of relative party guarantee	31 December 2020	Ending date	Purpose
WML	Subsidiaries	\$708,892 thousand ¥60,045,597 thousand	2030.06	Borrowings
The Company	Subsidiaries	\$763,686 thousand ¥71,561,337 thousand	2030.04	Borrowings and operating fund
WML	The Company	\$99,120 thousand	2023.09	Operating fund
The Company	WII	NT\$353,140 thousand	2024.05	Borrowings
Poavosa Wisdom S.A.	WII	\$5,000 thousand	2021.06	Operating fund
Amis Integrity S.A.	Daiwan Glory S.A.	¥1,468,613 thousand	2022.07	Borrowings
Daiwan Glory S.A.	Amis Integrity S.A.	¥1,894,344 thousand	2022.07	Borrowings

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

10. Losses due to major disasters: None.

11. Significant subsequent events: None.

12. Others

(1) Categories of financial instruments

Financial assets

	30 September 2021	31 December 2020
Financial assets at fair value through other comprehensive income	\$1,646,643	\$1,685,039
Financial assets at amortized cost:		
Cash and cash equivalents (excluding cash on hand)	128,716,044	20,889,856
Accounts receivable and other receivables (including due from related parties)	19,788,524	8,576,179
Subtotal	148,504,568	29,466,035
Other financial assets	56,573,452	58,438,469
Total	<u>\$206,724,663</u>	<u>\$89,589,543</u>

Financial liabilities

	30 September 2021	31 December 2020
Financial liabilities at amortized cost:		
Short-term borrowings	\$23,000,000	\$73,669,964
Accounts payables (including to related parties)	7,304,067	13,076,937
Bonds payable (including current portion)	49,331,732	48,778,634
Long-term borrowings (including current portion)	1,402,426,774	1,490,190,613
Long-term accounts payable (including due to related parties)	199,344,853	194,170,236
Lease liabilities (including current portion)	128,615,385	124,257,058
Total	<u>\$1,810,022,811</u>	<u>\$1,944,143,442</u>

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Group's board of directors and audit committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable; there are usually interdependencies between risk variables. However the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, primarily USD and Japanese Yen.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for foreign currency Yen. The information of the sensitivity analysis is as follows:

When USD strengthens/weakens against foreign currency Yen by 10%, the profit for the nine-month periods ended 30 September 2021 and 2020 decreases/increases by \$4,655,613 and \$6,814,173, respectively; the equity decreases/increases by \$0 and \$0, respectively.

Interest rate risk

Interest rate risk is managed by the Group on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates. The Group has no financial liabilities at fair value through profit or loss bearing fixed interest payable. The Group does not use financial derivatives to hedge against interest rate risk.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 0.25% of interest rate in a reporting period could cause the profit for the nine-month periods ended 30 September 2021 and 2020 to decrease/increase by \$4,381,430 and \$4,682,952, respectively; the equity to decrease/ increase by \$0 and \$0, respectively.

(4) Credit risk management

A. Financial assets subject to credit risk include cash and cash equivalent and accounts receivable. Cash is deposited in large bank institutions, while accounts receivable are disclosed at net amount after deducting allowance for expected credit losses. Per industry practice, most hire revenue is received in advance. In addition, the Group manages credit risks through reviewing credit rating of individual client and limiting the overall risk. The credit risk of accounts receivable and the credit concentration risk are insignificant.

B. The risk exposure of credit risk

The book value of financial assets represents the maximum amount of credit risk exposure. The maximum amount of credit risk exposure at each reporting date is as follows:

	30 September 2021	31 December 2020
Cash and cash equivalents (excluding cash on hand)	\$128,716,044	\$20,889,856
Accounts receivables and other receivables (including due from related parties)	19,788,524	8,576,179
Financial assets at fair value through other comprehensive income	1,646,643	1,685,039
Other financial assets	56,573,452	58,438,469
	<u>\$206,724,663</u>	<u>\$89,589,543</u>

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, bonds and finance leases. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

As at 30 September 2021:

	Carrying amount	Contractual cash flow	1 year	2 years	3 to 5 years	> 5 years
Non-derivative financial liabilities						
Short-term borrowings	\$23,000,000	\$23,278,530	\$23,278,530	\$-	\$-	\$-
Accounts payables						
(including due to related parties)	7,304,067	7,304,067	7,304,067	-	-	-
Corporate bonds payable	49,331,732	51,013,752	427,684	427,684	50,158,384	-
Long-term borrowings	1,402,426,774	1,472,660,526	316,880,324	389,952,712	494,507,277	271,320,213
Long-term accounts payable						
(including due to related parties)	199,344,853	217,829,583	9,608,872	9,527,824	33,182,138	165,510,749
Lease liabilities	128,615,385	136,237,213	17,060,564	17,158,918	74,038,181	27,979,550
	<u>\$1,810,022,811</u>	<u>\$1,908,323,671</u>	<u>\$374,560,041</u>	<u>\$417,067,138</u>	<u>\$651,885,980</u>	<u>\$464,810,512</u>

As at 31 December 2020:

	Carrying amount	Contractual cash flow	1 year	2 years	3 to 5 years	> 5 years
Non-derivative financial instruments						
Short-term borrowings	\$73,669,964	\$74,794,229	\$74,794,229	\$-	\$-	\$-
Accounts payables						
(including due to related parties)	13,076,937	13,076,937	13,076,937	-	-	-
Corporate bonds payable	48,778,634	50,707,380	423,879	423,879	49,859,622	-
Long-term borrowings	1,490,190,613	1,576,286,992	205,344,468	348,861,709	726,307,459	295,773,356
Long-term accounts payable						
(including due to related parties)	194,170,236	212,952,710	8,119,274	8,350,998	33,136,442	163,345,996
Lease liabilities	124,257,058	131,055,775	15,947,015	16,034,515	83,747,104	15,327,141
	<u>\$1,944,143,442</u>	<u>\$2,058,874,023</u>	<u>\$317,705,802</u>	<u>\$373,671,101</u>	<u>\$893,050,627</u>	<u>\$474,446,493</u>

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the nine-month period ended 30 September 2021:

	Short-term borrowings	Long-term borrowings (including current portion)	Long-term accounts payable (including due to related parties)	Lease liabilities (including current portion)	Bonds payable	Guarantee deposits received	Total liabilities from financing activities
As at 1 Jan. 2021	\$73,669,964	\$1,490,190,613	\$194,170,236	\$124,257,058	\$48,778,634	\$3,000,384	\$1,934,066,889
Cash flows	(49,955,227)	(46,555,030)	9,364,750	(10,643,573)	-	-	(97,789,080)
Non-cash changes							
Foreign exchange movement	(714,737)	(41,500,424)	(4,190,133)	(8,624,185)	438,356	3	(54,591,120)
Other movements	-	291,615	-	23,626,085	114,742	(1,195,933)	22,836,509
As at 30 Sep. 2021	<u>\$23,000,000</u>	<u>\$1,402,426,774</u>	<u>\$199,344,853</u>	<u>\$128,615,385</u>	<u>\$49,331,732</u>	<u>\$1,804,454</u>	<u>\$1,804,523,198</u>

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Reconciliation of liabilities for the nine-month period ended 30 September 2020:

	Short-term borrowings	Long-term borrowings (including current portion)	Long-term accounts payable (including due to related parties)	Lease liabilities (including current portion)	Bonds payable	Guarantee deposits received	Total liabilities from financing activities
As at 1 Jan. 2020	\$58,124,642	\$1,466,335,031	\$144,050,017	\$132,296,606	\$66,862,842	\$31,970	\$1,867,701,108
Cash flows	9,906,247	1,240,384	49,905,847	(10,292,350)	(5,000,000)	(31,796)	45,728,332
Non-cash changes							
Foreign exchange movement	362,824	16,304,748	977,311	3,258,533	2,168,750	199	23,072,365
Other movements	-	-	-	(211,041)	(16,754,700)	-	(16,965,741)
As at 30 Sep. 2020	\$68,393,713	\$1,483,880,163	\$194,933,175	\$125,051,748	\$47,276,892	\$373	\$1,919,536,064

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

- (a) The carrying amount of cash and cash equivalents, accounts receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.
- (b) Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the GreTai Securities Market, average prices for fixed rate commercial paper published by Reuters and credit risk, etc.)
- (c) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using the counterparty prices or appropriate option pricing model (for example, Binomial Tree model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and liabilities measured at amortized cost approximate their fair value, including cash and cash equivalents, accounts receivable, account payable and other current liabilities.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12.(8) for fair value measurement hierarchy for financial instruments of the Group.

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1– Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis was as follows:

As at 30 September 2021

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	\$1,646,643	\$-	\$-	\$1,646,643

As at 31 December 2020

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	\$1,685,039	\$-	\$-	\$1,685,039

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Transfers between Level 1 and Level 2 during the period

During the nine-month periods ended 30 September 2021 and 2020, there were no transfers between Level 1 and Level 2 fair value measurements.

C. Fair value measurement hierarchy of the Group's assets not measured at fair value but for which the fair value is disclosed

As at 30 September 2021	Level 1	Level 2	Level 3	Total
Assets not measured at fair value but for which the fair value is disclosed:				
Investment properties and property, plant and equipment for own use (please refer to Note 6.(7))	\$-	\$-	\$2,795,768	\$2,795,768
As at 31 December 2020	Level 1	Level 2	Level 3	Total
Assets not measured at fair value but for which the fair value is disclosed:				
Investment properties and property, plant and equipment for own use (please refer to Note 6.(7))	\$-	\$-	\$2,770,894	\$2,770,894

(9) Significant assets and liabilities denominated in foreign currencies

The Group is mainly affected by the impact of fluctuation in the currency exchange rate for US Dollar or Japanese Yen. The Group's significant exposure to foreign currency risk was as follows:

	As at 30 September 2021			As at 31 December 2020		
	Foreign currency (Note 1)	Exchange rate (Note 2)	USD/JPY	Foreign currency (Note 1)	Exchange rate (Note 2)	USD/JPY
Financial liabilities						
Monetary item						
USD : JPY	\$17,144,960	111.87	¥1,918,006,675	\$20,734,960	103.11	¥2,137,981,726
JPY : USD	¥7,126,240,671	0.0089	\$63,701,088	¥9,356,696,827	0.0097	\$90,744,805
NTD : USD	NT\$1,373,888,733	0.0359	\$49,331,732	NT\$1,370,679,611	0.0356	\$48,778,634

Note 1: The foreign currency amount of monetary item is the carrying amount of foreign currency financial liabilities.

Note 2: The exchange rate of monetary item is spot rate.

For the nine-month periods ended 30 September 2021 and 2020, the Group had foreign exchange gains (losses) of \$4,805,211 and \$(5,112,325), respectively.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(10) Capital management

The capital risk management is established to ensure the Group's ability to continue to operate as a going concern. Under this risk management, the Group may adjust dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, adjust capital expenditure plan and dispose assets to settle any liabilities in order to maintain or adjust capital structure according to operating needs, investment purpose and market environment. The Group's capital structures consisted of net liabilities (borrowings excluding the amount of cash and cash equivalents) and equity (common stock, capital surplus and other equity).

(11) Accounting policy differences as referred to in Article 3 of Regulations Governing the Preparation of Financial Reports by Securities Issuers with respect to the Group's balance sheet and statement of comprehensive income for the periods: None.

(12) List of the Group vessels as at 30 September 2021

No.	Name of Vessel	Construction year	D.W.T.	Vessel type
1	Amis Ace	2013	60,830	Supramax
2	Amis Brave	2013	61,467	Supramax
3	Amis Champion	2014	60,830	Supramax
4	Amis Dolphin	2015	60,830	Supramax
5	Amis Elegance	2015	55,404	Supramax
6	Amis Fortune	2015	55,468	Supramax
7	Amis Glory	2016	55,474	Supramax
8	Amis Hero	2017	63,469	Supramax
9	Amis Integrity	2017	62,980	Supramax
10	Amis Justice	2017	63,531	Supramax
11	Amis Kalon	2010	58,107	Supramax
12	Amis Leader	2010	58,107	Supramax
13	Amis Miracle	2018	59,982	Supramax
14	Amis Nature	2018	55,472	Supramax
15	Amis Orchid	2012	58,120	Supramax
16	Amis Power	2018	64,012	Supramax
17	Amis Queen	2019	63,000	Supramax
18	Amis Respect	2020	63,449	Supramax
19	Amis Star	2019	61,123	Supramax
20	Amis Treasure	2020	61,125	Supramax
21	Amis Unicorn	2020	60,903	Supramax
22	Amis Victory	2020	63,364	Supramax

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

No.	Name of Vessel	Construction year	D.W.T.	Vessel type
23	Amis Wealth	2021	63,364	Supramax
24	Amis Wisdom I	2010	61,611	Supramax
25	Amis Wisdom II	2010	61,611	Supramax
26	Amis Wisdom III	2011	61,527	Supramax
27	Amis Wisdom VI	2011	61,456	Supramax
28	Atayal Ace	2013	16,805	Handy
29	Atayal Brave	2012	16,805	Handy
30	Atayal Mariner	2012	16,805	Handy
31	Atayal Star	2012	16,805	Handy
32	Babuza Wisdom	2009	18,969	Handy
33	Bizen	2008	8,721	Handy
34	Blue Horizon	2012	207,867	Cape
35	Bunun Ace	2013	37,744	Handy
36	Bunun Benefit	2019	37,372	Handy
37	Bunun Brave	2014	45,556	Handy
38	Bunun Champion	2014	45,556	Handy
39	Bunun Dynasty	2014	37,795	Handy
40	Bunun Elegance	2014	45,556	Handy
41	Bunun Fortune	2015	37,790	Handy
42	Bunun Glory	2015	37,046	Handy
43	Bunun Hero	2015	37,811	Handy
44	Bunun Infinity	2016	37,654	Handy
45	Bunun Justice	2017	37,748	Handy
46	Bunun Kalon	2018	37,653	Handy
47	Bunun Leader	2019	37,650	Handy
48	Bunun Miracle	2020	37,060	Handy
49	Bunun Noble	2020	37,655	Handy
50	Bunun Orchid	2021	37,875	Handy
51	Bunun Power	2021	37,283	Handy
52	Bunun Respect	2021	37,987	Handy
53	Bunun Wisdom	2012	38,168	Handy
54	Clear Horizon	2012	207,947	Cape
55	Daiwan Champion	2015	34,393	Handy
56	Daiwan Dolphin	2015	34,393	Handy
57	Daiwan Elegance	2015	35,331	Handy
58	Daiwan Fortune	2015	34,893	Handy
59	Daiwan Glory	2015	35,531	Handy
60	Daiwan Hero	2016	34,376	Handy
61	Daiwan Infinity	2016	34,376	Handy
62	Daiwan Justice	2016	34,327	Handy
63	Daiwan Kalon	2016	34,327	Handy

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

No.	Name of Vessel	Construction year	D.W.T.	Vessel type
64	Daiwan Leader	2018	34,442	Handy
65	Daiwan Miracle	2019	34,447	Handy
66	Daiwan Wisdom	2010	31,967	Handy
67	Frontier Bonanza	2010	179,435	Cape
68	Genius Star IX	2009	12,005	Handy
69	Genius Star X	2010	12,005	Handy
70	Genius Star XI	2012	13,663	Handy
71	Genius Star XII	2013	13,077	Handy
72	Global Faith	2010	28,050	Handy
73	Hibiscus	2002	48,610	Handy
74	Hoanya Wisdom	2008	21,119	Handy
75	Izumo	2007	20,150	Handy
76	Jacques	2021	4,745	LPG
77	Joseph Wisdom	2018	6,400	LPG
78	Kanavu Benefit	2021	37,929	Handy
79	Katagalan Wisdom	2012	98,697	Panamax
80	Katagalan Wisdom III	2012	98,697	Panamax
81	LBC Energy	2011	71,066	Panamax
82	Ligulao	2010	5,296	Other-PCTC
83	Mega Benefit	2018	80,733	Panamax
84	Naluhu	2010	58,107	Supramax
85	Ocean Victory	2011	28,386	Handy
86	Paiwan Wisdom	2010	31,967	Handy
87	Papora Wisdom	2009	28,050	Handy
88	Pazeh Wisdom	2009	18,969	Handy
89	Pescadores	1999	198	Other-passenger
90	Poavosa Ace	2013	28,208	Handy
91	Poavosa Brave	2009	28,367	Handy
92	Poavosa Wisdom	2009	28,050	Handy
93	Poavosa Wisdom III	2011	28,232	Handy
94	Poavosa Wisdom VI	2011	28,050	Handy
95	Poavosa Wisdom VII	2012	28,208	Handy
96	Poavosa Wisdom VIII	2013	28,208	Handy
97	Rukai Benefit	2019	14,040	Handy
98	Sakizaya Ace	2013	74,936	Panamax
99	Sakizaya Brave	2013	74,940	Panamax
100	Sakizaya Champion	2014	78,080	Panamax
101	Sakizaya Diamond	2015	81,938	Panamax
102	Sakizaya Elegance	2015	81,938	Panamax
103	Sakizaya Future	2016	81,938	Panamax
104	Sakizaya Glory	2016	84,883	Panamax

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

No.	Name of Vessel	Construction year	D.W.T.	Vessel type
105	Sakizaya Hero	2016	81,067	Panamax
106	Sakizaya Integrity	2016	81,010	Panamax
107	Sakizaya Justice	2017	81,691	Panamax
108	Sakizaya Kalon	2017	81,691	Panamax
109	Sakizaya Leader	2017	81,691	Panamax
110	Sakizaya Miracle	2017	81,668	Panamax
111	Sakizaya Orchid	2017	81,588	Panamax
112	Sakizaya Power	2017	81,574	Panamax
113	Sakizaya Queen	2018	81,858	Panamax
114	Sakizaya Respect	2018	81,858	Panamax
115	Sakizaya Star	2020	82,516	Panamax
116	Sakizaya Treasure	2020	82,400	Panamax
117	Sakizaya Unicorn	2021	82,527	Panamax
118	Sakizaya Victory	2021	82,418	Panamax
119	Sakizaya Wisdom	2011	76,457	Panamax
120	Saysiat Benefit	2018	13,900	Handy
121	Scarlet Eagle	2014	81,842	Panamax
122	Scarlet Falcon	2014	82,260	Panamax
123	Scarlet Rosella	2015	82,235	Panamax
124	Seediq Benefit	2021	16,920	Handy
125	Siraya Wisdom	2007	21,119	Handy
126	Taikli	2011	13,139	Handy
127	Tao Ace	2013	25,037	Handy
128	Tao Brave	2011	25,065	Handy
129	Tao Mariner	2010	25,065	Handy
130	Tao Star	2010	25,065	Handy
131	Tao Treasure	2013	25,036	Handy
132	Taokas Wisdom	2008	31,943	Handy
133	Unicorn Bravo	2007	8,759	Handy
134	Unicorn Logger	2008	8,700	Handy

13. Other disclosure

Information on major shareholders

Name of Major Shareholder	Number of shares	Percentage of Ownership
Lan Chun Sheng	202,815,349	27.17 %
Pescadores Merchandise Co., Ltd.	52,464,814	7.02 %
Unicorn Maritime Agency Co., Ltd.	37,899,067	5.07 %

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- (1) The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of total non-physical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered non-physical stocks may be different from the capital stocks disclosed in the financial statement due to different calculation basis.
- (2) If shares are entrusted, the above information regarding such shares will be revealed by each trustors of individual trust account. The shareholders holding more than 10% of the total shares of the company should declare insider's equity according to Securities and Exchange Act. The numbers of the shares declared by the insider include the shares of the trust assets which the insider has discretion over use. For details of the insider's equity announcement please refer to the TWSE website.

14. Segment information

(1) General information

The Group operates in a single industry. According to the global management nature of the ship management industry, the Group determined each business unit as an operating segment and was disclosed according to their operating types, operating assets and the Group's operating structure. The Group was identified as a single reportable segment.

The board of directors allocates the profit and assesses performance of the segments based on the financial information used in internal management which is based on each vessel's operating result. The financial information is not different from the consolidated statement of comprehensive income therefore no further segmental information was disclosed.

(2) Geographic information

Revenue from external customers is classified according to the location of customers and non-current assets are classified according to the registry of assets. The Group's geographic information is as follows:

	9-month period ended 30 September			
	2021	Percentage (%)	2020	Percentage (%)
Revenue from external customers:				
Singapore	\$127,742,555	28	\$62,545,397	22
Japan	48,746,988	11	46,382,538	16
The Netherlands	44,412,424	10	36,310,679	12
Germany	43,959,821	9	16,945,725	6
Denmark	39,117,468	8	27,793,258	10
Others	160,189,794	34	100,235,562	34
Total	<u>\$464,169,050</u>	<u>100</u>	<u>\$290,213,159</u>	<u>100</u>

English Translation of Consolidated Financial Statements Originally Issued in Chinese
WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

	30 September 2021	31 December 2020
Non-current assets:		
Panama	\$2,391,034,613	\$2,457,083,507
Cayman	9,382,938	11,000,075
Hong Kong	-	74,627,809
Taiwan	18,416,615	17,690,456
Liberia	312,257,627	227,421,876
Total	<u>\$2,731,091,793</u>	<u>\$2,787,823,723</u>

Note: non-current assets are property, plant and equipment, right-of-use assets, investment property and prepaid expenses-vessel.

(3) Major customers

Individual customers accounting for at least 10% of net sales during the nine-month periods ended 30 September 2021 and 2020 were as follows:

	9-month period ended 30 September	
	2021	2020
Customer A:	<u>\$50,674,947</u>	<u>\$6,837,402</u>
Customer B:	<u>\$43,948,371</u>	<u>\$36,086,806</u>