



Wisdom Marine Lines Co., Limited

2021 Annual Report

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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1. Letter to Shareholders

Dear Shareholders,

Business Environment

2021 was a year of successes for dry bulk shipping. With the COVID-19 pandemic being slowly brought under control, governments started to encourage spending and investing in order to stimulate economies, which in turn drove up the demand for dry bulk carriers. However, port quarantine and closures as well as delays in crew scheduling amid the pandemic continued to play havoc with ship turnover and logistics. These factors pushed an already tight transport supply further out of equilibrium. Given the construction time required for newbuilding, it would be difficult to increase the transport supply quickly in the short- and medium-term. Therefore, freight rates for dry bulk carriers of different tonnages kept rising as investment and spending activities gradually recovered in many countries. BDI burst through 5500 points at one point in October 2021 and reached its highest point since 2008.

The disequilibrium in dry bulk carriers was rooted in years of market stagnation and a lack of investor confidence. Since 2020, COVID-19 had only been slowing the market down further and making it worse for shipowners. New environmental regulatory requirements also created higher costs and uncertainty for newbuilding specifications. In 2021, while high freight rates in the dry bulk shipping market offered more attractive incentives for investors, container shipowners invested more in building ships, which had higher unit prices. Most builders' still see container carriers and liquefied petroleum gas ships making up the bulk of their new orders at present. Growth in orders for dry bulk carriers is limited. Furthermore, ongoing campaigns for environmental initiatives to fight global warming are making it difficult to map out a clear path for future investments.

The shipping sector has been facing more and more environmental regulatory requirements on ballast water, nitrogen oxides, and sulfur emissions in recent years. The current environmentally friendly energy saving standards for newbuilding are more sophisticated than their past counterparts. As global warming becomes an increasingly urgent issue, the next wave to hit the shipping sector will be carbon emissions. The Energy Efficiency Existing Ship Index (EEXI) and the Carbon Intensity Indicator (CII) to come into effect in 2023 have yet to clarify the responsibilities to be allocated to the supply chain and the response strategies. The lack may lead to vessel speed reduction and further impact on the supply chain. Meanwhile, the world shows no signs of slowing down on its quest to reduce carbon footprint. Current initiatives such as Net Zero by 2050, EU Carbon Border Tax, and carbon tax on fuels all have their supporters. In addition to enhancing energy saving equipments, the shipping sector may need to consider the possibility of switching to alternative fuels to have a chance of achieving net zero. However, the use of liquefied natural gas (LNG) and other alternative fuels also affects ship design. While it is unclear what future standards will be, much uncertainty remains in the direction of newbuilding investment and, to a certain degree, deters investor interest in newbuilding. At the end of 2021, dry bulk newbuilding orders accounted for only 6.5% of the total number of ships. In contrast, the number of old ships aged 20 or more had reached 10.1%. The supply shortage is at the highest point over the last few years. There appears to be no short-term fix for the dry bulk carrier supply shortage.

2021 Business Results

In 2021, we had added 7 newbuild ships and reduced 1 ship under management overall. We also sold 10 ships. The number of ships in our fleet underwent a net decrease of 2, and the total number of ships in our fleet was 134 at the end of the year. The 7 newbuild ships included 2 kamsarmax, 1 supramax, 3 handysize, and 1 LPG carrier. Except one kamsarmax, most of the ships sold were small and older handysize.

In 2021, the dry bulk shipping market continued the upward momentum that started in the second half of 2020. Slowly rising BDI helped us renew a series of contracts and allowed our self-managed fleet to benefit as well. The average operating profit margin increased from 28.0% for the first quarter to 52.0% for the fourth quarter. Given the larger market volatility in 2021, we focused on keeping our business strategies flexible. Besides fixing longer and index-linked contracts with our long term clients, we kept the length of most fixed rate charters to one year or under. The annual revenue reached US\$686.1 million, up by 69.3% compared to the previous year. The net operating profit was US\$296.2 million, up by nearly six times compared to 2020. Meanwhile, the operating profit margin reached another all-time high at 43.2%.

In terms of nonoperating income, although 10 ships were sold, most were old and in total US\$2.36 million were recognized in losses. During the year, the charter of five ships were terminated early by the charterers, who did so out of long-term business considerations and paid the compensation. Based on the long-term outlook on income, we recognized the impairment at the same time. The associated non-operating income was US\$28.9 million. As we maintained sufficient operating cash flow and lowered debts, our asset-to-liability ratio reached 57.9% in 2021, 10% lower compared to the previous year. In addition, total interest expenses for the year fell by US\$10 million compared to the previous year. The total net profit before tax reached US\$296.4 million in 2021. The EPS was US\$11.09, the highest since the company became publicly listed.

2022 Business Plan

We expect to have 6 more newbuild ships delivered in 2022. They include 3 kamsarmax and 3 handysize ships. All are built by first class Japanese builders, such as Imabari, JMU, Tsuneishi, and Onomichi. These newbuild ships include 3 eco-ships that comply with the Tier III NOx emission standards.

We expect market conditions to remain relatively stable in 2022, in which we will be able to continue with more flexible chartering strategies and a combination of mainly shorter terms and indexation. If the price gap between long-term leases and spot rates narrows, we will consider locking in some long-term fixed rate leases. Despite increasing activities in the buying and selling of ships, it is still hard for recent freight to be reflected. Therefore, where prices are below expectations, the focus will remain on continuing operation.

To take advantage of a growing operating cash flow, we will continue to lower the debt ratio. However, given most ship financing is long term debt, our priority remains to repay short-term debts. Meanwhile, regarding necessary investment in equipment in response to carbon reduction after 2023 and other environmental requirements and assessments, we are discussing medium-term solutions with our long-term partners. Our goal is to ensure we will be strong and able to compete financially as well as in environmental compliance in the long term and ready to meet the challenges of the post-COVID-19 era.

Chairman : Lan, Chun-Sheng

2. Company Overview

2.1 Company and Group Profile

Wisdom Marine Lines Co., Ltd. ("Company") is the parent company of Wisdom Marine Group ("Group"). A holding company was created in Cayman Islands on October 21, 2008. The Company controls Wisdom Marine Lines S.A., Wisdom Marine International Inc., and Well Shipmanagement and Maritime Consultant Co., Ltd. In particular, the business entity Wisdom Marine Lines S.A. has been a specialized international shipping company since it was established on March 15, 1999. The key operating activities of the Group include marine transport, vessel management and maintenance, and vessel leasing. A diverse fleet and a flexible management model enable the Group to minimize market risks.

The Group was founded by its chairman James Lan ("Chairman Lan"). Chairman Lan was born to a family of marine transport experts. He had worked as shipowning partner, professional manager, and independent shipowner; and served as the chairman of DNV GL Taiwan. With thirty years of experience in marine transport, Chairman Lan is well versed in ship procurement, business operations, and financial management. With Chairman Lan at the helm, the management team deploys flexible business strategies and steers the business to stay competitive in a volatile market. The Group grows in reputation, revenue, and profit as the size of its fleet increases at a steady pace.

2.2 Group history

Year	Important events
1999	1. Established Wisdom Marine Lines S.A. with a registered capital of US\$10,000 in March. 2. Purchased M/V "Global Wisdom" to sail the Asia routes and carry steel and timber.
2000	1. Completed newbuildings "Fraternity Wisdom" and "Mount Wisdom" (later renamed "Genius Mariner"). Purchased "Tien Wei", "Unicorn No.1", "Ever Elite" (later renamed "Genius Trader"), "Kitty" and "Blue Seaway". 2. The number of vessels owned reached a total of 8.
2001	1. Established Well Shipmanagement and Maritime Consultant Co., Ltd. with a registered capital of NT\$3,000,000 in the Republic of China. 2. Completed newbuildings "Mega Wisdom" and "Winsome Wisdom". Purchased "Jaw Wei". Leased 3 container ships "Unicorn Joy", "Unicorn Express", and "Unicorn Mariner" 3. Sold "Tien Wei", "Global Wisdom". 4. The number of vessels reached a total of 12.
2002	1. Purchased "Benefit Wisdom" and "Asia 21st Century". Leased "Asia Crusader". 2. Sold "Blue Seaway" and "Jaw Wei". 3. The number of vessels operated (including owned, leased, and managed) reached a total of 13.
2003	1. Completed newbuildings "Infinite Wisdom" and "Mercy Wisdom". Purchased "Tanjung Priok" and "New Luckily VI". Leased "Unicorn Brave". 2. Sold "Kitty". 3. Well Shipmanagement and Maritime Consultant Co., Ltd. received the Panama DOC (Document of Compliance) from Bureau Veritas. 4. The number of vessels operated (including owned, leased, and managed) reached a total of 17.
2004	1. Completed newbuildings "Genius Star" and "Magnate". Leased "Genius Star I". 2. Sold "Unicorn Joy", "Unicorn Mariner", "Genius Trader", and "Asia Crusader". 3. The number of vessels operated (including owned, leased, and managed) reached a total of 16.

Year	Important events
2005	1. Completed newbuilding "Beagle I". Purchased "Pacific Venus". Leased "Genius Star II". Acquired management of "Golden Kiku". 2. Sold "Unicorn Express". 3. The number of vessels operated (including owned, leased, and managed) reached a total of 19.
2006	1. Wisdom Marine Lines S.A. capitalized profits and reported a registered capital of US\$16,260,000 in June. 2. Wisdom Marine Lines S.A. capitalized profits and reported a registered capital of US\$30,000,000 at the end of August. 3. Completed newbuilding "Genius Star III". Purchased "Beagle VI", "Mol Grace" and "Unicorn Ace". 4. The number of vessels operated (including owned, leased, and managed) reached a total of 23.
2007	1. Completed newbuildings "Beagle VII", "Beagle II", "Genius Stra VII", "Siraya Wisdom", "Genius Star VIII", "Unicorn Bravo", "Arikun", and "Bingo". Purchased "Izumo" and "Dumai Express". Started managing "Indian Challenger". 2. Sold "Mega Wisdom", "Tanjung Priok", "New Lucky VI", "Benefit Wisdom". 3. "Unicorn Ace" sank in Philippine waters on March 20. 4. The number of vessels operated (including owned, leased, and managed) reached a total of 29.
2008	1. Established the holding company Wisdom Marine Lines Co., Ltd. in Cayman Islands on October 21. 2. Established Wisdom Marine International Inc. with a registered capital of NT\$10,000,000 in the Republic of China in December. 3. Wisdom Marine Lines S.A. capitalized profits and reported a registered capital of US\$60,000,000. 4. Completed newbuilding "Taokas Wisdom", "Hoanya Wisdom", and "Unicorn Logger". Acquired management of "Ital Massima". 5. Sold "Winsome Wisdom" and purchased "Iris". 5. The number of vessels operated (including owned, leased, and managed) reached a total of 33.
2009	1. Wisdom Marine Lines Co., Ltd. on June 15 with a registered capital of NT\$2,200,000,000. 2. Well Shipmanagement and Maritime Consultant Co., Ltd. received the H.K. DOC (Document of Compliance) from Bureau Veritas. 3. Completed newbuilding "Pazeh Wisdom", "Beagle III", "Papora Wisdom", "Babuza Wisdom", "Poavosa Wisdom", "Genius Star IX". Purchased "Bizen", "Rukai", "Luilang Wisdom", "Itam", "Taroko", "Meta", "Mino", "Jasmine Ace", "Tao Triumph", "Coral Hero". Leased "African Challenger", "Strait Challenger", "Mermaid Star" on a time charter. Leasebacked "Meta" and "Luilang". Acquired management of "Ital Melodia". 4. Sold "Rukai". 5. The number of vessels operated (including owned, leased, and managed) reached a total of 51.
2010	1. Wisdom Marine became listed under the stock code 2637 on TWSE on December 1. 2. Completed newbuilding "Paiwan Wisdom", "Daiwan Wisdom", "Genius Star X", "Amis Wisdom I", "Amis Wisdom II", "Tao Mariner", "Naluhu", "Frontier Bonanza", "Ligulao", "Guma", "Dumun". Purchased "Unicorn Dolphin" in May. Purchased "Mimasaka", "Global Faith", "Unicorn Dolphin", "Unicorn Emerald". Leased "Tao Star". Sold and leasebacked "MOL Grace", "Taroko", "Unicorn Emerald". Acquired management of "Alaw". 3. The number of vessels operated (including owned, leased, and managed) reached a total of 67.
2011	1. Wisdom Marine Lines Co., Ltd. capitalized capital surplus and reported a paid-in capital of NT\$3,355,000,000 on August 31. 2. Wisdom Marine Lines Co., Ltd. launched a cash capital increase and reported a paid-in capital of NT\$3,580,000,00 on November 1. 3. Completed newbuildings "AMIS WISDOM III", "Tao Brave", "Poavosa Wisdom III", "Amis Wisdom VI", "Sakizaya Wisdom", "Poavosa Wisdom VI", "LBC Energy". Purchased "Taikli" and "Hibiscus". Leased "Ocean Victory" and "Del Sol" on a bareboat charter. Sold and leasebacked "Fraternity Wisdom". 4. Sold "Iris", "Unicorn No.1", "Unicorn Brave". 5. The number of vessels operated (including owned, leased, and managed) reached a total of 75.

Year	Important events
2012	- Made the first issue of international unsecured convertible corporate bond for a total of NT\$600,000,000 on March 29. - Wisdom Marine Lines Co., Ltd. capitalized capital surplus and reported a paid-in capital of NT\$3,938,000,000 on August 31. - Completed new building "Katagalan Wisdom", "Atayal Star", "Atayal Mariner", "Katagalan Wisdom III", "Atayal Brave", "Genius Star XI", "Poavosa Wisdom VII", "Bunun Wisdom". Purchased "Blue Horizon", "Clear Horizon", "Bering ID". Leased "ID North Sea" on a bareboat charter. Sold and leasebacked "Mercy Wisdom". - Sold "Strait Challenger", "Genius Star". Terminated third party management contract for "Indian Fortune". - The number of vessels operated (including owned, leased, and managed) reached a total of 84.
2013	- Wisdom Marine Lines Co., Ltd. capitalized capital surplus and reported a paid-in capital of NT\$4,149,624,640 on September 11. - Launched a capital increase by cash to participate in an issue of global depositary receipts for a total of US\$39,312,000. - Made the first overseas issue of unsecured convertible corporate bond for a total of US\$60,000,000 on November 12. - Completed newbuildings "Poavosa Wisdom VIII", "Atayal Ace", "Genius Star XII", "Sakizaya Ace", "Tao Ace", "Sakizaya Brave", "Amis Ace", "Tao Treasure", "Poavosa Ace", "Copanship Wisdom", "Bunun Ace". Leased "Caribbean ID" on a bareboat charter. Sold and leasebacked "Genius Mariner". - Sold "Infinite Wisdom", "Meta", "Luilang Wisdom". Lost contact with "Bingo" in Indian waters during a cyclone. - The number of vessels operated (including owned, leased, and managed) reached a total of 92.
2014	- Completed newbuildings "Sakizaya Champion", "Daiwan Ace", "Daiwan Brave", "Scarlet Falcon", "Bunun Dynasty", "Bunun Elegance". - Sold "Dumai Express", "Tao Triumph", "Fraternity Wisdom", "Taroko", "", "Asia 21st Century", "Bering ID", "Genius Mariner". "Beagle III" collided with South Korean carrier Pegasus Prime outside Tokyo Bay and sank. - The number of vessels operated (including owned, leased, and managed) reached a total of 94.
2015	- Made the second overseas issue of unsecured convertible corporate bond for a total of US\$60,000,000 on April 10, and exercise the upsize option for US\$20,000,000 in May. - Completed newbuildings "Bunun Fortune", "Amis Dolphin", "Amis Elegance", "Daiwan Elegance", "Daiwan Champion", "Daiwan Dolphin", "Scarlet Rosella", "Bunun Glory", "Daiwan Fortune", "Sakizaya Diamond", "Daiwan Glory", "Amis Fortune", "Bunun Hero", "Sakizaya Elegance". Added "Pescadores". - Sold "Unicorn Emerald", "Coral Hero". Completed and sold newbuilding "Imabari 1680", "Imabari 1681", "Tsuneishi 164". Terminated third party management agreement for "Alaw". - The number of vessels operated (including owned, leased, and managed) reached a total of 106.
2016	- Wisdom Marine International Inc. purchased a stake in Pescadores Investment and Development Inc. in April. - Wisdom Marine Lines Co., Ltd. launched a cash capital increase to raise a total of NT\$400,000,000 and reported a paid-in capital of NT\$5,549,706,300 on November 2. - Completed newbuilding "Sakizaya Future", "Daiwan Justice", "Daiwan Kalon", "Sakizaya Glory", "Amis Glory", "Daiwan Hero", "Sakizaya Hero", "Daiwan Infinity", "Bunun Infinity", "Sakizaya Integrity". Purchased "Ocean Victory". Sold and leased "Jasmine Ace", "Wisdom Grace" on a bareboat charter. - Sold "Itami" and "Mercy Wisdom". - The number of vessels operated (including owned, leased, and managed) reached a total of 114.

Year	Important events
2017	- Made the second issue of domestic secured convertible corporate bond for a total of NT\$400,000,000 on September 30. - Made the third issue of domestic unsecured convertible corporate bond for a total of NT\$800,000,000 on October 2. - Wisdom Marine Lines Co., Ltd. launched a cash capital increase to raise a total of NT\$320,000,000 and reported a paid-in capital of NT\$6,167,075,660 on November 8. - Completed newbuilding "Sakizaya Justice", "Sakizaya Miracle", "Bunun Justice", "Amis Hero", "Sakizaya Kalon", "Sakizaya Leader", "Amis Integrity", "Sakizaya Power", "Sakizaya Noble", "Sakizaya Orchid", "Amis Justice". Leased "Amis Orchid" on a bareboat charter. - Sold "Poavosa Champion", "Unicorn Dolphin", and sold a 40% stake in "Golden Kiku" and turned it into a ship under management. - The number of vessels operated (including owned, leased, and managed) reached a total of 124.
2018	- Completed newbuildings "Amis Miracle", "Bunun Kalon", "Sakizaya Queen", "Sakizaya Respect", "Joseph Wisdom", "Amis Nature", "Amis Power", "Daiwan Leader". Added "Mega Benefit", "Saysiat Benefit" to ships under management. - Sold "Genius Star II". Terminated the commercial lease on "Jasmine Ace". Terminated third party management of "Del Sol", "Golden Kiku". - The number of vessels operated (including owned, leased, and managed) reached a total of 130.
2019	- Made the first issue of domestic secured corporate bond for a total of NT\$1,385,000,000 on May 7. - Wisdom Marine Lines Co., Ltd. launched a cash capital increase to raise a total of NT\$400,000,000 and reported a paid-in capital of NT\$6,886,559,030 on October 3. - Completed newbuildings "Daiwan Miracle", "Bunun Leader", "Amis Star. Leased "Amis Queen" on a time charter. Add "Mega Benefit" to ships under bareboat charter. Add "Rukai Benefit", "Bunun Benefit" to ships under management. - Sold "Genius Star I", "Beagle VI", "Pacific Venus", "Mino", "Daiwan Ace", "Daiwan Brave". - The number of vessels operated (including owned, leased, and managed) reached a total of 129.
2020	- Wisdom Marine Lines Co., Ltd. launched a cash capital increase to raise a total of NT\$400,000,000 and reported a paid-in capital of NT\$7,291,558,940 on June 8. - Completed newbuilding "Amis Treasure", "Sakizaya Star", "Amis Unicorn", "Amis Respect", "Bunun Miracle", "Sakizaya Treasure", "Bunun Noble", "Amis Victory". - Terminated the third party management of "Ital Massima". - The number of vessels operated (including owned, leased, and managed) reached a total of 136.
2021	- Completed newbuilding "Bunun Orchid", "Amis Wealth", "Sakizaya Unicorn", "Bunun Respect", "Sakizaya Victory", "Bunun Power", "Jacques". Add "Seediq Benefit", "Kanavu Benefit" to ships under management. - Sold "Sakizaya Noble", "Arikun", "Genius Star III", "Magnate", "Genius Star VII", "Genius Star VIII", "Timu", "Beagle II", "Beagle VII". Terminated the third party management of "Ital Melodia". - The number of vessels operated (including owned, leased, and managed) reached a total of 134.
2022	- Completed newbuilding "Bunun Queen", "Sakizaya Xcel", "Bunun Star", "Bunun Treasure". - The number of vessels operated (including owned, leased, and managed) reached a total of 138.

3. Corporate Governance Report

3.1 Organization

Department		Responsibilities
Supply Department		Procurement and supply of supplies, parts, and lubricants for ships under management.
Technical Department		Arrangements of ship maintenance and inspection for ships under management.
ISM		Safety management training and supervision for ships under management.
Seaman Affairs Department		Seaman hiring, evaluation, and recruitment for ships under management.
Business and Operation Department		Brokerage of ship leasing, operation, and sale for other companies, routine operations and insurance claim administration for ships under management
Administration Department		Responsible for legal, shareholder affair administration, human resources, IT software/hardware management, operational resource management, business development strategy, new business investment, and general affair administration.
Finance Department		Performing accounting, financial, tax, budgeting, and account processing activities and providing accurate and up-to-date financial information for the Group.
Auditing Office		Supervision of audits of internal control system and business operations and recommendations for modification
Other functional committees and teams	ESG Committee	Promote the sustainable development of environment, society and governance.
	Safety Management Committee	Develop and strengthen the company's shipping safety management and raise awareness of ship/shore safety, and follow the company's safety management regulations.
	Corporate Governance Team	Build a sound corporate governance system, implement an effective corporate governance structure, and follow the corporate governance indicators.
	Risk Management Team	Ensure that the company manages and controls major risks and responds to possible shocks to maintain stable operations.
	Cyber Security Team	Ensure all of the company's hardware/software, information and communication work properly to prevent intentional or accidental threats.
	Business Ethics Team	Establish an ethical management culture and facilitate healthy development for good business practices.

3.2 Profiles of Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, and Managers of Various Departments and Branch Offices

3.2.1 Director

3.2.1.1 Basic information

Unit: 000 shares, % : As of March 25, 2022

Title and Name	Nationality	Gender and Year of Birth	Date elected	Term	First date elected	Shareholding when elected		Current shareholding		Current shareholdings by spouse and minor children		Education and work experience	Other current positions within the Company and in other companies
						Number of shares	Shareholding (%)	Number of shares	Shareholding (%)	Number of shares	Shareholding (%)		
Chairman Lan, Chun-Sheng	Taiwan	Male / 1951	2021.05.21	3 years	2008.12.25	197,793	32.07	202,815	27.17	3,416	0.46	BA in Business Administration, Tamkang University President, Shih Wei Navigation President, First Steamship Group	Chairman, Penghu First Credit Cooperative Chairman, Wisdom Marine Agency Co., Ltd. Chairman, Brave Line Chairman, DNV GL(Taiwan)
Director Fukui Masayuki	Japan	Male / 1949	2021.05.21	3 years	2008.12.25	1,471	0.24	1,667	0.22	-	-	BA in Business Administration, Chapman University (USA) Tokyo Freighting, Ltd shipbroker Yoko Sempaku Co. Partner	Yoko Co., Ltd. Founder and President
Director Chao, Mike Tzu-Lung	Taiwan	Male / 1970	2021.05.21	3 years	2008.12.25	604	0.10	614	0.08	741	0.10	BA in Economics & BS in Biology, University of Maryland (USA) William Tan & Associates, CPA	COO, Wisdom Marine Lines
Director Jinzhou Investment	Taiwan	Male / 1952	2021.05.21	3 years	2012.06.29	1,473	0.24	1,508	0.20	-	-	BA in Eastern Linguistics, Chinese Culture University Sales Manager, Jardine Matheson	President, Prime Maritime Agency
Represented by Chen, Ming-Shang						558	0.09	486	0.07	-	-		
Independent Director Tu, Neng-Mo	Taiwan	Male / 1975	2018.05.25	3 years	2012.06.29	-	-	-	-	-	-	J.S.D/LL.M, University of California, Berkeley, School of Law BA in Law, National Taiwan University Co-Founder and Managing Partner, Elements Attorneys Advisor, Taipei City Government International Affairs Advisory Committee Corporate Counsel, Media Tek Inc. Corporate Counsel Asia Pacific, Foxconn Group Attorney, Investment Department, Lee & Li Attorneys-at-Law	International Partner, King&Wood Mallesons Director, Trip Notice Travel Inc. Director, Gao Zhi Inc.
Independent Director Chen, Po-Chih	Taiwan	Male / 1949	2018.05.25	3 years	2015.05.29	-	-	-	-	-	-	PhD in Economics, National Taiwan University National Policy Advisor to the President Economic Advisor to the President Chairman, Council for Economic Planning and Development, Executive Yuan Director, Central Bank Chairman of Department of Economics, National Taiwan University and President of Chung-Hua Institution Economic Research	Honorary Chairman, Taiwan Think Tank

Title and Name	Nationality	Gender and Year of Birth	Date elected	Term	First date elected	Shareholding when elected		Current shareholding		Current shareholdings by spouse and minor children		Education and work experience	Other current positions within the Company and in other companies
						Number of shares	Shareholding (%)	Number of shares	Shareholding (%)	Number of shares	Shareholding (%)		
Independent Director Liu, Tsai-Ching	Taiwan	Female / 1963	2021.05.21	3 years	2018.05.25	-	-	-	-	-	-	Ph.D in Economics, University of North Carolina at Chapel Hill BA in Economics, National Chung Hsing University Director, Taiwan Insurance Guaranty Fund Director, Global Link Securities Chairman and President, Department of Public Finance, National Taipei University Director, Public Finance and Finance Research Center Convener and Members of the Board of Examiners, special examination, Ministry of Examination Associate Professor, Department of Accounting, National Chung Hsing University Associate Professor, Department of Economics, Tamkang University	Professor, Department of Public Finance, National Taipei University College of Public Affairs Professor, National Taipei University Director, Taiwan Stock Exchange Vice Chairman, Committee on Taxation and Financial Policy, Chinese National Federation of Industries
Independent Director Chiu, Yung-Ho	Taiwan	Male / 1956	2021.05.21	3 years	2018.05.25	-	-	-	-	-	-	Ph.D in Economics, University of Mississippi (USA) Master in Economics, Soochow University BA in Economics, FengChia University Vice Chairperson & Spokesman, Fair Trade Commission, ROC Dean of Office of Academic Affairs, Soochow University Director, First Commercial Bank Member of Remuneration Committee, Teco Electric and Machinery Independent Director, Chenfull International	Professor, Department of Economics, Soochow University Chairman, Multi-Level Marketing Protection Foundation
Independent Director Lin, Tse-Chun	Taiwan	Male / 1978	2021.05.21	3 years	2018.05.25	-	-	-	-	-	-	Ph.D in Finance, Finance Group, University of Amsterdam M.Phil in Economics, Tinbergen Institute MBA in International Business, National Chengchi University BA in Economics, National Taiwan University Associate Professor of Finance, Faculty of Business and Economics, University of Hong Kong	Professor, Department of Finance, National Taiwan University Director of Finance, Faculty of Business and Economics, University of Hong Kong Professor of Finance, Faculty of Business and Economics, University of Hong Kong
Independent Director Chen, Ching-Yi	Taiwan	Female / 1973	2021.05.21	3 years	2021.05.21	-	-	-	-	-	-	BA in Law, National Taiwan University LL.M of Criminal Law, National Taiwan University J.S.D of Law, National Chengchi University No.37 of Training Institute for Judges and Prosecutors Judge, Taiwan High Court Presiding judge of Civil Division, Taiwan Taoyuan District Court Judge, Taiwan Taoyuan District Court Members of Sexual Harassment Investigation Committee, Ministry of National Defense	Lawyer Arbitrator Members of the legal Rights Protection Commission of Military Forces Members of Human Rights Working Subcommittee, Ministry of National Defense CEO, Jaylaw Attorneys at law Independent Director, Patec Precision Industry Co., Ltd.
Independent Director Maa, Kwo-Juh	Taiwan	Male / 1961	2021.05.21	3 years	2021.05.21	-	-	-	-	-	-	Master of Accounting, National Chengchi University Deputy Director, KPMG(Taiwan) CEO, KPMG(Taiwan) Chairman and CEO, KPMG(Taiwan)	Chairman, Association of Corporate Governance Professionals Professor of Department of Law, National Chengchi University Professor of Department of Law, National Taiwan University Independent Director, RECTRON LTD. Chairman, CHIH YEH CONSULTANCY LIMITED
Shareholding by nominee arrangement : None. Spouse or relatives within the second degree of kinship acting as Directors, Supervisors, or other department heads : None.													

Note 1: Retired after re-election of directors and independent directors on May 21, 2021.

Note 2: Newly appointed after the re-election of directors and independent directors on May 21, 2021.

3.2.1.2 Supervisors: The Company does not appoint supervisors as the Independent Directors form the Audit Committee as required by the Articles of Incorporation.

3.2.1.3 Large shareholders of institutional shareholder

Name of institutional shareholder	Large shareholders of institutional shareholder
Jinzhou Investment Co., Ltd.	Lan, Mei-Chou (90%), Lan, Wei-Chih (10%)

3.2.1.4 Professional knowledge and independence of Directors

Title	Criteria Name (Note 1)	Professional qualifications and experience (Note 2)	Description of independence (Note 3)	Number of positions as an Independent Director in other public companies
Chairman Member of Nomination Committee	Lan, Chun-Sheng	More than 40 years of industry experience in the maritime transport business.		NA
Director	Fukui Masayuki	More than 35 years of industry experience in the maritime transport business.		NA
Director Member of Nomination Committee	Chao, Mike Tzu-Lung	More than 15 years of industry experience in the maritime transport business. Licensed US CPA with practical and accounting related experience		NA
Director	Chen, Ming-Shang	More than 30 years of industry experience in the maritime transport business.		NA
Independent Director Member of Audit Committee Member of Remuneration Committee Member of Nomination Committee	Liu, Tsai-Ching	Ph.D in Economics, Professor of Finance, and Director of Taiwan Stock Exchange Corporation, with specialization in business.	● Compliance with Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. ● The independent directors of the 6th board of directors and their spouses and relatives within second degree are <u>not</u> serving as directors, supervisors, or employees of the company or any of its affiliates. ● The independent directors of the 6th board of directors and their spouses and relatives within second degree are <u>not</u> holding shares of the company in their own names or in any third party's name. ● The independent directors of the 6th board of directors and their spouses and relatives within second degree are <u>not</u> serving as directors, supervisors, or employees of any company that has a specific relationship with the company. ● The independent directors of the 6th board of directors and their spouses and relatives within second degree receive <u>zero</u> remuneration from providing business, legal, financial, or accounting service to the company or any of its affiliates in the last two years.	NA
Independent Director Member of Audit Committee Member of Remuneration Committee Member of Nomination Committee	Chiu, Yung-Ho	Ph.D in Economics, Professor of Economics, and former Vice Chairman of Fair Trade Commission, with specialization in business.		NA
Independent Director Member of Audit Committee Member of Remuneration Committee	Lin, Tse-Chun	Ph.D in Finance and Professor of Finance, with specialization in business.		NA
Independent Director Member of Audit Committee Member of Remuneration Committee	Chen, Ching-Yi	Qualified lawyer, judge, and arbitrator, with specialization in law.		1
Independent Director Member of Audit Committee Member of Remuneration Committee Member of Nomination Committee	Maa, Kwo-Juh	CPA, with more than 30 years in audit and consulting services, with specialization in accounting. Adjunct Professor of Law, with specialization in law.		1

Note 1: The table shows the current members of the company's board of directors.

Note 2: None of the current members of the company's board of directors is in any of the circumstances described in Article 30 of the Company Act.

3.2.1.5 Board diversity and independence

Board diversity:

Given the unique nature of the shipping business, we work with partners with various backgrounds in the global market. Diversity on the board of directors and in the workforce is a valuable element to the company's operations. However, diversity also means a wide range of attributes. In the interest of consistency and stability, the disclosure of information lists only gender, nationality, age, concurrent positions as employee, and professional background.

Board diversity in practice at present is implemented as follows:

Diversity Name	Gender	Nationality	Serving as the Company's employee	Year of Birth				Industry experience	Specialization in accounting	Specialization in finance	Specialization in law	Other specialization
				1950 or before	1951-1960	1961-1970	1971 and after					
Lan, Chun-Sheng	Male	Taiwan			✓			✓				
Fukui Masayuki	Male	Japan		✓				✓				
Chao, Mike Tzu-Lung	Male	Taiwan	✓			✓		✓	✓			
Chen, Ming-Shang	Male	Taiwan			✓			✓				
Liu, Tsai-Ching	Female	Taiwan				✓						✓
Chiu, Yung-Ho	Male	Taiwan			✓							✓
Lin, Tse-Chun	Male	Taiwan					✓			✓		
Chen, Ching-Yi	Female	Taiwan					✓				✓	
Maa, Kwo-Juh	Male	Taiwan				✓			✓	✓	✓	

The current members of the board of directors of the company (including 5 independent directors) includes 1 Japanese director (11%) and 1 director who is serving as the company's employee (11%). There is an emphasis on gender diversity on the board. There are currently 2 female directors, who make up 22% of the board membership.

Board independence:

All current members of the board of directors of the company are in compliance with Article 26-3, Paragraph 3 and Paragraph 4 of the Securities and Exchange Act. None of the board members (including the 5 independent directors) is a spouse or relative within the second degree of kinship to another board member.

All independent directors meet the requirements for active qualifications, passive qualifications, and independence in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

In addition to compliance with the aforesaid regulations, the independent directors have made up more than half of the board membership since 2012, which also reflects independence of the board of directors.

3.2.2 Key Management Personnel

3.2.2.1 Basic Information

Unit: 000 shares, % ; As of March 25, 2022

Title	Nationality	Name	Gender	Date of appointment (Note1)	Shareholding		Shareholdings by spouse and minor children		Shareholding by nominee arrangement		Education and work experience	Current job position in other companies	Management personnel who is a spouse or a relative within second degree		
					Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)			Title	Name	Relationship
President	Taiwan	Cheng, Chun-Sheng	Male	1999.12.01	271,638	0.03	9,721	0.00	-	-	National Keelung Maritime Vocational High School Captain Manager, Honor Faith Industrial Limited Vice President, Wisdom Marine Lines	-	-	-	-
COO	Taiwan	Chao, Mike Tzu-Lung	Male	2005.08.01	613,974	0.08	741,396	0.10	-	-	BA in Economics & BS in Biology, University of Maryland (USA) William Tan & Associates, CPA	-	-	-	-
CFO	Taiwan	Bruce Hsueh	Male	2007.04.02	321,357	0.04	33,866	0.00	-	-	BA in Economics, National Taiwan University Masters, University of California, Berkeley	-	-	-	-
CTO	Taiwan	Tsaur, Shuang-Chau	Male	2013.08.01	-	-	-	-	-	-	National Keelung Maritime Vocational High School TMT	-	-	-	-
Chief Engineer Officer	Taiwan	Wang, Shing-Hwa (Note2)	Male	2021.04.01	-	-	-	-	-	-	BEng of National Taiwan College of Marine Science and Technology Vice President, Genius Star Management Consulting Co., Ltd.	-	-	-	-
Assistant Vice President, ISM Department	Taiwan	Scott Chang	Male	2009.07.01	33,000	0.00	-	-	-	-	Yuan Ze University: Master in Business Management National Chung Hsing University: Bachelor in Applied Mathematics	-	-	-	-
Assistant Vice President, Technical Department	Taiwan	Max Chen	Male	2009.04.06	42,348	0.01	-	-	-	-	National Taiwan University: Master in Mechanical Engineering National Yunlin University of Science and Technology: Bachelor in Mechanical Engineering 4M Technologies SA Taiwan Branch	-	-	-	-
Assistant Vice President, Supply Department	Taiwan	Joe Hsu	Male	2009.05.25	40,000	0.01	-	-	-	-	Kaohsiung Marine Institute of Technology: Marine Engineering Taipei Port Container Terminal Corp	-	-	-	-
Assistant Vice President, Finance Department	Taiwan	Lina Hung	Female	1999.08.01	110,717	0.01	-	-	-	-	Department of Economics, Soochow University Accountant, National Shipping Agency Corp	-	-	-	-
Internal Auditor	Taiwan	Mandy Lin	Female	2017.03.06	2,150	0.00	-	-	-	-	Department of Accounting, Soochow University KPMG International Cooperative, Taiwan	-	-	-	-

Note 1 : The date of appointment is the start date of employment with Wisdom Marine Lines.

Note 2 : Chief Engineer Officer Wang, Shing-Hwa took office on April 1, 2021.

3.2.3 Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto : None.

3.3 Remunerations to Directors, Supervisors, President, and Vice Presidents in the past year

3.3.1 Remuneration to Directors (including Independent Directors)

Unit: NTS 000

Title	Name	Director's remuneration								Ratio of total compensation (A+B+C+D) to net profit after tax (%)		Pay received as an employee								Ratio of total compensation (A+B+C+D+E+F+G) to net profit after tax (%)		Remuneration from investments other than subsidiaries
		Remuneration (A)		Retirement pension (B)		Director's remuneration (C)		Business expenses (D)				Salary, bonuses and allowances (E)		Retirement pension (F)		Employee's remuneration (G)						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	Cash value	Share value	Cash value	Share value	The Company	All companies in the financial statements	
Chairman	Lan, Chun-Sheng	500	500	0	0	9,470	9,470	57	57	0.12	0.12	7,457	7,457	0	0	0	0	0	0	0.21	0.21	N/A
Director	Fukui Masayuki	500	500	0	0	1,770	1,770	55	55	0.03	0.03	0	0	0	0	0	0	0	0	0.03	0.03	N/A
Director	Chao, Mike Tzu-Lung	500	500	0	0	1,770	1,770	57	57	0.03	0.03	0	3,040	0	0	0	0	0	0	0.03	0.07	N/A
Director	Jinzhou Investment Co., Ltd.	500	500	0	0	1,770	1,770	55	55	0.03	0.03	0	0	0	0	0	0	0	0	0.03	0.03	N/A
	Represented by Chen, Ming-Shang																					
Independent Director	Tu, Neng-Mo	193	193	0	0	684	684	19	19	0.01	0.01	0	0	0	0	0	0	0	0	0.01	0.01	N/A
Independent Director	Chen, Po-Chih	193	193	0	0	684	684	27	27	0.01	0.01	0	0	0	0	0	0	0	0	0.01	0.01	N/A
Independent Director	Tsai-Ching-Liu	500	500	0	0	1,770	1,770	70	70	0.03	0.03	0	0	0	0	0	0	0	0	0.03	0.03	N/A

Title	Name	Director's remuneration								Ratio of total compensation (A+B+C+D) to net profit after tax (%)		Pay received as an employee								Ratio of total compensation (A+B+C+D+E+F+G) to net profit after tax (%)		Remuneration from investments other than subsidiaries
		Remuneration (A)		Retirement pension (B)		Director's remuneration (C)		Business expenses (D)				Salary, bonuses and allowances (E)		Retirement pension (F)		Employee's remuneration (G)						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements			
														Cash value	Share value	Cash value	Share value					
Independent Director	Yung-Ho Chiu	500	500	0	0	1,770	1,770	70	70	0.03	0.03	0	0	0	0	0	0	0	0	0.03	0.03	N/A
Independent Director	Tse-Chun Lin	500	500	0	0	1,770	1,770	68	68	0.03	0.03	0	0	0	0	0	0	0	0	0.03	0.03	N/A
Independent Director	Chen, Ching-Yi	308	308	0	0	1,091	1,091	30	30	0.02	0.02	0	0	0	0	0	0	0	0	0.02	0.02	N/A
Independent Director	Ma, Kwo-Juh	308	308	0	0	1091	1091	37	37	0.02	0.02	0	0	0	0	0	0	0	0	0.02	0.02	N/A

3.3.2 Remuneration to supervisors :None.

3.3.3 Remuneration to President, and Vice Presidents :

Unit: NTS 000

Title	Name	Salary (A)		Retirement pension (B)		Bonuses and allowances (C)		Employee's remuneration (D)				Ratio of total compensation (A+B+C+D) to net profit after tax (%)		Remuneration from investments other than subsidiaries
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash value	Share value	Cash value	Share value			
Wisdom Marine International Inc. President	Cheng, Chun-Sheng	0	3,045	0	0	0	993	0	0	0	0	0	0.05	NA
Wisdom Marine International Inc. COO	Chao, Mike Tzu-Lung	0	2,993	0	0	0	747	0	0	0	0	0	0.04	NA
Wisdom Marine International Inc. CTO	Tsaur, Shuang-Chau	0	1,762	0	0	0	588	0	0	0	0	0	0.03	NA
Wisdom Marine International Inc. Chief Engineer Officer	Wang, Shing-Hwa	0	1,194	0	0	0	133	0	0	0	0	0	0.02	NA
Wisdom Marine International Inc. CFO	Bruce Hsueh	0	1,887	0	0	0	616	0	0	0	0	0	0.03	NA

3.3.4 Manager's Name and Distribution of Employee Bonus: N/A.

3.3.5 Comparison and analysis of remunerations to Directors, Supervisors, President and Vice Presidents as a percentage of net profit after tax in the last two years and description of the policy, standards and packages of remunerations, procedure for making such decision and relation to business performance:

Analysis of remunerations to Directors, Supervisors, President and Vice Presidents from the Company and all companies in the consolidated financial statements as a percentage of net profit after tax in the last two years:

Unit: NT\$ 000

Title	2021				2020			
	Total amount		as a percentage of net profit after tax (%)		Total amount		as a percentage of net profit after tax (%)	
	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements
Directors and Supervisors	36,144	39,184	0.44	0.48	10,009	13,339	8.98	11.97
President, Vice Presidents	0	12,258	0.00	0.16	0	13,115	0.00	11.77

Description of the policy, standards and packages of remunerations, procedure for making such decision and relation to business performance and future risks:

According to the Articles of Incorporation and the Director Remuneration Policy of the Company, the annual base remuneration is NT\$500,000 for all directors.

All performance bonuses for the directors are based on net profit after tax and EPS. The same calculation applies to all directors, except for the chairman of the board. Remuneration is not directly linked to performance or contribution.

The remuneration for the directors in 2021 has been approved by the board of directors on January 14, 2022 and March 25, 2022.

Monthly salaries and annual bonuses to President and Vice Presidents are based on the average level of pay offered by competition for the same position, the power and responsibility of the position, and the contribution to the Company's business targets. In addition to the Company's overall business performance and future operating risks and trends in the industry, the personal target completion rate and contribution to the Company's business performance are also taken into consideration in the calculation of reasonable compensation. Performance evaluation and pay reasonableness are reviewed by the Remuneration Committee and the Board of Directors. The remuneration system is reviewed as needed to reflect actual business performance and regulations and to maintain the balance between sustainable development and risk management.

3.4 Corporate Governance Practices

3.4.1 Board of Directors

3.4.1.1 Operations of the Board of Directors

The board of directors met 11 times in last year (2021). The details of the attendance are as follows:

Title	Name	Attendances in person	Attendances by proxy	Attendance rate (%)	Notes
Chairman	James Lan	11	0	100%	None.
Director	Masayuki Fukui	11	0	100%	None
Director	Mike Tzu-Lung Chao	11	0	100%	None
Director	Jinzhou Investment	11	0	100%	None
	Representative: Ming-Shang Chen				
Independent director	Neng-Mo Tu	3	1	75%	Retired after re-election of directors and independent directors on May 21, 2021. In 2021, there should be 4 attendances.
Independent director	Po-Chih Chen	4	0	100%	Retired after re-election of directors and independent directors on May 21, 2021. In 2021, there should be 4 attendances.
Independent director	Tsai-Ching Liu	11	0	100%	None
Independent director	Yung-Ho Chiu	11	0	100%	None
Independent director	Tse-Chun Lin	11	0	100%	None
Independent director	Chen, Ching-Yi	5	2	71%	Newly appointed after the re-election of directors and independent directors on May 21, 2021. In 2021, there should be 7 attendances.
Independent director	Maa, Kwo-Juh	6	1	86%	Newly appointed after the re-election of directors and independent directors on May 21, 2021. In 2021, there should be 7 attendances.

The attendance records of independent directors by board meeting in 2021:

○ : Attendance in person; Δ : Attendance by proxy; X: Absent

Date	Term	Neng-Mo Tu	Po-Chih Chen	Tsai-Ching Liu	Yung-Ho Chiu	Tse-Chun Lin	Chen, Ching-Yi	Maa, Kwo-Juh
2021.01.29	35th meeting of the 5th board of directors	○	○	○	○	○	N/A	N/A
2021.02.26	36th meeting of the 5th board of directors	Δ	○	○	○	○	N/A	N/A

Date	Term	Neng-Mo Tu	Po-Chih Chen	Tsai-Ching Liu	Yung-Ho Chiu	Tse-Chun Lin	Chen, Ching-Yi	Maa, Kwo-Juh
2021.03.26	37th meeting of the 5th board of directors	○	○	○	○	○	N/A	N/A
2021.04.23	38th meeting of the 5th board of directors	○	○	○	○	○	N/A	N/A
2021.05.21	1th meeting of the 6th board of directors	N/A	N/A	○	○	○	○	○
2021.06.25	2th meeting of the 6th board of directors	N/A	N/A	○	○	○	○	○
2021.07.23	3th meeting of the 6th board of directors	N/A	N/A	○	○	○	○	○
2021.08.27	4th meeting of the 6th board of directors	N/A	N/A	○	○	○	Δ	○
2021.09.24	5th meeting of the 6th board of directors	N/A	N/A	○	○	○	○	○
2021.10.29	6th meeting of the 6th board of directors	N/A	N/A	○	○	○	Δ	○
2021.12.10	7th meeting of the 6th board of directors	N/A	N/A	○	○	○	○	Δ

Other important information:

1. Should any of the following take place in a board meeting, the date and number of the meeting, the content of proposal, independent director's opinions and the Company's response to such opinions should be recorded:

- (1) Matters listed in Article 14-3 of the Securities and Exchange Act
- (2) Aside from the above matters, other resolutions adopted by the board of directors to which an independent director has made objection or reservation on record or in writing

Date	Term	Agenda and follow-up	Matters under Article 14-3 of the Securities and Exchange Act	Objection or reservation from independent director
2021.01.29	35th meeting of the 5th board of directors	- Amendment to Guidelines for Board Performance Evaluation - Amendment to Audit Committee Charter - Amendment to Remuneration Committee Charter - Amendment to Regulation of Financial and Business Conducts Among Group Companies - Amendment to Rules of General Meetings - Amendment to Rules of Board Meetings - Intercompany Loan Facility	V	N/A
2021.02.26	36th meeting of the 5th board of directors	- Adoption of 2020 Financial Report. - Intercompany Loan Facility	V	N/A
2021.03.26	37th meeting of the 5th board of directors	2020 Internal Control Declaration - Amendment to Nominating Committee Charter - Amendment to the Articles of Association	V	N/A

Date	Term	Agenda and follow-up	Matters under Article 14-3 of the Securities and Exchange Act	Objection or reservation from independent director
		- Capital Increase of Well Shipmanagement and Maritime consultant Co., Ltd. - Subscription of New Shares Issued by Pescadores Investment and Development Inc. - Capital Increase of Wisdom Marine International Inc. - Assessment of Right-of-Use Assets Acquired from Related Parties - Appointment of Chief Engineering Officer - Sale: MV Genius Star III		
2021.04.23	38th meeting of the 5th board of directors	- Adoption of 2021Q1 Financial Report - Sale of Vessels - Intercompany Loan Facility - Renewal: Bank of Kaohsiung Loan Facility	V	N/A
2021.05.21	1th meeting of the 6th board of directors	- Election of Chairman of the Board of Directors - Election of Remuneration Committee Members - Election of Nominating Committee Members - Earnings Distribution of Wisdom Panama	V	N/A
2021.06.25	2th meeting of the 6th board of directors	- Newbuilding: 3 Tsuneishi 82,400MT Bulk Carriers - Sale of Vessels	V	N/A
2021.07.23	3th meeting of the 6th board of directors	- Newbuilding: Namura 40,000 DWT Bulk Carriers - Newbuilding: Imabari 39,650 DWT Bulk Carriers - Sale of Vessel: MV Timu	V	N/A
2021.08.27	4th meeting of the 6th board of directors	- Adoption of 2021Q2 Financial Report - Amendment to Internal Control Procedures	V	N/A
2021.09.24	5th meeting of the 6th board of directors	- Amendment to Internal Control Procedures - Amendment to Employee Work Rules - Appointment of Convenor of the CSR Committee - Appointment of Convenor of the Safety Management Committee - Newbuilding: Onomichi 40,000 DWT Bulkers - Bareboat Charter and Purchase Obligation: MV Sakizaya Xcel	V	N/A
2021.10.29	6th meeting of the 6th board of directors	- Adoption of 2021Q3 Financial Report - Newbuilding: Imabari 64,000 DWT Bulk Carriers - Bareboat Charter and Purchase Obligation: MV Sakizaya Xcel - Intercompany Loan Facility	V	N/A
2021.12.10	7th meeting of the 6th board of directors	- Appointed KPMG to provide external performance assessment of the Board for 2021 - Appointed Ernst & Young to provide CSR consulting for the Company's upcoming CSR report - Assessment of External Auditor - Incorporation of Huian Ship Management Co., Ltd. - Extension of Appointment Beyond Retirement Age - Intercompany Loan Facility	V	N/A

- Details, including names of directors, proposals, reasons for conflict of interest, and voting results, of circumstances where directors absented themselves due to conflict of interest: None.
- TWSE/TPEX listed companies shall disclose the frequency and period, scope, method and content of evaluation of their board of directors' self-evaluation :

The board of directors passed the Guidelines for Performance Evaluation of Board of Directors and Functional Committees on April 28, 2017. The guidelines require that a self-assessment of the board of directors be completed within three months after the end of a fiscal year.

The Company hires an external institution to perform an external board performance evaluation every three years. The latest was when the Company received an external board performance evaluation report from KPMG on February 18, 2022. The Company also followed the recommendations proposed in this report in order to strengthen board performance.

Please refer to Section 3.4.1.2 for details on the board evaluation.

4. Evaluation of targets to enhance the role of the board and performance in the current year and last year:
 - (1) In addition supplying relevant regulations to the directors, a financial report is delivered at each board meeting to keep the directors informed.
 - (2) Various continuing education courses are offered to the directors, and directors are encouraged to attend corporate governance courses in order to strengthen the roles of board members.
 - (3) The board of directors appoints a governance officer, who has completed initial training, to improve corporate governance and board performance. Please refer to Section 3.4.8.1 for training completed by the governance officer.

3.4.1.2 Evaluation of Board of Directors

C.1.1.2 Evaluation of Board of Directors																		
Frequency	Period	Scope	Method	Description														
Triennially	2021/1/1-2021/12/31 Report date : 2022/2/18	Board of Directors	Hired external professional institution : KPMG Advisory Services Co., Ltd.	KPMG performed evaluation of the board of directors of Wisdom Marine Lines between December 22, 2021 and February 18, 2022. KPMG examined the company's disclosures, board meeting minutes, current polices, and other available supporting documents. Results of the self-assessment questionnaire and interviews with the directors were also considered in the evaluation. Board evaluation consists of nine criteria: construction of a functional board, an effective board, professional development and continuing training, business outlook, fulfillment of roles and responsibilities, management of the management team, establishment of corporate culture, stakeholder communication, and performance evaluation. Board member evaluation consists of six criteria: mastery of company goals and duties, awareness of director responsibilities, professional development and continuing education, fulfillment of roles and responsibilities, degree of participation in company operations, and internal relations and communication. The evaluation method combines data analysis, questionnaire, and interview, and use the results to issue the performance evaluation report.														
Annually	2021/1/1-2021/12/31	Board of Directors	Board members completed self-assessment questionnaires	<table><tr><th>Assessment area</th><th>Score</th></tr><tr><td>Director participation</td><td>4.1 / 5</td></tr><tr><td>Quality of meeting discussions and decisions</td><td>4.8 / 5</td></tr><tr><td>Board composition and structure</td><td>4.9 / 5</td></tr><tr><td>Education and training completed by directors</td><td>4.4 / 5</td></tr><tr><td>Corporate governance and culture</td><td>4.6 / 5</td></tr><tr><td>Overall score</td><td>4.6 / 5</td></tr></table>	Assessment area	Score	Director participation	4.1 / 5	Quality of meeting discussions and decisions	4.8 / 5	Board composition and structure	4.9 / 5	Education and training completed by directors	4.4 / 5	Corporate governance and culture	4.6 / 5	Overall score	4.6 / 5
Assessment area	Score																	
Director participation	4.1 / 5																	
Quality of meeting discussions and decisions	4.8 / 5																	
Board composition and structure	4.9 / 5																	
Education and training completed by directors	4.4 / 5																	
Corporate governance and culture	4.6 / 5																	
Overall score	4.6 / 5																	
Annually	2021/1/1-2021/12/31	Audit Committee	Board members completed self-assessment questionnaires	<table><tr><th>Assessment aspect</th><th>Score</th></tr><tr><td>Director participation</td><td>4.5 / 5</td></tr><tr><td>Quality of meeting discussions and decisions</td><td>4.9 / 5</td></tr><tr><td>Audit committee composition and structure</td><td>5.0 / 5</td></tr><tr><td>Corporate governance and culture</td><td>4.8 / 5</td></tr><tr><td>Overall score</td><td>4.8 / 5</td></tr></table>	Assessment aspect	Score	Director participation	4.5 / 5	Quality of meeting discussions and decisions	4.9 / 5	Audit committee composition and structure	5.0 / 5	Corporate governance and culture	4.8 / 5	Overall score	4.8 / 5		
Assessment aspect	Score																	
Director participation	4.5 / 5																	
Quality of meeting discussions and decisions	4.9 / 5																	
Audit committee composition and structure	5.0 / 5																	
Corporate governance and culture	4.8 / 5																	
Overall score	4.8 / 5																	

Frequency	Period	Scope	Method	Description	
Annually	2021/1/1-2021/12/31	Remuneration Committee	Board members completed self-assessment questionnaires	Assessment aspect	Score
				Director participation	5.0 / 5
				Quality of meeting discussions and decisions	4.5 / 5
				Remuneration committee composition and structure	4.9 / 5
				Corporate governance and culture	4.8 / 5
				Overall score	4.8 / 5
Annually	2021/1/1-2021/12/31	Nomination Committee	Board members completed self-assessment questionnaires	Assessment aspect	Score
				Director participation	5.0 / 5
				Quality of meeting discussions and decisions	4.5 / 5
				Nomination committee composition and structure	4.9 / 5
				Corporate governance and culture	5.0 / 5
				Overall score	4.9 / 5

- (1) The Guidelines for Performance Evaluation of Board of Directors and Functional Committees state that the board of directors and functional committees shall perform performance evaluation at least once a year. Board evaluation shall be performed by external independent agencies or teams of experts and scholars at least once every three years. Results of internal and external board evaluation shall be completed within three months after the end of a year. The evaluation criteria for the board of directors and functional committees shall include at least the five criteria below:

- Director participation
- Quality of meeting discussions and decisions
- Board composition and structure
- Education and training completed by directors
- Corporate governance and culture

Every year, when all questionnaires are completed and collected, the Corporate Governance Evaluation Task Force follows the guidelines above to perform analysis, and includes quantitative indicators before presenting the report to the board of directors and making recommendations for improvement at the same time.

Recommendations for improvement from the 2021 internal evaluation:

- Attending by video conference can be made an option available to directors who are unable to attend shareholders meetings in person.
- Courses can be decided after the Nomination Committee has discussed course contents and considered the backgrounds of the directors, newly amended regulations, and industry characteristics.

The report on performance evaluation of the board and its members was approved in the board meeting on March 25, 2022.

- (2) The Company hires an external institution to perform an external board performance evaluation every three years. The latest was when the Company received an external board performance evaluation report from KPMG on February 18, 2022. KPMG performed evaluation of the board of directors of Wisdom Marine Lines between December 22, 2021 and February 18, 2022. KPMG evaluated the board based on 88 items in nine criteria and the board members based on 27 items in six criteria.

KPMG concluded that the board of directors of Wisdom Marine Lines had made policies and processes according to the applicable regulations and domestic governance indicators. The board of directors consists of directors with relevant skills and training, and responsibilities are allocated according to experience in order to ensure the board and functional committees work effectively. The overall performance was rated between good and excellent.

Room for improvement in the board of directors was still identified in some of the nine criteria, such as an effective board, professional development and continuing education, and fulfillment of responsibilities.

KPMG made the following recommendations:

- Although key operations such as business risk management, ethical management, and ESG/CSR fulfillment take place in practice, they are not reported formally to the board of directors. This may lead to external directors being less familiar with these operations.

- b. It was found that the company provided information on a director's role and responsibilities whenever a director took office. It should be required to provide directors with information on assuming the role. Given the board of directors consists mainly of independent directors and onsite visits are difficult to arrange for directors of a shipping company, more information on the business should be provided in the director's guide so to help new directors gain more quickly an understanding of the company's operations and industry trends and fulfill their responsibilities.
- c. It was understood that the directors held extensive discussions on key business risks, such as the debt ratio and energy saving and carbon reduction trends. According to the Corporate Governance 3.0 - Sustainable Development Roadmap, the design and operation of business risk management is to be supervised by a risk management committee or an audit committee. Wisdom Marine Lines does not have a risk management committee at present, and business risk management must be overseen by the Audit Committee under the risk management framework. In addition to optimizing existing business risk management mechanisms, all aspects and areas of risks should be considered in order to identify key areas to focus on in different stages. The Company plans to follow KPMG' recommendations and make plans for improvement as part of the continuing effort to reinforce the role of the board of directors.

3.4.2 Audit Committee

3.4.2.1 Operations of the Audit Committee

The Audit Committee met 11 times in last year (2021). The details of the attendance are as follows:

Title	Name	Attendances in person	Attendances by proxy	Attendance rate (%)	Notes
Independent director	Tu, Neng-Mo	4	0	100%	Retired after re-election of directors and independent directors on May 21, 2021. In 2021, there should be 4 attendances.
Independent director	Chen, Po-Chih	4	0	100%	Retired after re-election of directors and independent directors on May 21, 2021. In 2021, there should be 4 attendances.
Independent director	Liu, Tsai-Ching	11	0	100%	None
Independent director	Chiu, Yung-Ho	11	0	100%	None
Independent director	Lin, Tse-Chun	11	0	100%	None
Independent director	Chen, Ching-Yi	5	2	71%	Newly appointed after the re-election of directors and independent directors on May 21, 2021. In 2021, there should be 7 attendances.
Independent director	Maa, Kwo-Juh	6	1	86%	Newly appointed after the re-election of directors and independent directors on May 21, 2021. In 2021, there should be 7 attendances.

Other important information:

1. Should any of the following take place in an audit committee meeting, the date and number of the meeting, the content of proposal, the Audit Committee's resolutions and the Company's response to the Audit Committee's opinions should be recorded:

- (1) Matters listed in Article 14-5 of the Securities and Exchange Act
- (2) Aside from the above matters, other resolutions that are passed by a two-thirds majority or more of the board of directors but without being passed by the Audit Committee

Date of the Audit Committee	Term	Agenda and follow-up	Matters under Article 14-5 of the Securities and Exchange Act	Resolutions that are passed by a two-thirds majority or more of the directors but without being passed by the Audit Committee
2021.01.29	35th meeting of the 5th Audit Committee	● 2020Q4 audit follow-up of previous non-compliances ● Amendment to Guidelines for Board Performance Evaluation ● Amendment to Audit Committee Charter ● Amendment to Remuneration Committee Charter ● Amendment to Regulation of Financial and Business Conducts Among Group Companies ● Amendment to Rules of General Meetings ● Amendment to Rules of Board Meetings ● Intercompany Loan Facility	V	N/A
2021.02.26	36th meeting of the 5th Audit Committee	● Adoption of 2020 Financial Report. ● Intercompany Loan Facility	V	N/A
2021.03.26	37th meeting of the 5th Audit Committee	● 2020 Internal Control Declaration ● Amendment to Nominating Committee Charter ● Amendment to the Articles of Association ● Capital Increase of Well Shipmanagement and Maritime consultant Co., Ltd. ● Subscription of New Shares Issued by Pescadores Investment and Development Inc. ● Capital Increase of Wisdom Marine International Inc. ● Assessment of Right-of-Use Assets Acquired from Related Parties ● Appointment of Chief Engineering Officer ● Sale: MV Genius Star III	V	N/A
2021.04.23	38th meeting of the 5th Audit Committee	● 2021Q1 audit follow-up of previous non-compliances ● Adoption of 2021Q1 Financial Report ● Sale of Vessels ● Intercompany Loan Facility ● Renewal: Bank of Kaohsiung Loan Facility	V	N/A
2021.05.21	1th meeting of the 6th Audit Committee	● Election of Chairman of the Board of Directors ● Election of Remuneration Committee Members ● Election of Nominating Committee Members ● Earnings Distribution of Wisdom Panama	V	N/A
2021.06.25	2th meeting of the 6th Audit Committee	● Newbuilding: 3 Tsuneishi 82,400MT Bulk Carriers ● Sale of Vessels	V	N/A

Date of the Audit Committee	Term	Agenda and follow-up	Matters under Article 14-5 of the Securities and Exchange Act	Resolutions that are passed by a two-thirds majority or more of the directors but without being passed by the Audit Committee
2021.07.23	3th meeting of the 6th Audit Committee	● 2021Q2 audit follow-up of previous non-compliances ● Newbuilding: Namura 40,000 DWT Bulk Carriers ● Newbuilding: Imabari 39,650 DWT Bulk Carriers ● Sale of Vessel: MV Timu	V	N/A
2021.08.27	4th meeting of the 6th Audit Committee	● Adoption of 2021Q2 Financial Report ● Amendment to Internal Control Procedures	V	N/A
2021.09.24	5th meeting of the 6th Audit Committee	● Amendment to Internal Control Procedures ● Amendment to Employee Work Rules ● Appointment of Convenor of the CSR Committee ● Appointment of Convenor of the Safety Management Committee ● Newbuilding: Onomichi 40,000 DWT Bulk Carriers ● Bareboat Charter and Purchase Obligation: MV Sakizaya Xcel	V	N/A
2021.10.29	6th meeting of the 6th Audit Committee	● 2021Q3 audit follow-up of previous non-compliances ● Adoption of 2021Q3 Financial Report ● Newbuilding: Imabari 64,000 DWT Bulk Carriers ● Bareboat Charter and Purchase Obligation: MV Sakizaya Xcel ● Intercompany Loan Facility	V	N/A
2021.12.10	7th meeting of the 6th Audit Committee	● Appointed KPMG to provide external performance assessment of the Board for 2021 ● Appointed Ernst & Young to provide CSR consulting for the Company's upcoming CSR report ● Assessment of External Auditor ● Incorporation of Huian Ship Management Co., Ltd. ● Extension of Appointment Beyond Retirement Age ● Intercompany Loan Facility	V	N/A

- The Independent Directors' avoidance of interest motion should indicate the names of the Independent Directors, content of the motion and reasons of avoidance of interest as well as the involvement in voting:
None
- Communications between independent directors and internal audit officers and auditors (including communications regarding important matters with respect to the Company's finance and business activities, means and results):
To enable independent directors to find out in a timely manner about the Company's operational risks and the status of improvement, the Group has implemented an internal control system and related guidelines in compliance with the Regulations Governing Establishment of Internal Control Systems by Public Companies. To reasonably ensure the internal control system works effectively, the Company has created an audit unit directly under the board of directors and in charge of preparing audit plans as required by the competent authority. The internal audit officer presents to the independent directors an

audit report and a list of errors and improvements after the monthly audit procedure is completed. The internal audit officer also attends board meetings to report on the status of the operation.

The Audit Committee meets with the accountant regularly to discuss financial statement audit results and other regulatory requirements every year. The accountant audits and sends the financial statements and related reports to the independent directors for review. The accountant attended the meeting on February 25, 2022, and discussed key audit items in the 2021 financial statements with the independent directors. It also performs independence review on the appointment of the certifying CPA and the audit and non-audit services provided. Please refer to Section 3.4.2.3 for details on accountant independence assessment.

3.4.2.2 Annual work focus and operation :

The primary responsibility of the Audit Committee is to assist the board of directors in performing its duty to oversee the accounting, audit, and financial reporting processes in the Company and the quality of financial management.

Matters to be reviewed by the Audit Committee include:

- Fair presentation of financial statements
- Effective enforcement of internal control
- Adequacy of accounting policies
- Management of existing or potential risks
- Material asset or derivative transactions
- Material loans, endorsements, or guarantees
- Appointment and removal of financial, accounting, or internal audit officers
- Selection/Change of certificated public accountants and their independence and performance
- Performance of Audit Committee's responsibilities
- Audit Committee Performance Self-assessment Questionnaire
- Securities offerings or issues
- Compliance with relevant laws and regulations

Review of financial reports:

The board of directors prepared the 2020 business report, financial statements, and earnings distribution plan. In particular, Ernst & Young Taiwan has audited the 2020 financial statements, and issued an audit report. The reports above have been reviewed by the Audit Committee as correctly portraying the Company's business activities.

Assessment of validity of the internal control system:

The Audit Committee evaluates the validity of the Company's policies and procedures regarding the internal control system (including finance, operations, risk management, information security, outsourcing, compliance and other control measures), and reviews the Company's audit department and certifying CPA as well as regular reports from the management, covering both risk management and compliance.

Appointment of certifying CPA:

The Audit Committee is tasked with monitoring the independence of the certifying CPA firm for the purpose of ensuring impartiality in financial statements. In general, apart from tax related services or specially approved business activities, the certifying CPA firm is not allowed to provide any other service to the Company. All services provided by the certifying CPA firm must have the Audit Committee's prior approval.

To ensure independence of the CPA firm, the Audit Committee has followed Article 47 of the Certified Public Accountant Act and the rules regarding integrity, impartiality, and independence in No. 10 Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China and devised an independence evaluation form. The form is intended to assess the independence, professional training, and competence of CPAs and whether they are related parties to or share business or financial interest with the Company. The 33rd meeting of the 5th Audit Committee on November 27, 2020 and the 33rd meeting of the 5th board of directors on November 27, 2020 reviewed and passed that all certifying CPAs at Ernst & Young Taiwan met the independence criteria.

3.4.2.3 Assessment of External Auditor's Independence

The Audit Committee evaluate external auditor's independence once a year through the following matters, and reports the evaluation results to the board of directors. The evaluation results of the latest year will be reported to the board of directors on December 10, 2021:

Evaluate	Result	Independence
The CPA do not have financial advantage with the Company directly or indirectly.	Yes	Yes
The CPA do not have loan facility or loan guarantee with the Company's directors.	Yes	Yes
The CPA do not have business relationship and potential employment with the Company.	Yes	Yes
The CPA and the audit team were not the Company's directors, managers or anyone can influence the audit engagement in recent two years.	Yes	Yes
The CPA do not provide services that the non-audit services influence the results of the audit services.	Yes	Yes
The CPA do not have the Company's issued stock or other securities.	Yes	Yes
The CPA is not the Company's defender or representative of assisting the third-parties' conflicting.	Yes	Yes
The CPA do not have relationship with the Company's directors, managers or anyone can influence the audit engagement.	Yes	Yes
The CPA's independence declaration.	Yes	Yes
Ensure the CPA rotates every seven years.	Yes	Yes

3.4.3 Corporate governance practices and departure from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and reasons

Area of assessment	Practices			Departure from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
1. Has the Company set and disclosed principles for practicing corporate governance according to the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?"	V		The Company has established the corporate governance principles pursuant to the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and disclosed the principles on the company website and the Market Observation Post System.	No material departure
2. The Company's shareholding structure and shareholders' rights and interests (1) Has the Company set internal operations procedures for dealing with shareholder proposals, doubts, disputes, and litigation as well as implemented those procedures through the proper procedures? (2) Does the Company have a list of major shareholders of companies over which the	V		(1) The Company has hired a specialized shareholder services agent in Taiwan to handle shareholder services. A contact and email address are also in place to respond promptly to shareholders' suggestions or handle disputes. (2) The Company has a shareholder services unit and hires a shareholder services agent. It follows up regularly on large shareholders with actual control of the Company and the entities with the ultimate control of such shareholders. The Company also performs filing and reporting procedures as required. (3) The Company has the "Rules Governing Financial and Business Matters Between Affiliated	No material departure

Area of assessment	Practices			Departure from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
Company has actual control and the list of ultimate owners of those major shareholders? (3) Has the Company established and implemented risk control/management and firewall mechanisms between it and affiliated corporations? (4) Does the company have internal regulations in place to prevent insiders from trading securities on information not yet public?			Enterprises", the "Procedures for Supervision and Management of Subsidiaries", and the "Procedures for Loaning of Funds and Making of Endorsements/Guarantees" in place to govern business transactions between the Company and its affiliates and to provide rigorous and effective risk management and firewall mechanisms. (4) The Company has implemented the Procedures for Handling Material Nonpublic Information. The procedures require that employees of the Company adhere to the regulations against insider trading. Trading of related securities is prohibited if one is in possession of material nonpublic information. The Company provides a compliance handbook for newly elected directors after they take office and awareness orientation for new employees when they receive training. The latest orientation for new employees took place in December 2019 to January 2020. The courses covered confidentiality of material information and the elements of insider trading. The presentations and video files used in the courses were placed on internal discs that can be accessed by all employees so that those who missed the courses would be able to receive the same information. Electronic announcements are made every January to reiterate the rules to the employees. Announcements on "insider trading prevention training" were made on February 21, 2022.	
3. Board composition and responsibilities (1) Has the board of directors devised a board diversity policy and management goals and enforced the policy ? (2) In addition to the Remuneration Committee and the Audit Committee required by law, is the company willing to create on a voluntary basis other functional committees? (3) Has the company established and implemented the rules and methods for board performance evaluation, and been conducting performance evaluation every year? (4) Does the company periodically evaluate the level of independence of the CPA?	V		(1) Please refer to Section 3.2.1.5 for details on the board diversity policy and implementation. (2) In addition to the Remuneration Committee and the Audit Committee, the Company has also created the Nomination Committee as part of its commitment to good corporate governance. (3) The Guidelines for Performance Evaluation of Board of Directors and Functional Committees state that the board of directors and functional committees shall perform performance evaluation at least once a year. Please refer to Section 3.4.1.2 for more details. (4) The Audit Committee assesses the independence of the certifying CPA and report the result to the board of directors once a year. The most recent result was reported to the board of directors on December 10, 2021. Please refer to Section 3.4.2.3 for details on the assessment.	No material departure
4. Does the TWSE/TPEX listed company have a corporate governance unit or staff responsible for corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their	V		The Company has a corporate governance team in place. Its establishment was approved by the board of directors on March 29, 2019. The chief financial officer also serves as the head of corporate governance. Please refer to Section 3.4.8.1 for more details.	No material departure

Area of assessment	Practices			Departure from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
duties, organizing board meetings and annual general meetings as required by law, handling business registration and any change of registration, and compiling minutes of board meetings and annual general meetings) on a full-time or part-time basis?				
5. Has the company established channels for communicating with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up a dedicated stakeholder area on the company website, as well as responded appropriately to important corporate social responsibility issues of concern to stakeholders?	V		Please refer to Section 3.4.8.2.	No material departure
6. Has the company hired a professional agency to handle matters related to the annual general meeting?	V		The Company has hired SinoPac Securities Co., Ltd. to handle matters related to the annual general meeting.	No material departure
7. Information disclosure (1) Has the company established a corporate website to disclose information regarding the company's financial, business and corporate governance standings? (2) Has the company adopted other means of information disclosure (e.g. creating a website in English, appointing a dedicated staff to gather and disclose company information, implementing a spokesperson system, and disclosing the process of investor conferences on the company website)? (3) Does the TWSE/TPEX listed company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?	V		(1) The Company has a website to disclose business, financial, and corporate governance information in Chinese and English. (2) Questions related to the Company are answered by the spokesperson or deputy spokesperson. Furthermore, information on the Company is to be gathered and disclosed by the spokesperson or deputy spokesperson and the investor relations departments. It is disclosed on the company website the investor conferences which took place in the past or to which the Company has been invited. (3) The Company released and filed the 2020 financial statements on February 26, 2021. The 2021 financial statements were published and filed on February 25, 2022. The financial statements for the first, second, and third quarters were released and filed within 45 days after the end of the corresponding quarter. Unaudited operating profit and net profit for the previous month were filed and released on a voluntary basis by the 3th business day of each month.	No material departure
8. Does the company have other information that contributes to better understanding of its corporate governance standing (including but not limited to	V		(1) Employee rights: Please refer to Section 5.5. (2) Employee care, investor relations, supplier relations, and stakeholder rights: Please refer to Section 3.4.8.2. (3) Continuing education of directors and supervisors: The Company arranges appropriate training courses	No material departure

Area of assessment	Practices			Departure from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
employee rights, employee care, investor relations, supplier relations, stakeholder rights, training completed by directors and supervisors, implementation of risk management policies and risk evaluation criteria, implementation of customer policies, liability insurance policies purchased for directors and supervisors)?			for directors as needed. Meanwhile, the number of training hours completed by the directors in 2021 met the requirement. Training details are disclosed on the Market Observation Post System. (4) Implementation of risk management policies and risk assessment standards: Please refer to Section 7.6. (5) Implementation of customer relations policies: The Company dedicates itself to providing the best service for its customers and building long term partnerships with its customers. (6) Status of purchase of liability insurance by the Company for directors: Please refer to Section 3.4.8.1.	
9. Please describe improvements in terms of the results of the Corporate Governance Evaluation System in recent years and propose areas and measures to be given priority where improvement is needed. (1) The 2021 ESG report has been compiled in accordance with the core option of the GRI Standards released by the Global Reporting Initiative and the Marine Transportation Standards 2018 released by the Sustainability Accounting Standards Board (SASB). The ESG report is expected to be published in June 2022. (2) The Company has created the Cyber Security Team, and discloses the team's activities and performance on the company website and in annual reports. Please refer to Section 5.6. (3) The Company has created the Risk Management Team, and discloses the team's activities and performance on the company website and in annual reports. Please refer to Section 7.6.13. (4) The Company has created the Business Ethics Team, and discloses the team's activities and performance on the company website and in annual reports. Please refer to Section 3.4.8. (5) The Company makes an active effort to implement an anti-corruption policy and avoid unethical behaviors in business activities that may cause damage to the community and other stakeholders.				

3.4.4 Operations of the Remuneration Committee

3.4.4.1 Members of Remuneration Committee:

- The Remuneration Committee consists entirely of the independent directors of the Company. There are 5 members. Please refer to Section 3.2.1.4 for disclosure of the professional qualifications and independence of the committee.
- The term of office for members of the 5th Remuneration Committee starts on May 21, 2021 and ends on May 20, 2024. The term of office for members of the 4th committee started on May 25, 2018 and ended on May 24, 2021. The Remuneration Committee met 2 times in the last year (2021). The details of the attendance are as follows:

Title	Name	Attendances in person	Attendances by proxy	Attendance rate (%)	Notes
Independent director	Chen, Po-Chih	0	0	0%	Retired after re-election of directors and independent directors on May 21, 2021. In 2021, there should be 2 attendances.
Independent director	Tu, Neng-Mo	2	0	100%	Retired after re-election of directors and independent directors on May 21, 2021. In 2021, there should be 2 attendances.
Independent director	Liu, Tsai-Ching	2	0	100%	None.
Independent director	Chiu, Yung-Ho	2	0	100%	None.
Independent director	Lin, Tse-Chun	2	0	100%	None.
Independent director	Chen, Ching-Yi	0	0	N/A	Newly appointed after the re-election of directors and independent directors on

Title	Name	Attendances in person	Attendances by proxy	Attendance rate (%)	Notes
					May 21, 2021. In 2021, there should be 0 attendances.
Independent director	Maa, Kwo-Juh	0	0	N/A	Newly appointed after the re-election of directors and independent directors on May 21, 2021. In 2021, there should be 0 attendances.

Other important information:

- Describe the date, term, agenda, and resolutions of the board meeting and the response to the Remuneration Committee's recommendations where the board did not adopt or modify the Remuneration Committee's recommendations (e.g. describe the difference and reasons where the board of directors approves a better compensation package than what is recommended by the Remuneration Committee): None.
- If a member opposes a resolution the Committee has adopted or has reservations with a written record or a statement, the date and session of the meeting, the resolution, opinions of all the members, and the handling of their opinions shall be indicated: None.

Remuneration Committee Date	Term	Agenda and follow-up	Resolutions
2021.1.29	7th meeting of the 4th Remuneration Committee	2020 Basic Director Reward - Company-Wide Salary Adjustment - Annual Bonus	The Remuneration Committee passed with a unanimous vote.
2021.3.26	8th meeting of the 4th Remuneration Committee	2020 Director Reward	The Remuneration Committee passed with a unanimous vote.

- Roles and responsibilities of the Remuneration Committee

The role of the Remuneration Committee is to assess as a professional and impartial party the recommendation policy and system for the Company's directors and managers, and to make recommendations to the board of directors as aid in the decision making process.

The Remuneration Committee should exercise due care and diligence and perform the following responsibilities with a duty of loyalty, and submit recommendations to the board of directors for discussion.

- Review regularly the Remuneration Committee Charter and present recommendations for amendment.
- Set and review regularly the annual and long-term performance targets for directors and managers and the remuneration policies, systems, standards, and structures.
- Assess regularly the progress of directors and managers toward their performance targets, and set the contents and amounts of individual compensation packages.

3.4.4.2 Operations of the Remuneration Committee

- There are 5 members in the Nomination Committee. Please refer to Section 3.2.1.4 for the professional qualifications of the committee.
- The term of office for members of the 4th Nomination Committee starts on May 21, 2021 and ends on May 20, 2024. The term of office for members of the 3rd committee started on May 25, 2018 and ended on May 24, 2021. The Nomination Committee met 2 times in the last year (2021). The details of the attendance are as follows:

Title	Name	Attendances in person	Attendances by proxy	Attendance rate (%)	Notes
Chairman	James Lan	2	0	100%	None.
Director	Mike Tzu-Lung Chao	2	0	100%	None.
Independent director	Po-Chih Chen	1	0	100%	Retired after re-election of directors and independent directors on May 21, 2021.

Title	Name	Attendances in person	Attendances by proxy	Attendance rate (%)	Notes
					In 2021, there should be 1 attendances.
Independent director	Tsai-Ching Liu	2	0	100%	None.
Independent director	Yung-Ho Chiu	2	0	100%	None.
Independent director	Maa, Kwo-Juh	1	0	100%	Newly appointed after the re-election of directors and independent directors on May 21, 2021. In 2021, there should be 1 attendances.

Other important information:

1. The date, session, and agenda of the meeting involving a major agenda, members' suggestions or objections, resolutions of the Nomination Committee, and the company's responses to the members' opinions:

Nomination Committee Date	Term	Agenda and follow-up	Resolutions
2021.03.26	4st meeting of the 3rd Nomination Committee	● Board Performance Evaluation ● Directors' Attendance ● Candidates for Election of Directors	The Nomination Committee passed with a unanimous vote.
2021.09.24	1st meeting of the 4nd Nomination Committee	● Election of Convenor ● Appointment of Convenor of CSR Committee ● Appointment of Convenor of Safety Management Committee	The Nomination Committee passed with a unanimous vote.

2. Eligibility and responsibilities of members of the Nomination Committee:
The Nomination Committee should uphold the authority granted by the board of directors and exercise due care and diligence and perform the following responsibilities with a duty of loyalty, and submit recommendations to the board of directors for discussion:
 - a. Determine the criteria for professional know-how, skills, experience, gender diversity background and independence for board members and executive officers, and search, review, and nominate candidates for directors and executive officers accordingly.
 - b. Establish and develop the organizational structure of the board and its committees, conduct performance evaluation for the board of directors and its committees as well as directors and executive officers, and evaluate independence of independent directors.
 - c. Establishes and reviews regularly continuing training programs for director and succession plans of directors and executive officers.
 - d. Devise the Company's Corporate Governance Best Practice Principles.

3.4.5 Practices and Departure from Sustainable Development

3.4.5.1 Status of Sustainability Practices and Departure from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons

Item	Practices			Departure from Corporate Social Responsibility Best Practice Principles for TWSE/TPEX listed companies and reasons
	Yes	No	Summary	
1. Does the Company have a unit that supports a sustainability governance framework and related developments on a full-time or part-time basis? Is the sustainability unit operated by senior managers as authorized by the board of directors, and what is the status of board oversight?	V		The Company established a CSR committee in October 2017, and then abolished the committee and established an ESG committee according to the law on March 25, 2022. The board of directors appoints the convener, who appoints members to the committee to support environmental, social, and governance development. The committee met once in 2021. Committee operation and sustainability activities were reported to the board of directors on October 29, 2021. Communications with stakeholders were reported to the board of directors on December 10, 2021. The responsibilities are the following: (1) Follow the business strategies devised by the board of directors and promote implementation of the sustainability policy. (2) Devise detailed plans to enforce the sustainability policy. (3) Take inventory of stakeholder communications and sustainability activities, and summarize sustainability trends. (4) Publish ESG reports, and make disclosures according to the law.	No material departure
2. Does the Company observe the materiality principle (Note 1) in its assessments of risks in environmental, social, and corporate governance issues relevant to its business activities, and devise risk management policies and strategies accordingly?	V		Please refer to Section 7.6 Risk Assessment.	No material departure
3. Environmental issues (1) Does the company have in place a suitable environmental management system based on the characteristics of the industry? (2) Does the company work to improve energy utilization efficiency and use recycled materials that have a low impact on the environment? (3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues? (4) Does the Company take inventory of its greenhouse gas emissions, water consumption, and the total weight of waste in the last two years, and draw up policies on energy efficiency and carbon reduction, greenhouse gas reduction, water reduction, or waste management?	V		Please refer to Section 3.4.5.2 Ocean Sustainability and Section 3.4.5.3 Climate Related Financial Disclosures (TCFD).	No material departure
4. Social Issues (1) Does the company have adequate management policies and procedures in place pursuant to the applicable regulations and the International Bill of Human Rights? (2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or	V		Please refer to Section 5.5 Employees-employer Relations for answers to (1) to (4). (5) The Company does not manufacture products. Issues of customer health and safety, customer privacy, marketing, and labeling do not apply. All shipping services provided by the Company comply with the relevant laws and international standards. The	No material departure

Item	Practices			Departure from Corporate Social Responsibility Best Practice Principles for TWSE/TPEx listed companies and reasons
	Yes	No	Summary	
results reflect on employee salaries? (3) Does the company provide a safe and healthy work environment and organize regular health and safety training for employees? (4) Does the company have in place effective tools to help employees with career planning and development? (5) Does the company comply with relevant laws and international standards in relation to issues of customer health and safety, customer privacy, marketing, and labeling of products and services, and does it establish relevant consumer or customer protection policies and grievance procedures? (6) Does the company implement supplier management policies to require suppliers observe certain regulations on environmental protection, occupational health and safety, or labor or human rights? If yes, describe the results.			customer communication channels are open and effective. (6) According to the Company's Business Ethics Policy, business activities should comply with the laws and regulations, and transaction counterparties should be assessed pursuant to the Internal Control Procedures. The Company operates routes around the world. Priority will be given to existing suppliers in case of an emergency purchase. In the absence of an existing supplier at the port, an ISSA-registered supplier will be selected, and the supplier will be assessed for legitimacy, supply capability and other factors.	
5. Does the company prepare sustainability reports and other reports that disclose non-financial information by following international reporting standards or guidelines? Does the company obtain third party assurance or certification for the reports above?	V		The Company's sustainability reports are compiled and disclosed in accordance with the core option of the GRI Standards released by the Global Reporting Initiative and the Marine Transportation Standards 2018 released by the Sustainability Accounting Standards Board (SASB). The reports have not received third party certification as of the publication date of this report.	No material departure
6. Describe the difference, if any, between actual practice and the sustainable development principles, if the company has implemented such principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies: No difference.				
7. Other important information to facilitate a better understanding of the company's sustainable development practices: The Company publishes a sustainability report every year. The report discloses strategies, results, and future goals in corporate governance, economic, environmental, and social aspects. Details can be found in the ESG section of the Company's website.				

Note 1: The materiality principle refers to environmental, social, or corporate governance issues that have a material impact on the investors or other stakeholders of the company.

3.4.5.2 Ocean Sustainability

1. Energy

(1) Management strategies

To increase energy efficiency and make the fleet more competitive while reducing GHG emissions and other types of pollution and mitigating the impact on the environment, the Company follows the MARPOL Annex VI - Prevention of Air Pollution from Ships to monitor energy consumption and emissions by the fleet, replace old and less energy efficient ships and invest in new eco-ships, and enforce ship energy efficiency management programs in routine operations. Provided it does not affect safety or shipping schedules, the Company will coordinate charterers to modify speeds to consume less energy.

(2) Energy-saving measures

A. Energy-saving measures at Wisdom Marine Lines headquarters

The Wisdom Marine Lines headquarters raises awareness of energy conservation in the workplace regularly through internal bulletins. The headquarters also selects more environmentally friendly and energy efficient products when upgrading hardware. Actions taken in this area include gradually replacing existing lights with LED lights since 2019 and installing sun blocking window films to keep sunlight from raising the indoor temperature and indirectly reduce the use of air conditioning.

B. Fleet energy efficiency management plan

The Wisdom Marine Lines fleet follows the Ship Energy Efficiency Management Plan (SEEMP) of

IMO and implements energy management plans that change optimal speeds for different voyages in order to, given the shipping dates are not affected, reduce energy consumption and reduce environmental pollution. The measures are described as follows:

Measure	Description
Real-time communication	- The captain stays in close contact with the shipping agent in order to ensure shipping date changes are immediately communicated. - The captain modifies arrival time in response to the berth schedule provided by the shipping agent.
Speed optimization	- The chief engineer uses the "Speed-RPM-Fuel burn" chart to determine the optimal speed for the ship. - The captain confirms speed requirements of the corresponding voyages with the charterer. - The captain, the charterer, and the ship owner discuss the optimal vessel speed in order to increase energy efficiency. - The captain modifies speed as needed in response to weather and sea conditions.
Energy-saving actions	- The captain checks energy consumption onboard, and makes energy conservation plans and raises awareness among the crew. - The chief engineer lists equipment that can be turned off during laytime. - The entire crew works as a team to review performance of energy-saving actions every month.

(3) Energy consumption

Wisdom Marine Lines operates generally in two categories, time charters and voyage charters. In a time charter, the charterer pays the charter hire for the duration of the charter, and the ship owner instructs the captain to sail at the charterer's order to proceed. The charterer is responsible for purchasing fuel. In a voyage charter, the shipper specifies the place to load and discharge the cargo, and Wisdom Marine Lines will make plans for the voyage and purchase the fuel.

In terms of energy consumption by operational control, "internal energy consumption" includes fuel consumed by ships on voyages controlled by Wisdom Marine Lines, fuel consumed by company cars, and power consumption at the Wisdom Marine Lines Taipei head office (3,381 square meters in area, including four floors, two of which are leased and two owned by the company); and "external energy consumption" refers to fuel consumed by ships on time charters or managed by Wisdom Marine Lines on behalf of third parties.

Given dry bulk carriers do not have fixed routes and renewable energy powered technologies and equipment are still in the development stage, the Company will follow industry trends closely and evaluate the feasibility of using renewable energies.

A. Internal energy consumption

Item	Activity data	2019	2020	2021
Ships	Heavy fuel oil (HFO)	6,386	0	0
	Very low sulfur fuel oil (VLSFO)	0	10,648	5,772
	Marine gas oil (MGO) and marine diesel oil (MDO)	240	1,082	1,718
	Total (ton)	6,626	11,730	7,490
	Energy consumption (GJ)	281,350	516,765	331,657
	Total distance (NM)	115,243	111,180	94,111
	Total capacity (ton)	486,016	1,102,568	261,701
Taipei Office	Power consumption (kWh)	226,145	241,478	233,945
Company cars	Gasoline (L)	4,400	4,400	4,400
Total energy consumption		282,307	517,778	332,553
Percentage of fuel oil		96%	90%	76%
Percentage of renewable energies		0%	0%	0%

B. External energy consumption

Item	Activity data	2019	2020	2021
Ships	Heavy fuel oil (HFO)	445,760	14,823	12,447
	Very low sulfur fuel oil (VLSFO)	1,184	551,497	521,985
	Marine gas oil (MGO) and marine diesel oil (MDO)	24,472	40,027	34,063
	Total (ton)	471,416	606,347	568,495
	Energy consumption (GJ)	20,043,237	26,664,915	24,997,214

Item	Activity data	2019	2020	2021
	Total distance (NM)	6,294,351	7,042,430	7,041,289
	Total capacity (ton)	41,517,537	49,935,035	39,328,442
Total energy consumption		20,043,237	26,664,915	24,997,214
Percentage of fuel oil		94%	93%	94%
Percentage of renewable energies		0%	0%	0%

2. Emissions

(1) GHG emissions

Wisdom Marine Lines divides greenhouse gases in and outside the organization by operational control. Main sources of Scope 1 emissions are fuel consumed by ships on voyages controlled by Wisdom Marine Lines, and also include personnel activities, refrigerant refills for the fleet, and use of company cars. Main source of Scope 2 emissions is purchased electricity at the head office. Main sources of Scope 3 emissions are fuel consumed by ships on time charters or managed by Wisdom Marine Lines on behalf of third parties. Voluntary inventories have been completed for Scope 1, Scope 2, and Scope 3 emissions according to ISO 14064-1.

Item	2019	2020	2021	Unit
Scope 1	27,843	43,974	30,733	Tons CO ₂ e
Scope 2	121	123	117	
Total of Scope 1 and Scope 2	27,963	44,097	30,851	
Scope 3	1,470,284	1,912,251	1,792,783	

Note 1: Scope 1 and Scope 3 emissions are estimated mainly by fuel use. The emission coefficients are based on IMO MEPC.245(66). The emission coefficient for Scope 2 purchased electricity is calculated according to the most recent electricity emission coefficient published by the Bureau of Energy of MOEA. GHG types: carbon dioxide, methane, nitrous oxide, hydrochlorofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

Note 2: The emission coefficient for fuel oils is 3.114 for HSFO, 3.151 for LSFO and 3.206 for other fuel oils.

Note 3: The electricity emission coefficient was 0.533, 0.509, and 0.502 (kg CO₂/kWh) in 2019, 2020, and 2021 respectively.

(2) Air pollution and emission management

All vessels in the Wisdom fleet have been issued Engine International Air Pollution Prevention (EIAPP) certificates and technical files to manage nitrogen oxides effectively, and follows the company's safety management system to manage sulphur oxides and ozone depleting substances.

According to IMO 2020, except for ships equipped with eligible scrubbers, the amount of sulphur permitted in commercial ship fuel is limited to 0.5% for ships operating worldwide. As of the end of 2021, the Company had a total of 3 ships equipped with scrubbers. All other ships were using low sulphur fuel oil with a sulfur content of 0.5% or lower.

(3) Reduction target

The Company has set GHG reduction target no less than the reduction target announced by IMO to reduce carbon emission intensity by at least 40% by 2030 and at least 70% by 2050 with 2008 as the base year.

(4) Ship source oil pollution management

Oil spills are a major environmental issue in the shipping industry. Wisdom Marine Lines manages oil spills from ships by following the MARPOL Annex I - Prevention of Pollution by Oil, and devises procedures for handling oil spills.

Item	Description
Report	- The captain receives the crew's report of an oil spill. - The captain sounds the alarm and orders activation of the oil spill emergency response plan. - The captain notifies maritime authorities of countries along the coastline, the companies, and the closest shipping agency.
Meet	- The company summons the emergency response team to meet and discuss response measures to be performed on the ship. - The captain summons the crew to the meeting point to handle the oil spill by following the emergency assignment sheet and the company's recommendations.
Action	- Reduce the amount of oil spill: Transfer remaining oil to other tanks, and use oil absorbing materials to clean up oil spills on the deck. - Control the area of oil spill: Use double or triple oil booms based on the winds, waves, currents and tides. - Recover oil spills: Hand over used oil cleanup materials and recovered oil spills to be processed by the shore-based oil spill recycling service provider.

Item	Description
Record	- The captain records the time of incident, actions taken, and time of closure in the deck log. - Reports completed according to the safety management guidelines are filed correctly for the appropriate departments to review.
Investigation and improvement	- Once the situation is stabilized, the captain and the chief engineer proceed to investigate the cause of the incident. - The captain reports investigation results and related improvement and prevention measures.

(5) Water resource management

A. Water resource management in organization

The Wisdom Marine Lines headquarters raises awareness of water conservation in the workplace regularly through internal bulletins. The headquarters also selects water-saving products when purchasing hardware, such as replacing updating the washrooms during the 2019 renovation and installing touchless faucets and dual flush toilets. Water consumption in recent years is shown as follows:

Year	2019	2020	2021
Water consumption (m3)	1,804	1,806	1,543

B. Shipboard wastewater management

Water consumed by the Wisdom Marine Lines fleet comes from sources including seawater desalination systems and fresh water purchased on shore. Fresh water generated by seawater desalination systems is used mainly for daily cleaning and boilers; and fresh water purchased on shore is used mainly as drinking water for the crew. Wastewater management follows the MARPOL Annex IV - Prevention of Pollution by Sewage from Ships and divides domestic wastewater into oily wastewater, sewage, and greywater. Wash water and ballast water are collected through special pipelines and deposited into holding tanks and discharged into the ocean later after the ship departs and reaches an appropriate distance from the port. Wash water containing substances harmful to the marine environment is arranged to be collected at appropriate ports.

The Wisdom Marine Lines fleet handles wastewater by category as shown in the table below:

Category	Measure
Oily wastewater	Oily wastewater is processed by an oily water separator and then, after the oil content monitor confirms the amount of oil in the water is 15ppm or less, discharged into the ocean. Discharge will stop if the processed result fails to meet the requirement. To ensure they function properly, oil content monitors are checked and calibrated every five years.
Sewage	The ships are equipped with Sewage Treatment Plants or sewage holding tanks. According to the regulations and guidelines, sewage should be crushed and disinfected and discharged at an appropriate distance and speed offshore.
Greywater	New buildings are equipped with greywater holding tanks hold greywater generated in port to be discharged at an appropriate distance offshore in order to avoid polluting the port.

(6) Waste management

The Wisdom Marine Lines fleet follows the MARPOL Annex V Prevention of Pollution by Garbage from Ships and divides garbage generated during voyages into five categories, which are plastics, food waste, domestic and operational waste, incinerator ashes, and cargo residues. Wisdom Marine Lines also follows IMO regulations and implements garbage management guidelines for ships sailing in the polar regions (above 66.5 degrees latitude). However, the fleet does not actually operate in the polar regions.

The ships follow the standard garbage bin layout in the company's SMS rules to sort garbage by labeling the bins for different types of garbage in different colors. Collection points are set up on the quarterdeck, and garbage is collected and then processed as required. The rules require that plastics and other garbage prohibited to be dumped into the ocean should be arranged to be processed on shore. A total of 1,057 cubic meters of garbage was sent to be processed on shore in 2021.

Waste item	2019	2020	2021	Unit
Plastic waste	616	619	512	cubic meters
Food waste	108	81	93	cubic meters
Domestic and work waste	496	1,111	404	cubic meters
Incinerator ashes	26	25	25	cubic meters
Cargo residues	6	65	23	cubic meters
Total	1,252	1,901	1,057	cubic meters

(7) Ballast water management

The International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM) requires that ships install ballast water treatment systems to remove microorganisms from ballast water or follow the rules to exchange ballast water at sea in order to reduce damage to microbial migration. As of the end of 2021, the Wisdom Marine Lines fleet was equipped with ballast water treatment systems. 94% met the processing standard, and 6% did not have the system installed but met the exchange standard. More ballast water treatment systems will be installed based on the dry docking schedule.

Year	2021	%
Ships on the exchange method	8	6%
Ships on the system processing method	126	94%
Total	134	100%
Ballast water discharge	19,349,371	

3.4.5.3 Task Force on Climate-related Financial Disclosures (TCFD)

Following TCFD recommendations, the Company assesses climate-related risks, opportunities, and financial impacts, and performs analysis based on the TCFD framework.

1. Governance

The board of directors of the Company is responsible for devising business strategies for the Group, and the chairman of the board is responsible for overseeing implementation of the strategies and including the impacts of climate issues on the Group in the business strategies for broader consideration. An ESG committee is created under the board of directors to coordinate the Company's strategies and activities regarding climate-related risks. The committee is responsible for reporting to the board of directors and preparing ESG reports.

The ISM Department is responsible for following climate-related international regulations, establishing guidelines to comply accordingly, and adding them to the ship safety management systems or sending them to inform the ships and related departments. The management team discusses climate-related risks and regulations at monthly management meetings. The departments send representatives to sit on the ESG Committee and discuss climate-related issues.

2. Strategies

The potential impacts of climate-related issues on the Company can be divided into

(1) short term:

a. Actual risk(s): shipping delay or incident caused by one single climate event.

(2) medium term:

a. Actual risk(s): impacts on operational risks and insurance costs for ships due to climate change.

b. Transition risk(s): changes in regulations in response to climate issues; changes in ship design and building costs in response to climate issues.

(3) long term:

a. Actual risk(s): changes in routes and water conditions in port due to climate change to affect sailable waters and berthing areas; changes in fuels in response to climate change; crop production and trade patterns affected by climate change;

b. Transition risk(s): clients raising standards for emissions from ships; requirements imposed by capital markets or banks for climate change effects; impacts of climate issues on brand value.

The potential effects of the impacts above on the Company's business, strategies, and finance are primarily the business interruption risk, possible higher operating costs, higher compliance costs and capital expenditures on ships, and a necessarily larger emphasis in finance on climate change impacts. Climate issues have a greater impact on the Company's ship investment and disposal strategies.

As the Company continues to invest in high specification eco-ships, it is expected that climate-related issues should have a lower impact on the Company compared to other companies in the industry. However, there is no suitable tool for assessing the real impacts of different climate scenarios at present.

3. Risk management

The risk management team follows the risk management policy to identify and assess risks and then task appropriate departments based on the nature of risk to take different actions. Climate-related risks are managed by the ISM Department and the Business and Operation Department. Representatives of the appropriate departments meet for discussion and evaluation in management meetings and ESG committee meetings, and then report to the board of directors.

- (1) Actual risk(s): It is difficult to attribute most operational incidents definitely to climate factors. Accidents and delays can also be caused by crew behavior, mechanical maintenance, or simply weather conditions. Nevertheless, the reviews and inventories performed by the Business and Operation Department and the ISM Department enable the Company to estimate climate impacts based on incident trends.
 - (2) Transition risk(s):
 - a. The speed of implementation of international regulations is the main factor. The Company's Technical Department and ISM Department, external consulting firms, and classification societies review compliance methods and costs. There are many factors that can affect the building costs of new buildings. The price change risk caused by implementation of regulations is difficult to assess by itself.
 - b. Impacts of climate issues on customers, capital markets, banks, and brand value will depend on the departments keeping close communication with stakeholders.
 - (3) Short term risks: Short term risks are mainly in operations and managed by the ISM Department and the Business and Operation Department.
 - (4) Medium and long term risks: Medium and long term risks affect ship investment decisions and business allocation. The board of directors will consider the risks and devise an overall plan.
4. Benchmarks and targets
- When assessing short-term actual climate-related risks, the Company performs a comprehensive assessment and individual case reviews based on the number of lost business days for the entire fleet, and determines whether climate factors have started playing a more important role. Monitor potential changes in shipbuilding costs and equipment costs in response to changes in the regulations; and follow closely and assess potential impacts.
- (1) Quantitative benchmarks: Adopt the EEDI, which complies with international conventions, and implement EEXI and CII for evaluation of existing ships and climate issues. Continue to take inventories of energy consumption and emissions for the fleet, and disclose the results in the sustainability reports.
 - (2) Targets: Take real action that starts with compliance, followed by case review to increase newbuilding investment and modify onboard equipment in order to further reduce the impact on the environment.

3.4.6 Ethical corporate management and related measures:

Item	Practices			Departure from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
1. Establishment of ethical corporate management policy and plans (1) Does the company state in internal regulations and external correspondence its ethical corporate management policy and practices and the commitment of the board of directors and the management to enforcement of the ethical corporate management policy? (2) Does the company have measures in place against unethical conduct? Do	V		(1) The board of directors appointed Bruce Hsueh to be the convener of the Business Ethics Team and passed the Ethical Management Policy on March 25, 2022. The convener will select suitable individuals for the business needs to form the Business Ethics Team. The Business Ethics Team shall devise the Ethical Management Policy and submit it to the board of directors for approval, and ensure the ethical management policy is enforced. (2) Article 5 of the Ethical Management Policy provides guidelines for 9 business behaviors. Business shall be	No material departure

Item	Practices			Departure from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
these measures provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures, and are they enforced effectively? (3) Does the company take preventive measures in business activities subject to a higher conduct risk as listed under Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?			conducted with integrity and self-discipline and subject not only to the laws and regulations. In the absence of specific guidelines, good judgment shall be exercised to consider if the behaviors are aligned with basic ethical principles and open to criticism, true to specific roles, and uphold the company's reputation. (3) Article 6 of the Ethical Management Policy provides preventive measures against unethical behaviors. The measures can be implemented according to the Whistleblowing System and the Enforcement Rules for Employee Rewards and Punishments. The Business Ethics Team shall evaluate the effectiveness of the Ethical Management Policy based on its actual performance, and recommend amendments to the board of directors once a year.	
2. Enforcement of ethical corporate management (1) Does the company assess business partners' records of integrity, and include a moral clause in the contracts with its business partners? (2) Does the company have a unit that supports ethical corporate management practices on a full-time or part-time basis and reports progress to the board of directors on a regular basis? (3) Does the company have a conflict of interest management policy in place, provides adequate reporting channels, and enforce the rules accordingly? (4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Are the systems audited regularly by the internal audit unit or by outside accountants? (5) Does the company provide regular internal and external training on ethical corporate management?	V		(1) The Company conducts business activities with fairness and transparency. Before starting a business relationship, the Company considers the legality of a distributor, supplier, customer, or other counterparty in a transaction and any record of unethical conduct in the past in order to avoid engaging with parties with a record of unethical conduct. (2) The board of directors appointed Bruce Hsueh to be the convener of the Business Ethics Team on March 25, 2022. The Business Ethics Team shall evaluate the effectiveness of the Ethical Management Policy based on its actual performance, and recommend amendments to the board of directors once every year. (3) The Company has the Employee Work Rules in place. The rules provide that employees, without the Company's written consent, shall not operate a business identical or similar to the Company's business for him/herself or any third party. (4) To ensure the Ethical Management Policy is enforced, the company has an effective accounting system and internal control system in place, and internal auditors carry out audit plans according to the Internal Control Procedures. Any unethical behavior will be reported to the board of directors upon discovery, and accountants or other professionals will be engaged to perform an audit if necessary. (5) The Human Resources Section of the Management Department is responsible to getting more people to sign the ethical management declaration, and provides training to raise awareness of the company's ethical management policy.	No material departure
3. Whistleblowing system (1) Does the company have a well established whistleblowing and reward system and an accessible reporting channel in place, and appoint suitable representatives for approaching accused individuals? (2) Does the company have standard operating procedures in place for investigating reports and the necessary confidentiality measures? (3) Does the company take measures to	V		(1) The company has a whistleblowing system and enforcement rules for employee rewards and punishments in place so that anyone, regardless of being in or outside the company, can make a report or complaint to the company via the mailbox (audit@wisdomlines.com.tw). The mailbox can be accessed only by the Auditing Office and handled by the auditors by following the procedures in the Whistleblowing System. However, no report or complaint has been submitted in 2021 up to the publication date of the annual report. (2) The Company sets specific time frames for responding to and investigating reports as well as confidentiality	No material departure

Item	Practices			Departure from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
protect whistleblowers from inappropriate treatment or retaliation?			measures to protect details in the reports. (3) Whistleblowing reports are processed by a dedicated staff in the Audit Office in order to ensure whistleblowers do not receive inappropriate treatment or retaliation as a result of their reports.	
4. Enhancing information disclosure (1) Does the company disclose the Ethical Corporate Management Best Practice Principles and its results on the company website and the Market Observation Post System?	V		(1) The Business Ethics Team shall take inventory of actual performance of the policy in relevant departments, and report the results to the board of directors once a year and disclose them on the company website and in annual reports.	No material departure
5. Describe the difference, if any, between actual practice and the ethical corporate management principles, if the company has implemented such principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies: No difference.				
6. Other useful information for explaining the status of ethical corporate management practices: (e.g. review and amendment of the company's ethical corporate management principles) Actual performance of the Business Ethics Team is reported to the board of directors once a year. Please refer to the governance section of the company website for more details.				

3.4.7 If the company has adopted corporate governance best-practice principles or related bylaws, disclose how these are to be searched:

The Company has a set of corporate governance guidelines in place to protect the shareholders' rights, strengthen the board's functions, facilitate the Audit Committee in its role, ensure respect for stakeholders' rights, and increase transparency. Please visit the Market Observation Post System (<http://mops.twse.com.tw>) or the company website (http://www.wisdomlines.com.tw/wisdom/php/contact_cg4.php) for more details on the Company's corporate governance guidelines.

3.4.8 Other useful information for explaining corporate governance practices:

3.4.8.1 Corporate Governance Team

The Company has the Corporate Governance Evaluation Task Force, which was approved by the board of directors on March 29, 2019 and renamed with board approval to the "Corporate Governance Team" on March 25, 2022. The CFO serves concurrently as the corporate governance officer and the contact for the directors. The CFO has three years or more of experience in managing finances for a listed company.

The Corporate Governance Team currently consists of 4 people who are in charge of corporate governance related matters, including at least the following:

1. Handling the board meetings and shareholder meetings as required by law.
2. Assisting in onboarding and continuous development of directors
3. Conducting board performance evaluation:
4. Disclosing and filing director information.

The Company made the following progress in the business in 2021. A report was presented to the board of directors on March 25, 2022. :

1. Enhanced the role of the board of directors
- (1) Provided training courses for directors :
 - a. 3 hours of [The latest development trend of the global minimum tax system and international taxation] on September 24, 2021
 - b. 3 hours of [The Influence of Labor Incident Law on Enterprise Risk and Its Countermeasures] on

October 29, 2021.

- (2) A director's liability insurance policy for US\$5 million was purchased and presented to the board of directors on January 29, 2021.
- (3) The Company called a meeting with the CPAs, independent directors, audit officers, and financial and accounting officers on February 26 and December 10, 2021.
- (4) Performance evaluation of the board of directors and functional committees was completed, and the results were presented to the board of directors on March 26, 2021.
- (5) In addition to participating in training courses for directors, the chief governance officer completed other courses :
 - a. 3 hours of [Publicity on the functions of independent directors of first listed companies] on January 21, 2021.
 - b. 3 hours of [The 13th Taipei Corporate Governance Forum] on September 1, 2021.
2. Increased transparency
 - (1) Investor seminars:
 - a. Attended a TWSE presentation on March 30, 2021.
 - b. Attended a Yuanta Securities presentation on April 19, 2021.
 - c. Attended a Capital Securities Corporation presentation on June 8, 2021.
 - d. Attended a TWSE and MasterLink Securities presentation on June 17, 2021.
 - e. Attended a Fubon Securities presentation on September 2, 2021.
 - f. Attended a TWSE presentation on December 10, 2021.
 - (2) Created an investor services team and installed a range of channels for investor communications.
 - (3) Started disclosing unaudited operating profit and net profit for the previous month at the beginning of each month (on the 3rd business day or so) on a voluntary basis.
 - (4) The Chinese and English versions of the 2021 financial statements were uploaded and disclosed early on February 25, 2022.
3. Strengthened compliance
 - (1) New rules and regulations include the following: None.
 - (2) Amendments to rules and regulations include the following:
 - a. Rules of General Meeting were amended on January 29, 2021.
 - b. Rules of Board Meeting were amended on January 29, 2021.
 - c. Articles of Association were amended on March 26, 2021.
 - d. Rules of the Evaluation of the Board's Performance were amended on January 29, 2021.
 - e. Audit Committee Charter were amended on January 29, 2021.
 - f. Remuneration Committee Charter were amended on January 29, 2021.
 - g. Nomination Committee Charter were amended on March 26, 2021.
 - h. Rules of the Financial Services of Affiliated Enterprises were amended on January 29, 2021.Those a ~ c were approved by the General Meeting on May 21, 2021.
4. Other
 - (1) Published the 2020 Corporate Social Responsibility Report on June 25, 2021.
 - (2) The Company scored 88.45 and was rated in the 6%-20% in the 2020 Corporate Governance Evaluation.

3.4.8.2 Stakeholder communication channels

The Company follows the five attributes provided by the AA1000SES Stakeholder Engagement Standards, which are dependency, responsibility, influence, diverse perspectives, and tension, and identifies potential stakeholder groups. The Sustainable Development Team holds discussions within itself and identifies stakeholders based on relevance to the Company's operations. The team then assesses the weights of stakeholder criteria based on frequency of communication, dependency, and influence. The eight categories of key stakeholders identified by order of weight are as follows: crew, employees, clients, suppliers, competent authorities, investors, media, and insurance companies.

The Company presents a status report on stakeholder communication to the board of directors once a year. The latest report was presented to the board of directors on December 10, 2021.

The importance, issues of concern, and channels of communication of each stakeholder category is summarized as follows:

Stakeholder	Importance	Focus on topics	Communication
Employees of Seafarers	Consistent shipping performance depends on the seamen being well trained and safety conscious.	Maritime safety, shipping performance, eco-ship investment, education and training, and human right assessment	Mr. Wanh, Seaman Affairs Department (Email : sma@wisdomlines.com.tw)
Employees	Sound fleet management depends on shore-based personnel being well trained and functioning as a team.	Owner-worker relationship, employer-employee relationship, maritime safety, occupational health and safety, workforce diversity, and equal opportunity	Mr. Chiu, Human Resources Section of Management Department (Email : job@wisdomlines.com.tw)
Customers	Charterers making payments of hire and freight are Wisdom Marine Lines' primary source of income.	Shipping performance, maritime safety, environmental impact of voyages, environmental compliance, and emissions	Mr. Chang, Business and Operation Department (Email : op04@wisdomlines.com.tw)
Suppliers	Ship management and maintenance depends on close collaboration between Wisdom Marine Lines and the suppliers.	Maritime safety, eco-ship investment, environmental impact of voyages, and shipping performance	Mr. Hsu, Supply Section (Email : supply@wisdomlines.com.tw) Miss Dang, Technical Department (Email : tech04@wisdomlines.com.tw)
Governmental Authority	The competent authorities have a major impact on the business through policymaking.	Economic performance, energy, emissions, water, waste and wastewater	Mr. Mou, Planning Division of Management Department (Email : ir@wisdomlines.com.tw)
Shareholders	Owned by the shareholders, Wisdom Marine Lines follows a stable business model to create profits for the shareholders.	Eco-ship investment, environmental compliance, economic performance, emissions, and maritime safety	Mr. Mou, Planning Division of Management Department (Email : ir@wisdomlines.com.tw)
Media	Wisdom Marine Lines maintains friendly relationships with the media as an important medium for communicating with the public.	Maritime safety, shipping performance, eco-ship investment, economic performance, and environmental impact of voyages	Mr. Mou, Planning Division of Management Department (Email : ir@wisdomlines.com.tw)
Insurance Company	Insurance policies are purchased to mitigate the impact of certain operational risks, and insurance companies also provide loss prevention advice and training.	Maritime safety, shipping performance, eco-ship investment, environmental impact of voyages, and human right assessment	Mr. Mou, Planning Division of Management Department (Email : ir@wisdomlines.com.tw)

Other Communication Methods:

1. The Company holds a management meeting every month. The department heads report and discuss activities in their respective departments and other matters including talent recruitment and retention. The conclusions are made known to the staff in relevant departments after the meetings.
2. Employer-employee meetings are held quarterly to manage employer-employee relations, facilitate employer-employee collaboration, and improve efficiency in the workplace.
3. The Company stays in constant contact with customers by email or telephone on a weekly or daily basis.
4. At least one visit is paid or received every year.
5. In addition to paying or receiving visits from time to time, the Company contacts suppliers directly via email or telephone to conduct business or make improvement.
6. Dedicated contacts are assigned for procurement projects, and suppliers are reached directly by mail or telephone.
7. The Company stays in constant contact with Governmental Authority by email or telephone.
8. The annual general meeting is held by the end of May every year. The proposals are decided by voting on a case-by-case basis. Shareholders are also able to exercise their voting rights and participate in the voting process by electronic means.
9. Annual general meeting reports and business reports are released and made available to investors every year.
10. Revenue and unaudited earnings for the previous month are published on the Market Observation Post System and the company website every month.
11. Investor conference presentations are uploaded to the Market Observation Post System and the company website to be available to investors.

In addition to the stakeholder communication channels above, the company website has a dedicated stakeholder section that displays the contact information for stakeholders. The aim is to achieve accessibility, transparency, timeliness, integrity, and interactivity. It helps the Company understand issues of concern to stakeholders and respond as appropriate. It also enables the Company to receive feedback from different directions and use them as a basis for ongoing improvement.

3.4.9 Status of implementation of internal control system

Statement on Internal Control Please refer to page 111.

Provide reasons, audit opinions, improvements, and correction of errors where internal controls are audited by outside accountants: None.

3.4.10 Legal penalty against the company or its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, the main shortcomings, and condition of improvement.: None.

3.4.11 Major Resolutions of Annual General Meeting and Board Meetings

3.4.11.1 Major Resolutions of Annual General Meeting

Date	Major resolutions		Resolutions
2021.05.22	Reports	1. 2020 Business Report.	
		2. 2020 Financial Report.	
		3. The Audit Committee Report on the Review of the 2020 Financial Report.	
		4. 2020 Directors' Remuneration Report.	
		5. Amendments to the Rules of Board Meetings.	
	Proposals for Ratification	1. Recognition of 2020 Financial Report.	Recognized and accepted.
		2. Recognition of 2020 Dividend Proposal.	Distributed at NT\$700 per 1,000 shares, total are NT\$ 522,486,439. According to the Board of Directors' resolution on May 21, 2021, the Chairman was authorized to determine July 25, 2021 as the Record Date, and the date of distribution is August 13, 2021.
	Proposals for Discussions	1. Amendment to Articles of Association.	Recognized and accepted.
		2. Amendments to the Rules of General Meeting.	Recognized and accepted.
		3. Distribution of Cash Dividends out of Capital Reserve.	Distributed at NT\$800 per 1,000 shares, total are NT\$597,127,359. According to the Board of Directors' resolution on May 21, 2021, the Chairman was authorized to determine July 25, 2021 as the Record Date, and the date of distribution is August 13, 2021.
	Proposals for Election	1. The Election for 6th Directors and Independent Directors.	The board of directors operates according to the election results.
	Others	1. Wavier of director's non-competition obligation.	Recognized and accepted.

3.4.11.2 Major Resolutions of Board Meetings

Date	Major resolutions
35th meeting of the 5th board of directors 2021.01.29	- Insurance coverage for Directors and Officers Liability 2020Q4 audit follow-up of previous non-compliances - Approval of 2020 Basic Director Reward - Company-Wide Salary Adjustment - Approval of 2020 Annual Bonus - Amendment to Guidelines for Board Performance Evaluation

Date	Major resolutions
	● Amendment to Audit Committee Charter ● Amendment to Remuneration Committee Charter ● Amendment to Regulation of Financial and Business Conducts Among Group Companies ● Amendment to Rules of General Meetings ● Amendment to Rules of Board Meetings ● Time Charters: MV Amis Power, MV Sakizaya Unicorn, MV Amis Brave, MV Bunun Fortune, MV Amis Wisdom III, MV Bunun Infinity, MV Amis Elegance, MV Bunun Orchid ● Approval of MV Bunun Respect and MV Jacques Loan Facilities ● Intercompany Loan Facility
36th meeting of the 5th board of directors 2021.02.26	● Adoption of 2020 Financial Report. ● Convention of Annual General Meeting ● Time Charter: MV Bunun Respect ● Time Charter Party Early Termination ● Approval of MV Sakizaya Unicorn and Sakizaya Victory Loan Facilities ● Intercompany Loan Facility
37th meeting of the 5th board of directors 2021.03.26	● Approval of Company-Wide Salary Adjustment ● 2020 Annual Corporate Governance Report ● 2020 Internal Control Declaration ● 2020 Business Report and 2021 Business Plan ● Board of Directors Performance Self-Assessment Report ● 2020 Director Reward ● Amendment to Nominating Committee Charter ● Amendment to the Articles of Association ● 2020 Dividend Proposal ● Candidates for Election of Directors ● Waiver of Directors' Non-Competition Obligation ● Proposed Agenda for Annual General Meeting ● Capital Increase of Well Shipmanagement and Maritime consultant Co., Ltd. ● Subscription of New Shares Issued by Pescadores Investment and Development Inc. ● Capital Increase of Wisdom Marine International Inc. ● Impairment: MV Frontier Bonanza, MV Blue Horizon, MV Clear Horizon ● Assessment of Right-of-Use Assets Acquired from Related Parties ● Appointment of Chief Engineering Officer ● Sale: MV Genius Star III ● Time Charter: MV BLUE HORIZON ● Time Charter Hire Adjustment: MV Ligulao, MV Taikli ● Approval of MV Sakizaya Ace Loan Facility ● Approval of Samurai Investment S.A. Loan Facility ● Approval of Jih Sun International Commercial Bank Loan Facility
38th meeting of the 5th board of directors 2021.04.23	● 2021Q1 audit follow-up of previous non-compliances ● Adoption of 2021Q1 Financial Report ● Sale of Vessels ● New: MV Bunun Power and MV Bunun Queen JOLCO Financing ● Renewal: Benefit Transport S.A. Loan Facility ● Intercompany Loan Facility ● Renewal: Bank of Kaohsiung Loan Facility
1th meeting of the 6th board of directors 2021.05.21	● Election of Chairman of the Board of Directors ● Election of Remuneration Committee Members ● Election of Nominating Committee Members ● Underwriter's Request to Attend Board Meetings ● Industry - Academia Cooperation with NTPU ● Earnings Distribution of Wisdom Panama ● Cash Dividend Declaration: Scheduled Dates ● Time Charter: MV Sakizaya Victory ● Time Charter: MV Bunun Power ● Renewal: CTBC Loan Facility
2th meeting of the 6th board of directors 2021.06.25	● Convention of Extraordinary General Meeting ● Newbuilding: 3 Tsuneishi 82,400MT Bulk Carriers ● Sale of Vessels ● Time Charter: MV Sakizaya Miracle ● Refinancing: MV Clear Horizon Loan Facility ● Renewal: Bank of Taiwan Loan Facility ● Renewal: Far Eastern International Bank Loan Facility

Date	Major resolutions
	● Renewal: Taishin International Bank Loan Facility ● Renewal: Bank of Taiwan Authorized Limit for Financial Derivatives ● Far Eastern International Bank: Authorized Limit for Financial Derivatives ● Taishin International Bank: Authorized Limit for Financial Derivatives
3th meeting of the 6th board of directors 2021.07.23	● 2021Q2 audit follow-up of previous non-compliances ● Newbuilding: Namura 40,000 DWT Bulk Carriers ● Newbuilding: Imabari 39,650 DWT Bulk Carriers ● Time Charter: MV Daiwan Elegance, MV Daiwan Glory ● Sale of Vessel: MV Timu ● New: Chang Hwa Bank Loan Facility ● Extension: MV Sakizaya Hero Loan Facility ● Extension: MV Tao Star Loan Facility ● Renewal: Hua Nan Commercial Bank Loan to WMI ● Renewal: First Commercial Bank Loan Facility ● Renewal: Hwatai Bank Loan Facility ● Renewal: Sunny Bank Loan Facility
4th meeting of the 6th board of directors 2021.08.27	● Adoption of 2021Q2 Financial Report ● Amendment to Internal Control Procedures ● Time Charter: MV Sakizaya Hero, MV Sakizaya Integrity, MV Scarlet Rosella ● Renewal: Bank of Panhsin Loan Facility ● Renewal: Mega International Commercial Bank, Central Branch Loan Facility ● Renewal: Mega International Commercial Bank, Chung Shan Branch Loan Facility ● Mega International Bank, Central Branch: Authorized Limit for Financial Derivatives ● Mega International Bank, Chung Shan Branch: Authorized Limit for Financial Derivatives ● Bank SinoPac: Authorized Limit for Financial Derivatives
5th meeting of the 6th board of directors 2021.09.24	● Amendment to Internal Control Procedures ● Amendment to Employee Work Rules ● Appointment of Convenor of the CSR Committee ● Appointment of Convenor of the Safety Management Committee ● Contract with Underwriters ● Newbuilding: Onomichi 40,000 DWT Bulkers ● Bareboat Charter and Purchase Obligation: MV Sakizaya Xcel ● Renewal: Mega International Commercial Bank, Central Branch Loan Facility ● Renewal: Mega International Commercial Bank, Chung Shan Branch Loan Facility ● Renewal: Taichung Commercial Bank Authorized Limit for Financial Derivatives
6th meeting of the 6th board of directors 2021.10.29	● The CSR Committee were presented to the Board ● 2021Q3 audit follow-up of previous non-compliances ● Adoption of 2021Q3 Financial Report ● Newbuilding: Imabari 64,000 DWT Bulk Carriers ● Bareboat Charter and Purchase Obligation: MV Sakizaya Xcel ● New: MV Poavosa Ace BBHP Financing ● New: MV Bunun Treasure BBHP Financing ● Extension: MV Katagalan Wisdom Loan Facility ● Extension: First Bank Syndicated Loan Facility ● Intercompany Loan Facility ● Amendment: Hua Nan Commercial Bank Loan to WMI ● Renewal: EnTie Bank Loan Facility ● Renewal: Chang Hwa Bank Loan Facility ● Renewal: Taiwan Cooperative Bank Loan
7th meeting of the 6th board of directors 2021.12.10	● Ernst & Young presented key audit matters and audit plan for 2022 ● Communication with stakeholders was presented to the Board ● Appointed KPMG to provide external performance assessment of the Board for 2021 ● Appointed Ernst & Young to provide CSR consulting for the Company's upcoming CSR report ● Audit plan for 2022 ● Assessment of External Auditor ● 2022 Operation Plan and Budget Plan ● Incorporation of Huian Ship Management Co., Ltd. ● Extension of Appointment Beyond Retirement Age ● Time Charters: MV Clear Horizon, MV Amis Miracle, MV Sakizaya Future, MV Amis Treasure, MV Amis Unicorn, MV Sakizaya Respect ● New: MV Bunun Queen Loan Facility ● New: Sakizaya Youth Loan Facility ● Intercompany Loan Facility

Date	Major resolutions
	● Renewal: E. Sun Bank Loan Facility ● Renewal: E. Sun Bank Authorized Limit for Financial Derivatives
8th meeting of the 6th board of directors 2022.01.14	● Insurance coverage for Directors and Officers Liability ● 2021Q4 audit follow-up of previous non-compliances ● Adoption of the Cyber Security Committee ● Convention of the Annual General Meeting ● Review of Guidelines for Director's Reward ● Amendment to Bonus Distribution Procedures ● 2021 Director's Basic Reward ● Annual Bonus to Staff ● Company-Wide Salary Adjustment ● Purchase Option: MV Amis Queen ● Time Charters: MV Amis Victory, MV Amis Wealth ● New: MV Bunun Star Loan Facility ● Extension: MV Daiwan Champion and MV Daiwan Dolphin Loan Facilities ● Intercompany Loan Facility ● Renewal: Taiwan Business Bank Loan Facility
9th meeting of the 6th board of directors 2022.02.25	● Adoption of 2021 Financial Report ● Capital Reduction of Wisdom Panama ● Adoption of Cyber Security Policy ● Time Charter: MV Bunun Elegance, MV Amis Wealth ● Time Charter Hire Adjustment: MV Ligulao, MV Taikli ● New: MV Sakizaya Zest Loan Facility ● Refinancing: MV Amis Glory Loan Facility ● Intercompany Loan Facility
10th meeting of the 6th board of directors 2022.03.25	● 2021 Annual Corporate Governance Report ● 2021 Internal Control Declaration ● 2021 Business Report and 2022 Business Plan ● Board Performance Evaluation ● 2021 Director Reward ● Salary Adjustment for Staff ● Salary Adjustment for Managers ● 2021 Dividend Proposal ● Amendment to Memorandum and Articles of Association ● Amendment to Rules of General Meeting ● Amendment to Procedures for Asset Acquisition and Disposal ● Proposed Agenda for Annual General Meeting ● Amendment to Guidelines for Corporate Governance ● List of Committees and Teams ● Abolition of the CSR Committee and CSR Committee Charter ● Adoption of ESG Committee Charter, Establishment of ESG Committee and Appointment of Convenor of ESG Committee ● Appointment of Convenor of the Safety Management Committee ● Establishment of Risk Management Team, Appointment of Convenor of Risk Management Team and Amendment to Risk Management Policy ● Appointment of Cyber Security Officer ● Adoption of Business Ethics Policy, Establishment of Business Ethics Team and Appointment of Convenor of Business Ethics Team ● Retirement and Appointment of Chief Technical Officer ● Capital Increase of Well Shipmanagement and Maritime Consultant Co., Ltd. ● Subscription of New Shares Issued by Pescadores Investment and Development Inc. ● Capital Increase of Wisdom Marine International Inc. ● Earnings Distribution of Wisdom Panama ● Time Charters: MV Sakizaya Star, MV Sakizaya Brave, MV Amis Wealth ● Sale: MV LBC Energy ● New: MV Amis Queen Loan Facility ● New: Shinsei Syndicated Loan Facility ● Extension: MV Sakizaya Champion Loan Facility ● Intercompany Loan Facilities

3.4.12 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors: None.

3.4.13 Resignation or Dismissal of the Company's Key Individuals, Including the Chairman, CEO, and Heads of Accounting, Finance, Internal Audit and R&D: None.

3.5 Information Regarding to the Company's Audit Fee

Unit: NT\$ 000

Accounting Firm	Name of CPA	Audit Period	Audit Fee	Non-Audit Fee	Total	Remarks
Ernst & Young, Taiwan	Lu, Chian Uen	2021.1.1-2021.12.31	6,060	Tax Compliance Audit : 240	6,300	None
	Liu, Jung Chin	2021.1.1-2021.12.31				

When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.

When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: None.

3.6 Replacement of CPA

3.6.1 Regarding the former accountants

Date of replacement	Approved by the Board of Directors on October 30, 2020.		
Reason of replacement and explanation	In compliance with relevant regulatory requirements on rotation, the current engagement partner Lin, Li Huang and Lu, Chian Uen will be replaced by Lu, Chian Uen and Liu, Jung Chin.		
Statement on whether the Company or the accountant terminate or not accept the appointment	Parties Contracting Condition		CPA
	Voluntarily terminated the appointment		(Not applicable)
	Not accept (continuing) the appointment		(Not applicable)
The opinions and reasons in audit reports other than unqualified opinion in the last two years	None		
Different opinions with the issuer	Yes		Accounting principles or practices
			Disclosure of financial statements
			Scope or procedure of auditing
			Other
	None	V	
Statement			
Other disclosed items (Matters which shall be disclosed pursuant to Subsubparagraph 4~7, Subparagraph 1, Paragraph 6, Article 10 of the Regulation)	None		

3.6.2 Regarding the successor accountant

Name of the accounting firm	Ernst & Young, Taiwan
Name of the accountants	Lu, Chian Uen and Liu, Jung Chin
Date of appointment	Approved by the Board of Directors on October 30, 2020.
The accounting treatment of particular transactions before appointment or accounting principle and the consulting matters and their results for the possible opinions signed and issued in the financial report	Not applicable
The succeeding on the accountant's different issues opinions in written from the former accountant	Not applicable

3.6.3 The former accountant's reply toward the Sub-subparagraph of 2-3, Subparagraph 1, Paragraph 5, Article 10 of the Regulation:Not applicable.

3.7 The Company's Chairman, Chief Executive Officer, Chief Financial Officer, and managers in charge of its finance and accounting operations did not hold any positions in the Company's independent auditing firm or its affiliates during 2021.

None.

3.8 Transfer & pledge of stock equity by directors, supervisors, managerial officers and holders of 10% or more of company shares

Units: Share

Title	Name	2020		2021		2022 until to publish date	
		Shareholding	Pledge	Shareholding	Pledge	Shareholding	Pledge
		Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)
Chairman	Lan, Chun-Sheng	4,684,893	7,969,000	337,000	(90,795,000)	0	0
Director	Chao, Mike Tzu-Lung	14,264	0	(4,000)	0	0	0
Director	Fukui Masayuki	196,171	0	0	0	0	0
Director	Jinzhou Investment Co., Ltd.	34,798	1,400,000	0	(1,400,000)	0	0
	Represented by Chen, Ming-Shang	180,497	0	(234,000)	0	0	0
Independence Director	Tu, Neng-Mo (Note1)	0	0	N/A	N/A	N/A	N/A
Independence Director	Chen, Po-Chih (Note1)	0	0	N/A	N/A	N/A	N/A
Independence Director	Lin, Tse-Chun	0	0	0	0	0	0

Title	Name	2020		2021		2022 until to publish date	
		Shareholding	Pledge	Shareholding	Pledge	Shareholding	Pledge
		Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)
Independence Director	Chiu, Yung-Ho	0	0	0	0	0	0
Independence Director	Liu, Tsai-Ching	0	0	0	0	0	0
Independence Director	Maa, Kwo-Juh (Note2)	N/A	N/A	0	0	0	0
Independence Director	Chen, Ching-Yi (Note2)	N/A	N/A	0	0	0	0
President	Cheng, Chun-Sheng	6,270	0	0	0	0	0
Chief Financial Officer	Bruce Hsueh	7,995	0	(25,000)	(150,000)	0	0
Chief Technical Officer	Tsaur, Shuang-Chau	0	0	0	0	0	0
Chief Engineering Officer	Wang, Shing-Hwa (Note3)	N/A	N/A	0	0	0	0
Assistant Vice President, ISM Department	Scott Chang	31,489	0	(31,509)	0	0	0
Assistant Vice President, Technical Department	Max Chen	(8,023)	0	0	0	0	0
Assistant Vice President, Supply Department	Joe Hsu	10,708	0	9,292	0	0	0
Assistant Vice President of Finance Dept.	Lina Hung	7,103	0	(197,000)	0	0	0
Internal Auditor	Mandy Lin	5,307	0	(6,157)	0	0	0

Note 1 : Retired after re-election of directors and independent directors on May 21, 2021.

Note 2 : Newly appointed after the re-election of directors and independent directors on May 21, 2021.

Note 3 : Chief Engineering Officer Wang, Shing-Hwa, newly appointed on April 1, 2021.

Note 4 : Shares Trading with Related Parties: None.

3.9 Information on relationships among the top ten shareholders

22 March 2022 (Book Closing Date); Unit : share ; %

Item	Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees	
		Shares	%	Shares	%	Shares	%	Name	Relationship
1	Lan, Chun-Sheng	202,815,349	27.17%	3,415,785	0.46%	-	-	Pescadores 、 Hui Wen 、 Jingui	Please refer to the following.

Item	Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees	
		Shares	%	Shares	%	Shares	%	Name	Relationship
2	Pescadores Merchandise Co., Ltd.	52,464,814	7.03%	-	-	-	-	Lan, Chun-Sheng	Director
	Representative: Chen, Huang-Ming	82,994	0.01%	-	-	-	-	-	-
3	Unicorn Marine Agency Co., Ltd.	38,229,672	5.12%	-	-	-	-	-	-
	Representative: Liu, Han Yang	-	-	-	-	-	-	-	-
4	Hui Wen Investment Co., Ltd.	32,672,047	4.38%	-	-	-	-	-	-
	Representative: Lan, Mei-Chou	3,015,596	0.40%	-	-	-	-	Lan, Chun-Sheng	Second-degree relatives
5	Fubon Taiwan high dividend 30 ETF	18,518,000	2.48%	-	-	-	-	-	-
6	Mitsubishi UFJ Morgstan Securities Co., Ltd.—Equity Trading Division (Proprietary Trading Desk)	14,929,000	2.00%	-	-	-	-	-	-
7	Song Ying Transportation Co., Ltd	13,159,373	1.76%	-	-	-	-	-	-
	Representative: Gao, Qin Long	-	-	-	-	-	-	-	-
8	Citibank Hosting UBS Europe SE Investment Account	8,604,714	1.15%	-	-	-	-	-	-
9	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	7,301,155	0.98%	-	-	-	-	-	-
10	Chase custodial JP Morgan Securities Limited investment account	6,951,734	0.93%	-	-	-	-	-	-

3.10 Ownership of Shares in Affiliated Enterprises

31 December 2021, Unit : share ; %

Shift in investment	Investment by the Company		Investment by directors, supervisors, managers, direct or indirect control groups		Combined investment	
	Shares	%	Shares	%	Shares	%
Wisdom Marine International Inc.	77,800,000	100%	-	-	67,800,000	100%
Well Shipmanagement and Maritime Consultant Co., Limited	6,300,000	100%	-	-	2,300,000	100%
Huian Ship Management Co., Ltd.	300,000	100%	-	-	300,000	100%
Wisdom Lines Europe B.V.	-	100%	-	-	-	100%
Pescadores Investment and Development Inc.	57,200,000	40%	1,430,000	1%	58,630,000	41%
Wisdom Marine Lines S.A.	517,947	100%	-	-	517,947	100%
Adixi Wisdom S.A.	100	100%	-	-	100	100%
Amis Carriers S.A.	100	100%	-	-	100	100%
Amis Elegance S.A.	100	100%	-	-	100	100%
Amis Fortune S.A.	100	100%	-	-	100	100%
Amis Hero S.A.	100	100%	-	-	100	100%
Amis Integrity S.A.	100	100%	-	-	100	100%
Amis International S.A.	100	100%	-	-	100	100%
Amis Justice S.A.	100	100%	-	-	100	100%
Amis Mariner S.A.	100	100%	-	-	100	100%
Amis Miracle S.A.	100	100%	-	-	100	100%
Amis Nature Inc.	100	100%	-	-	100	100%
Amis Navigation S.A.	100	100%	-	-	100	100%
Amis Star S.A.	100	100%	-	-	100	100%
Amis Victory S.A.	100	100%	-	-	100	100%
Amis Wisdom S.A.	100	100%	-	-	100	100%
Arikun Wisdom S.A.	100	100%	-	-	100	100%
Atayal Brave S.A.	100	100%	-	-	100	100%
Atayal Mariner S.A.	100	100%	-	-	100	100%
Atayal Star S.A.	100	100%	-	-	100	100%
Atayal Wisdom S.A.	100	100%	-	-	100	100%
Babuza Wisdom S.A.	100	100%	-	-	100	100%
Beagle Marine S.A.	100	100%	-	-	100	100%
Beagle Wisdom S.A.	35,000	100%	-	-	35,000	100%
Bunun Brave S.A.	100	100%	-	-	100	100%
Bunun Champion S.A.	100	100%	-	-	100	100%
Bunun Dynasty S.A.	100	100%	-	-	100	100%
Bunun Elegance S.A.	100	100%	-	-	100	100%
Bunun Fortune S.A.	100	100%	-	-	100	100%
Bunun Hero S.A.	100	100%	-	-	100	100%
Bunun Infinity S.A.	100	100%	-	-	100	100%
Bunun Justice S.A.	100	100%	-	-	100	100%
Bunun Marine S.A.	100	100%	-	-	100	100%
Bunun Navigation S.A.	100	100%	-	-	100	100%
Bunun Noble Inc.	100	100%	-	-	100	100%
Bunun Treasure S.A.	100	100%	-	-	100	100%
Bunun Unicorn S.A.	100	100%	-	-	100	100%
Bunun Victory S.A.	100	100%	-	-	100	100%
Bunun Wisdom S.A.	100	100%	-	-	100	100%
Cosmic Wisdom S.A.	100	100%	-	-	100	100%
Daiwan Champion S.A.	100	100%	-	-	100	100%
Daiwan Dolphin S.A.	100	100%	-	-	100	100%
Daiwan Elegance S.A.	100	100%	-	-	100	100%
Daiwan Fortune S.A.	100	100%	-	-	100	100%

Shift in investment	Investment by the Company		Investment by directors, supervisors, managers, direct or indirect control groups		Combined investment	
	Shares	%	Shares	%	Shares	%
Daiwan Glory S.A.	100	100%	-	-	100	100%
Daiwan Hero S.A.	100	100%	-	-	100	100%
Daiwan Infinity S.A.	100	100%	-	-	100	100%
Daiwan Justice S.A.	100	100%	-	-	100	100%
Daiwan Kalon S.A.	100	100%	-	-	100	100%
Daiwan Leader S.A.	100	100%	-	-	100	100%
Daiwan Miracle S.A.	100	100%	-	-	100	100%
Dumun Marine S.A.	100	100%	-	-	100	100%
Dumun Navigation S.A.	100	100%	-	-	100	100%
Elite Steamship S.A.	100	100%	-	-	100	100%
Euroasia Investment S.A.	100	100%	-	-	100	100%
Favoran Wisdom S.A.	100	100%	-	-	100	100%
Fourseas Maritime S.A. Panama	100	100%	-	-	100	100%
Fraternity Marine S.A.	100	100%	-	-	100	100%
Fraternity Ship Investment S.A.	100	100%	-	-	100	100%
Genius Marine S.A.	100	100%	-	-	100	100%
Genius Prince S.A.	100	100%	-	-	100	100%
Genius Star Carriers S.A.	100	100%	-	-	100	100%
Genius Star Navigation S.A.	100	100%	-	-	100	100%
GS Global S.A.	100	100%	-	-	100	100%
GS Navigation S.A.	100	100%	-	-	100	100%
GSX Maritime S.A.	100	100%	-	-	100	100%
Guma Marine S.A.	100	100%	-	-	100	100%
Guma Navigation S.A.	100	100%	-	-	100	100%
Harmony Pescadores S.A.(Panama)	100	100%	-	-	100	100%
Harmony Transport S.A.	100	100%	-	-	100	100%
Hoanya Wisdom S.A.	100	100%	-	-	100	100%
Infinite Wisdom S.A.	100	100%	-	-	100	100%
Katagalan Ace S.A.	100	100%	-	-	100	100%
Katagalan Brave S.A.	100	100%	-	-	100	100%
Katagalan Carriers S.A.	100	100%	-	-	100	100%
Katagalan Champion S.A.	100	100%	-	-	100	100%
Katagalan Line S.A.	100	100%	-	-	100	100%
Katagalan Marine S.A.	100	100%	-	-	100	100%
Katagalan Navigation S.A.	100	100%	-	-	100	100%
Katagalan Star S.A.	100	100%	-	-	100	100%
Katagalan Wisdom S.A.	100	100%	-	-	100	100%
Kavalan Wisdom S.A.	100	100%	-	-	100	100%
Ligulao Wisdom S.A.	100	100%	-	-	100	100%
Lloa Wisdom S.A.	100	100%	-	-	100	100%
Log Wisdom S.A.	100	100%	-	-	100	100%
Luilang Wisdom S.A.	100	100%	-	-	100	100%
Magnate Maritime S.A.	100	100%	-	-	100	100%
Makatao Wisdom S.A.	100	100%	-	-	100	100%
Mercy Marine Line S.A.	100	100%	-	-	100	100%
Mighty Maritime S.A.	100	100%	-	-	100	100%
Mimasaka Investment S.A.	100	100%	-	-	100	100%
Mount Wisdom S.A.	100	100%	-	-	100	100%
Paiwan Wisdom S.A.	100	100%	-	-	100	100%
Papora Wisdom S.A.	100	100%	-	-	100	100%
Pazeh Wisdom S.A.	100	100%	-	-	100	100%
Pescadores International Line S.A.	100	100%	-	-	100	100%
Poavosa International S.A.	100	100%	-	-	100	100%

Shift in investment	Investment by the Company		Investment by directors, supervisors, managers, direct or indirect control groups		Combined investment	
	Shares	%	Shares	%	Shares	%
Poavosa Maritime S.A.	100	100%	-	-	100	100%
Poavosa Navigation S.A.	100	100%	-	-	100	100%
Poavosa Wisdom S.A.	100	100%	-	-	100	100%
Rukai Maritime S.A.	100	100%	-	-	100	100%
Sakizaya Diamond S.A.	100	100%	-	-	100	100%
Sakizaya Fortune S.A.	100	100%	-	-	100	100%
Sakizaya Glory S.A.	100	100%	-	-	100	100%
Sakizaya Hero S.A.	100	100%	-	-	100	100%
Sakizaya Integrity S.A.	100	100%	-	-	100	100%
Sakizaya Justice S.A.	100	100%	-	-	100	100%
Sakizaya Kalon S.A.	100	100%	-	-	100	100%
Sakizaya Leader S.A.	100	100%	-	-	100	100%
Sakizaya Line S.A.	100	100%	-	-	100	100%
Sakizaya Marine S.A.	100	100%	-	-	100	100%
Sakizaya Miracle S.A.	100	100%	-	-	100	100%
Sakizaya Navigation S.A.	100	100%	-	-	100	100%
Sakizaya Orchid S.A.	100	100%	-	-	100	100%
Sakizaya Power S.A.	100	100%	-	-	100	100%
Sakizaya Queen S.A.	100	100%	-	-	100	100%
Sakizaya Respect S.A.	100	100%	-	-	100	100%
Sakizaya Unicorn S.A.	100	100%	-	-	100	100%
Sakizaya Victory S.A.	100	100%	-	-	100	100%
Sakizaya Wisdom S.A.	100	100%	-	-	100	100%
Sakizaya Youth S.A.	100	100%	-	-	100	100%
Sao Wisdom S.A.	100	100%	-	-	100	100%
Saysiat Wisdom S.A.	100	100%	-	-	100	100%
Siraya Wisdom S.A.	100	100%	-	-	100	100%
Taivoan Wisdom S.A.	100	100%	-	-	100	100%
Tao Ace S.A.	100	100%	-	-	100	100%
Tao Brave S.A.	100	100%	-	-	100	100%
Tao Mariner S.A.	100	100%	-	-	100	100%
Tao Star S.A.	100	100%	-	-	100	100%
Tao Treasure S.A.	100	100%	-	-	100	100%
Taokas Marine S.A.	100	100%	-	-	100	100%
Taokas Navigation S.A.	100	100%	-	-	100	100%
Taokas Wisdom S.A.	100	100%	-	-	100	100%
Taroko Maritime S.A.	100	100%	-	-	100	100%
Taroko Wisdom S.A.	200	100%	-	-	200	100%
Triumph Wisdom S.A.	100	100%	-	-	100	100%
Trobian Wisdom S.A.	100	100%	-	-	100	100%
Unicorn Bravo S.A.	100	100%	-	-	100	100%
Unicorn Fortune S.A.	100	100%	-	-	100	100%
Unicorn Logger S.A.	100	100%	-	-	100	100%
Unicorn Logistics S.A.	100	100%	-	-	100	100%
Unicorn Marine S.A.	100	100%	-	-	100	100%
Unicorn Pescadores S.A.	100	100%	-	-	100	100%
Unicorn Successor S.A.	100	100%	-	-	100	100%
Vayi Wisdom S.A.	100	100%	-	-	100	100%
Winsome Wisdom S.A.	100	100%	-	-	100	100%
Wisdom Ace S.A.	100	100%	-	-	100	100%
Wisdom Chartering S.A.	100	100%	-	-	100	100%

Note : It is an investment made by the company using the equity method.

4. Funding Activities

4.1 Capital and Share Capital

4.1.1 Sources of Share Capital

Unit: TWD

Month / Year	Issue price	Authorized share capital		Paid-in capital		Notes		
		Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Amount	Sources of Share Capital	Shares acquired by non-cash assets	Other
2008.10	10	330,000	3,300,000,000	1	10	Share capital of the Company at establishment.	-	-
2009.01	10	330,000	3,300,000,000	200,000	2,000,000,000	In January 2009, the Company entered into a share transfer agreement with Chairman James Lan to transfer a 100% stake in Wisdom Marine Lines S.A. to the Company in exchange for all shares in the Company.	-	-
2009.06	10	330,000	3,300,000,000	220,000	2,200,000,000	On June 15, 2009, the Board of Directors approved capitalization of capital surplus.	-	-
2010.03	42.50	330,000	3,300,000,000	250,000	2,500,000,000	On February 8, 2010, the annual general meeting passed a resolution for cash issue. The cash issue was approved by the Financial Supervisory Commission of the Executive Yuan in the FSC Letter Jin-Guan-Zheng-Fa No.0990001895 dated January 27, 2010.	-	-
2010.08	10	330,000	3,300,000,000	275,000	2,750,000,000	On June 28, 2010, the annual general meeting passed a resolution for capitalization of profits. The transaction was approved by the GreTai Securities Market in the Letter Gre-Tai-Shen No.0990020530 dated August 24, 2010.	-	-
2010.12	38	330,000	3,300,000,000	305,000	3,050,000,000	On December 1, 2010, the Company became listed and offered a cash issue. The cash issue was approved by the Financial Supervisory Commission of the Executive Yuan in the FSC Letter Jin-Guan-Zheng-Fa No.0990060322 dated November 4, 2010.	-	-
2011.02	10	500,000	5,000,000,000	305,000	3,050,000,000	On February 14, 2011, the annual general meeting passed a resolution to increase the registered capital.	-	-
2011.08	10	500,000	5,000,000,000	335,500	3,355,000,000	On June 17, 2011, the annual general meeting passed a resolution for capitalization of capital surplus. The transaction was approved by the Taiwan Stock Exchange in the Letter Taiwan-Stock-Shang-2-1000027556 dated August 24, 2011.	-	-
2011.11	37	500,000	5,000,000,000	358,000	3,580,000,000	On June 17, 2011, the Board of Directors passed a resolution for cash issue to issue new shares on November 1, 2011. The cash issue was approved by the Financial Supervisory Commission of the Executive Yuan in the FSC Letter Jin-Guan-Zheng-Fa No.1000034377 dated August 9, 2011.	-	-
2012.08	40.36	500,000	5,000,000,000	368,661	3,686,605,170	First conversion of convertible corporate bonds to common shares on August 20, 2012.	-	-
2012.08	10	500,000	5,000,000,000	404,461	4,044,605,170	On June 29, 2011, the annual general meeting passed a resolution for capitalization of capital surplus. The transaction was completed on August 31, 2012 and approved by the Taiwan Stock Exchange in the Letter Taiwan-Stock-Shang-2-10100186331 dated August 23, 2012.	-	-
2013.03	10	600,000	6,000,000,000	404,461	4,044,605,170	On March 22, 2013, the annual general meeting passed a resolution to increase the registered capital.	-	-
2013.09	10	600,000	6,000,000,000	424,221	4,242,206,340	On June 21, 2013, the annual general meeting passed a resolution for capitalization of capital surplus. The transaction was completed on September 11, 2013 and approved by the Taiwan Stock Exchange in the Letter Taiwan-Stock-Shang-2-1020017412 dated September 2, 2013.	-	-
2013.11	32.12	600,000	6,000,000,000	460,221	4,602,206,340	On July 26, 2013, the Board of Directors passed a resolution to issue global depository receipts by cash issue and to issue the new shares on November 8, 2013. The cash issue was approved by the Financial Supervisory Commission of the Executive Yuan in the FSC Letter Jin-Guan-Zheng-Fa No.1020016320 dated May 15, 2013.	-	-
2014.04	10	600,000	6,000,000,000	505,587	5,055,866,190	First conversion of overseas convertible corporate bonds to common shares on April 18, 2014.	-	-
2014.08	10	600,000	6,000,000,000	516,864	5,168,643,490	On June 27, 2014, the annual general meeting passed a resolution for capitalization of capital surplus. The transaction was completed on August 21, 2014 and approved by the Taiwan Stock Exchange in the Letter Taiwan-Stock-Shang-2-1030016561 dated August 12, 2014.	-	-
2015.05	10	880,000	8,800,000,000	516,864	5,168,643,490	On May 29, 2015, the annual general meeting passed a resolution to increase the registered capital.	-	-

Month / Year	Issue price	Authorized share capital		Paid-in capital		Notes		
		Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Amount	Sources of Share Capital	Shares acquired by non-cash assets	Other
2016.11	28	880,000	8,800,000,000	556,864	5,568,643,490	On July 29, 2016, the Board of Directors passed a resolution for cash issue to issue new shares on November 2, 2016. The cash issue came into effect by the Financial Supervisory Commission of the Executive Yuan in the FSC Letter Jin-Guan-Zheng-Fa No.1050035665 dated September 8, 2016.	-	-
2017.08	10	880,000	8,800,000,000	584,708	5,847,075,660	On June 23, 2017, the annual general meeting passed a resolution for capitalization of capital surplus. The transaction was completed on August 25, 2017 and approved by the Taiwan Stock Exchange on August 21, 2016.	-	-
2017.11	23.5	880,000	8,800,000,000	616,708	6,167,075,660	On July 28, 2017, the Board of Directors passed a resolution for cash issue to issue new shares on November 8, 2017. The cash issue came into effect by the Financial Supervisory Commission of the Executive Yuan in the FSC Letter Jin-Guan-Zheng-Fa No.1060034373 dated September 8, 2017.	-	-
2018.08	10	880,000	8,800,000,000	616,711	6,167,109,780	First conversion of third issue of domestic unsecured convertible corporate bond in the Republic of China to common shares on August 3, 2018.	-	-
2018.10	10	880,000	8,800,000,000	618,174	6,181,737,830	2018 Q3 conversion of third issue of domestic unsecured convertible corporate bond in the Republic of China to 1,466,217 common shares (including 3,412 shares from first conversion on August 3, 2018) on October 2, 2018.	-	-
2019.01	10	880,000	8,800,000,000	629,805	6,298,054,940	2018 Q4 conversion of third issue of domestic unsecured convertible corporate bond in the Republic of China to 11,631,711 common shares on January 2, 2019.	-	-
2019.03	10	880,000	8,800,000,000	636,194	6,361,941,680	2019 Q1 conversion of third issue of domestic unsecured convertible corporate bond in the Republic of China to 6,388,674 common shares on March 19, 2019.	-	-
2019.07	10	880,000	8,800,000,000	640,703	6,407,029,670	2019 Q2 conversion of third issue of domestic unsecured convertible corporate bond in the Republic of China to 4,508,799 common shares on July 2, 2019.	-	-
2019.10	10	880,000	8,800,000,000	648,656	6,486,559,030	2019 Q3 conversion of third issue of domestic unsecured convertible corporate bond in the Republic of China to 101,814 common shares.and conversion of third issue of domestic unsecured convertible corporate bond in the Republic of China to 7,851,122 common shares on October 3, 2019.	-	-
2019.10	27.4	880,000	8,800,000,000	688,656	6,886,559,030	On July 26, 2019, the Board of Directors passed a resolution for cash issue to issue new shares on October 3, 2019. The cash issue came into effect by the Financial Supervisory Commission of the Executive Yuan in the FSC Letter Jin-Guan-Zheng-Fa No. 1080329987 dated October 10, 2019	-	-
2019.12	10	880,000	8,800,000,000	689,107	6,891,073,870	2019 Q4 conversion of third issue of domestic unsecured convertible corporate bond in the Republic of China to 451,484 common shares.	-	-
2020.03	10	880,000	8,800,000,000	689,156	6,891,558,940	2020 Q1 conversion of third issue of domestic unsecured convertible corporate bond in the Republic of China to 48,507 common shares on March 24, 2020	-	-
2020.06	21.3	880,000	8,800,000,000	729,156	7,291,558,940	On December 13, 2019, the Board of Directors passed a resolution for cash issue to issue new shares on June 8, 2020. The cash issue came into effect by the Financial Supervisory Commission of the Executive Yuan in the FSC Letter Jin-Guan-Zheng-Fa No. 1080341719 dated January 9, 2020.	-	-
2020.07	10	880,000	8,800,000,000	746,385	7,463,847,910	On May 22, 2020, the annual general meeting passed a resolution for capitalization of capital surplus. The transaction was completed on July 31, 2020 and approved by the Taiwan Stock Exchange on July 22, 2020.	-	-
2020.08	10	880,000	8,800,000,000	746,405	7,464,051,990	2020 Q3 conversion of third issue of domestic unsecured convertible corporate bond in the Republic of China to 20,408 common shares.	-	-
2020.10	10	880,000	8,800,000,000	746,406	7,464,091,990	2020 Q4 conversion of second issue of domestic unsecured convertible corporate bond in the Republic of China to 4,000 common shares.	-	-

Record date: Same as publication date for this annual report

Type of shares	Authorized share capital (equity)			Notes
	Outstanding shares	Unissued shares	Total	
Registered common shares	746,409,199	133,590,801	880,000,000	N/A

Shelf Registration Information : N/A.

4.1.2 Shareholders

March 22, 2022 (book closure date)

Shareholders Quantity	Government agencies	Financial institutions	Other corporations	Individuals	Foreign institutions and foreigners	Total
Number of people	0	26	114	43,706	274	44,120
Number of shares	0	29,652,165	161,561,618	401,479,299	153,716,117	746,409,199
Shareholding percentage	0.00%	3.97%	21.65%	53.79%	20.59%	100.00%

Note 1: The table is based on the numbers of shares recorded in the shareholder register on the last book closure date, on which there was a total of 746,409,199 outstanding shares.

Note 2: Shareholding by Chinese investors: Not applicable as no Chinese investors hold shares in the Company.

4.1.3 Shareholding Distribution

March 22, 2022 (book closure date)

Shareholding range (shares)	Number of shareholders	Number of shares	Shareholding percentage
1 to 999	8,017	1,470,859	0.20%
1,000 to 5,000	30,861	54,734,058	7.33%
5,001 to 10,000	2,566	19,938,537	2.67%
10,001 to 15,000	777	9,813,088	1.32%
15,001 to 20,000	439	8,112,459	1.09%
20,001 to 30,000	456	11,502,585	1.54%
30,001 to 40,000	225	7,984,444	1.07%
40,001 to 50,000	133	6,134,479	0.82%
50,001 to 100,000	275	19,854,274	2.66%
100,001 to 200,000	162	23,156,632	3.10%
200,001 to 400,000	89	25,630,339	3.44%
400,001 to 600,000	23	11,586,622	1.55%
600,001 to 800,000	22	15,403,101	2.06%
800,001 to 1,000,000	12	10,289,074	1.38%
1,000,001 or more	63	520,798,648	69.77%
Total	44,120	746,409,199	100.00%

Note 1: The table is based on the numbers of shares recorded in the shareholder register on the last book closure date, on which there was a total of 746,409,199 outstanding shares.

Note 2: Distribution of preferred shares: Not applicable as the Company has not issued any preferred shares.

4.1.4 Principal Shareholders

There are less than ten shareholders with a shareholding ratio of more than 5% in the company. Please refer to the 「3.9 Information on relationships among the top ten shareholders」

4.1.5 Stock Price, Net Worth, Earnings, Dividends, and Related Information for Last 2 Years

Unit: TWD; 000 shares

Item \ Year		2020	2020	2022/1/1 至 2022/3/25
Stock price	Highest	29.65	121.00	99.50
	Lowest	19.35	23.50	73.10
	Average	23.72	63.77	85.08
Net worth per share (Note)	Before distribution	35.50	46.92	As of the publishing date of the annual report, 2021 financial data has not been reviewed by the CPA.
	After distribution	34.50	41.42	
Earnings per share	Weighted average shares	729,330	746,409	
	Earnings per share before retrospective adjustments	0.15	11.05	
	Earnings per share after retrospective adjustments	0.12	11.05	
Dividend per share	Cash dividend		1.50	5.50
	Stock dividend	Surplus dividend	-	-
		Capital surplus dividend	-	-
	Accumulated unpaid dividend		-	-
Return analysis	P/E ratio		158.13	5.77
	P/D ratio		15.81	11.59
	Cash dividend yield		6.32%	8.62%

Note : The 2021 distribution proposal has been passed by the Board of Directors on March 25, 2022, and is pending approval of the annual general meeting on May 20, 2022.

4.1.6 Dividend Policy and Execution

4.1.6.1 Dividend Policy in Articles of Incorporation

The dividend policy of the Company is based on earnings of the year and considers factors including the Company's overall growth, financial planning, funding needs, and industry outlook and prospects, while ensuring shareholder equity and a balanced dividend policy are maintained. Every year, the Company pays taxes as required by law, makes up losses from previous years, and has the Board of Directors prepare a dividend proposal based on the earnings available for distribution ("distributable earnings") according to Article 120 of the Articles of Incorporation. Dividends may be distributed in the form of cash and/or stock dividends. A dividend proposal is not executed until approved by the annual general meeting. However, total dividends in a year shall not be lower than ten percent of total "consolidated net income". The percentage of cash dividend shall not be lower than twenty percent of total dividends for the year.

4.1.6.2 Current Year Dividend Distribution Proposal to Annual General Meeting

The 2021 distribution proposal has been passed by the Board of Directors on March 22, 2022. A cash dividend of NT\$5.5 to be paid out of earnings. The proposal is expected to be submitted to the annual general meeting for approval on May 20, 2022.

4.1.6.3 Expected Material Changes in Dividend Policy:

Dividend distribution for the year is consistent with the dividend policy established by the Articles of Incorporation. The total amount of dividends does not vary significantly from those in past years.

4.1.7 Effects of Proposed Stock Dividends for the Year on Business Performance and EPS : N/A.

4.1.8 Employee Bonuses and Remuneration of Directors and Supervisors

4.1.8.1 Percentages or Ranges of Employee Bonuses and Remuneration of Directors and Supervisors under the Articles of Incorporation

Given the Company is a primary listed company, employee remuneration is required to comply with local policies where workers are located. Article 18 of the Articles of Incorporation of the subsidiary Wisdom Marine International, Article 22 of the Articles of Incorporation of the subsidiary Well Shipmanagement and Maritime Consultant, and Article 25 of the Articles of Incorporation of the subsidiary Huian Ship Management state that "1% or more of any profit in the year shall be allocated to employee remuneration. However, a sum shall be set aside in advance to pay down any outstanding cumulative losses."

Furthermore, according to Article 80 of the Articles of Incorporation of the Company, regardless of any profit or loss in the current year, the board of directors shall follow the Company's guidelines for distributing director remuneration and distribute adequate director remuneration based on their participation in and contribution to the business and remuneration paid by peer companies.

The remuneration of Directors of the Company for the last year has been passed by the Board of Directors on March 25, 2022. The Directors are to be paid a total of NT\$23,639,675 in compensation.

4.1.8.2 Basis for estimating the amount of employee bonuses and remuneration of Directors and Supervisors, basis for calculating the number of shares to be distributed as bonuses, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period

Only remuneration of Directors is paid for the current period. The basis for estimating the amount is the net profit after tax and a percentage within the range specified in the Director Remuneration Policy. However, if the actual amount in the resolution approved by the annual general meeting later differs from the estimated amount, the difference is treated as a change in accounting estimates and recognized as profit or loss for the year in which the resolution is passed.

4.1.8.3 Employee Bonuses Passed by Board of Directors

Amount of cash/stock bonuses paid to employees and remuneration of Directors and Supervisors for the current year. The amount of, reason for, and treatment of discrepancy, if any, from the recognized costs should be disclosed: The remuneration of Directors of the Company for the last year has been passed by the Board of Directors on March 26, 2021. The Directors are to be paid a total of NT\$110,855 in remuneration. There is no discrepancy between the remuneration of Directors proposed by the Board of Directors and the recognized costs.

Amount of employee stock bonus proposed and percentage out of the sum of net profit after tax and total employee bonuses in the current individual or separate financial statements: No employee bonus is distributed.

4.1.8.4 Actual distribution of employee bonuses and remuneration of Directors and Supervisors of previous year (including number of shares, amount and stock price); and discrepancies, if any, from the recognized employee bonuses and remuneration of Directors and Supervisors and the causes and treatments of the discrepancies

Only a total of NT\$110,855 was paid in remuneration of Directors and Supervisors in the previous year. There was no discrepancy between the actually distributed amounts and the recognized costs.

4.1.9 Buyback of Treasury Stock : N/A.

4.2 Issuance of Corporate Bonds (Including Overseas Corporate Bonds)

Type	First issue of domestic secured bond in the Republic of China in 2019	
Issuance (processing) date	May 7, 2019	
Par value	NT\$1,000,000	
Place of issuance and trading	Republic of China	
Issue price	Fully issued according to the face value	
Total	NT\$1,385,000,000	
Coupon rate	The coupon rate is a fixed annual interest rate of 0.86%	
Term	Five years. Maturity date May 7, 2024	
Guarantor	Taiwan Cooperative Bank, Mega International Commercial Bank Co., Ltd., Chang Hwa Commercial Bank, Ltd., First Commercial Bank, Hua Nan Commercial Bank, Ltd., and Taichung Commercial Bank Co., Ltd.	
Trustee	Taishin International Bank Co., Ltd.	
Underwriter	Taiwan Cooperative Securities Co., Ltd.	
Certifying attorney	Jheding International Law Offices	
Certifying CPA	Ernst & Young Taiwan	
Repayment	The bond is issued at a term of five years. Repayment will be made in lumpsum cash at maturity.	
Outstanding principal	NT\$1,385,000,000	
Redemption or early repayment clause	N/A	
Restrictions	N/A	
Name of credit rating agency, rating date, corporate bond rating result	(Note 1)	
Other rights attached	Amount converted to common shares (by exchange or subscription), global depository receipts, or other securities up to the publication date of this annual report	N/A
	Issuance and conversion (exchange or subscription) rules	Please refer to the issuance method of the secured bond public statement.
Potential share dilution or impact on current shareholder's equity caused by issuance and conversion, exchange or subscription rules, or conditions of issuance	N/A	
Name of custodian for exchanged securities	N/A	

Note 1:

Guarantor	rating date	credit rating agency	rating result
Taiwan Cooperative Bank	2018.02.20	Taiwan Ratings	twAA+
Mega International Commercial Bank Co., Ltd.	2018.10.17	Taiwan Ratings	twAA+
Chang Hwa Commercial Bank, Ltd.	2018.12.07	Taiwan Ratings	twAA
First Commercial Bank	2018.09.26	Taiwan Ratings	twAA+
Hua Nan Commercial Bank, Ltd.	2018.05.20	Taiwan Ratings	twAA+
Taichung Commercial Bank Co., Ltd.	2018.06.05	Fitch Ratings	A-(twn)

4.3 Preferred Shares

Not applicable as the Company has not issued any preferred shares up to the publication date of this annual report.

4.4 Global Depositary Receipts

Issuance (processing) date			November 12, 2013
Item			
Place of issuance and trading			London Stock Exchange
Total Amount			US\$39,312,000.00
Unit issue price			US\$5.46
Total number of units issued			7,200,000 units
Source of securities represented			New shares by cash issue
Amount of securities represented			36,000,000 common shares
Rights and obligations of depositary receipt holder			same as those of holders of common shares in the Company
Trustee			-
Depositary institution			JPMorgan Chase Bank, N.A.
Custodian			JPMorgan Chase Bank, N.A., Taipei Branch
Balance not yet redeemed			-
Allocation of costs for issuance and duration			The costs for issuance and duration are paid by Wisdom Marine Lines.
Important provisions of the trustee services agreement and the custodial services agreement			Please refer to the trustee services agreement and the custodial services agreement for details. The trustee exercises the rights and obligations on behalf of the depositary receipt holders, and the custodian holds the common shares represented by the depositary receipts on their behalf.
Unit market price	2021	Highest	Not applicable as no trading is made this year.
		Lowest	Not applicable as no trading is made this year.
		Average	Not applicable as no trading is made this year.
	Current year up to the publication date of this annual report	Highest	Not applicable as no trading is made this year.
		Lowest	Not applicable as no trading is made this year.
		Average	Not applicable as no trading is made this year.

4.5 Employee Stock Options

Not applicable as the Company has not issued any employee stock options up to the publication date of this annual report.

4.6 Restricted Stock Awards

Not applicable as the Company has not issued any restricted stock awards up to the publication date of this annual report.

4.7 New Share Issue for Merger or Acquisition of Another Company

Not applicable as the Company has not issued any new shares for a merger or acquisition of another company up to the publication date of this annual report.

4.8 Implementation of Capital Allocation Plan

None has not been completed or has been completed and the benefits of the project have not yet appeared within the last three years up to the publication date of this annual report.

5. Business Overview

5.1 Business Activities

5.1.1 Scope of Business

5.1.1.1 Business Activities

1. International maritime transport
2. Ship management and maintenance
3. Ship leasing
4. In addition to the licensed activities, other business activities that are not prohibited or restricted by law

5.1.1.2 Revenue Distribution

Unit: NT\$000; %

Year	2021		2020	
Item	Amount	Percentage	Amount	Percentage
Hire Revenue	18,611,744	97.09%	11,169,570	93.55%
Freight Revenue	166,815	0.87%	378,965	3.17%
Management Revenue	32,527	0.17%	114,100	0.96%
Other	358,311	1.87%	276,798	2.32%
Total	19,169,397	100.00%	11,939,433	100.00%

5.1.1.3 Services

Wisdom Marine is a dry bulk shipping company that operates each ship as a subsidiary. There were a total of 134 vessels in the fleet at the end of 2021. 119 vessels were owned and 15 were chartered-in, under management, or under joint venture. The fleet consists of bulk carriers, log carriers, tween-decks, multi-purpose vessels, RORO ships, LPG, and container ships of various sizes from Handysize to Capesize. In particular, Handysize vessels with their operational flexibility and relatively stable freight rates are the backbone of our business.

The scope of business for the Group includes short-term and long-term ship chartering, ship management, and occasionally ship purchases and sales. The Company offers primarily wet lease contracts, which include complete crew, maintenance, and insurance. The Company provides not only financial arrangements, but also strong professional management to work closely with customers and reduce operating costs. At the end of 2021, there were 118 ships on long-term time charter, 9 self-operated, and 7 under management or other arrangements.

5.1.1.4 New Services Under Development

The Company continues to replace old vessels in the fleet with Japanese-built Eco ships. It allows the Company to comply with the environmental requirements while reducing fuel expenditures in the operating cost for charterers and making the fleet more competitive. In the early years, Wisdom Marine built its business on Handysize vessels that offered operational flexibility and relatively stable freight rates. In recent years, the Company has been adding Supramax and Panamax vessels to the fleet in order to create a sufficiently diverse fleet to counter the impact of market volatility and to provide a wider range of services.

5.1.2 Industry Overview

5.1.2.1 Current Trends and Outlook

Maritime transport remains the most economical shipping method today. There are approximately 12,700 dry bulk carriers over 10,000 DWT around the world. In 2021, ships carried 12.4 billion tons of commodities or goods. In particular, dry bulk carriers carried 5.4 billion tons of the commodities, including minerals, coal,

grains, timber, steel, cement, sugar, cotton, fertilizers, and mechanical parts.

Dry bulk carriers can be categorized by carrying capacity into Capesize, Panamax, Supramax, and Handysize. The average shipping rates in each category are based on four indices, BCI, BPI, BSI and BHSI. The indices are calculated for various ship sizes as an weighted average of shipping rates on several typical routes. The Baltic Exchange weights the Baltic Dry Index (BDI) to the following ratio: 40% BCI, 30% BPI, and 30% BSI. BDI mirrors supply and demand for dry bulk shipping in the spot market, and reflects the global outlook on dry bulk shipping.

BHSI, in general, is less representative of the market as a whole. Small ships can carry many types of cargo, and some types of cargo may have to be accommodated by certain ship specifications. As a result, shipping rates can vary greatly between vessels.

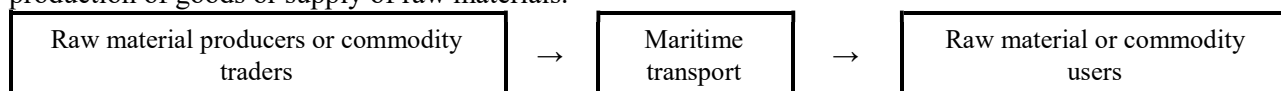
Category	Deadweight tonnage (DWT)	Main cargo	Index
Capesize	110,000+	Coal, iron ore	BCI
Panamax	67-109,999	Grains, coal, mineral sands, and industrial raw materials	BPI
Supramax	50-66,999	Grains, coal, mineral sands, and industrial raw materials	BSI
Handy	26-49,999	Grains, steel, fertilizers, cement, timber, wood chips, and pulp	BHSI

The combination of a global economic slowdown and excess dry bulk shipping capacity pushed BDI to a historic low at 290 in February 2016. As supply and demand adjusted themselves, BDI started bouncing back slowly in 2017. The dry bulk shipping market remained stable in 2018. The decline in newbuilding investment led to the recovery of balance in dry bulk shipping capacity, where supply had exceeded demand for years. The Brumadinho dam disaster and the US-China trade dispute caused shipping companies to take a more cautious stance toward newbuilding and long-term leasing agreements in the first quarter of 2019. The COVID-19 pandemic made many countries implement restrictions that had a huge impact on both supply and demand sides of shipping. The shock waves also spread to dry bulk shipping. In 2021, economic and trade activities started to resume around the world, but port quarantine and crew change issues kept ship turnover down and led to a supply shortage. As a result BDI rose to a new high since 2008.

In the long term, a growing global population and the demand for commodities and raw materials in emerging economies provide the basis for a stable demand for shipping. Furthermore, as the world becomes more environmentally conscious and environmental regulations become more stringent, maritime transport remains the most energy efficient and environmentally friendly shipping method.

5.1.2.2 Supply Chain Relationships

There is an absence of clear supply chain relationships in the bulk shipping business as the demand for commodities can come from all sectors of the economy and bulk shipping, by nature, does not involve production of goods or supply of raw materials.



5.1.2.3 Trends and Competition

Demand in the maritime transport market comes from demands in different industries. It is, therefore, rare to see a changing outlook on a single industry to cause dramatic short-term volatility in the market. Instead, volatility in the maritime transport market is often associated with systemic changes in demand due to changes in global macroeconomic conditions. Moreover, self-adjustment of the supply of ships is one of the key factors in the business cycle of the maritime transport market.

Since the shipping services provided by maritime transport companies do not involve production, there is no inventory pressure or pressure to convert inventory to cash flows. Charter hire on time charters (long-term leases) is collected in advance, and freight on voyage charters (self-operated) is collected in a few days after loading completed. Cash flow management is relatively simple in the business. It is, therefore, rare for a well-managed shipping company to have liquidity issues. Funding pressure faced by shipping companies often arise

from newbuildings. Ship purchases often require installments be paid prior to delivery and before ships begin to operate. Hence, cash has to be considered carefully in an expansion plan to avoid default due to insufficient fund.

Maritime transport can be divided by shipping type into container, dry bulk, and tanker, whereas routes can be divided by distance into ocean routes and coastal routes. The scope of business includes operator, shipowner, ship management, and crewing management. Business activities of a shipping company vary from one shipping company to the next around the world. In fact, bulk shipping is a highly competitive international industry. In terms of the total number and total capacity of dry bulk carriers worldwide, individual shipping companies in Taiwan and in other countries occupy only very small percentages. In addition, since cargo space cannot be stored, the capacity of a shipping company is decided by its ability in solicitation of cargo and assignment of ships.

The Group has a competitive advantage in its fleet and partners. The risk of supply and demand change for each ship type is reduced by a diversified fleet. The young fleet provides consistent, efficient services. Working with some of the best international shipping companies and fixing long-term contracts provide Wisdom Marine a steady income. Furthermore, a reasonable exposure in the spot market enables the Company to grasp the trends of market volatility.

5.1.3 Overview of Technology and R&D

1. Technical aspect of business activities and R&D: Not applicable
2. R&D personnel and education/experience: Not applicable
3. Annual R&D expenditures in last five years: Not applicable
4. Technology and product developed in last five years: Not applicable

5.1.4 Long- and Short-Term Business Development Strategies and Plans

5.1.4.1 Short-Term Business Development Strategy and Plan

Given changes in the market and different customer needs, the Company's newbuilding plan includes Handysizes that are the backbone of the fleet, 60,000 DWT Supramax and 80,000 DWT Panamax. The Newbuildings are mainly Japanese-built Eco ships that comply with the environmental conventions and support the goal of green transportation. The reduced fuel consumption also makes the fleet more competitive. As a result, the Company is in a better position to attract charterers and create a win-win situation.

5.1.4.2 Long-Term Business Development Strategy and Plan

In the long term, the Company will continue to replace old ships and maintain a young, energy efficient fleet that delivers quality service. The Company will also strengthen its financial structure with steady profits, and expand its customer base. The mission is to build a top shipping group and maximize the value of the Company through sustainable development.

5.2 Market, production and sales

5.2.1 Market analysis

5.2.1.1 Regions of Service

Most of the Group's long-term charterers are Japanese and European charterers with worldwide routes. Meanwhile, the self-operated ships in the spot market trade in Southeast Asia, India, China, and the Middle East, and being extended into Africa and Southeast America.

5.2.1.2 Market Share

Business activities of a shipping company vary from one shipping company to the next around the world. In fact, bulk shipping is a highly competitive international industry. There were a total of 12,700 dry bulk carriers over 10,000 DWT offering a total capacity up to 940 million tons at the end of 2021. The Group's 134 ships and a total capacity of 6.7 million tons at the end of 2021 occupied only very small percentages of the world

fleet and so as any individual shipping companies in Taiwan and in other countries. In addition, since cargo space cannot be stored, the capacity of a shipping company is decided by its ability in solicitation of cargo and assignment of ships. Hence, the nature of the dry bulk shipping business makes it difficult to calculate market shares for individual shipping companies.

5.2.1.3 Future Market Supply and Demand and Growth Potential

Unfavorable conditions in the dry bulk market persisted in 2016 and 2017. As a result, shipowners were relatively less equipped and less willing to order newbuildings. The number of newbuilding orders was visibly lower than the two preceding years. The dry bulk shipping market remained stable in 2018. However, increasingly stringent environmental regulations and the cost of funds continued to dampen shipowners' willingness to invest. The Brumadinho dam disaster and the US-China trade dispute made many shipowners more cautious toward newbuilding in 2019. Dry bulk shipping was one of the industries hit hard by the pandemic in 2020. Dry bulk shipping rates reached a new 10-year high in 2021 thanks to the global economic recovery while ship turnover was kept down by port quarantine and crew change issues. However, shipowners' investment in newbuildings remained low. Given the pressure to replace old ships aged 20 years or more, the possibility of a supply shortage remains in the dry bulk shipping market. Moreover, the United Nations is not putting any hold on shipping related environmental regulations because of the pandemic. Carbon reduction requirements may raise the operating costs for old ships even higher in the next three to five years. Therefore, supply and demand of dry bulk shipping will continue to provide basic support for freight in the medium term.

5.2.1.4 Competitive Niches

1. A professional management team:
As shipping routes often connect different countries, business decisions have to be made accurately and quickly to reflect cultural, economic, and political differences across regions. The management team of the Group consists of experts of maritime transport whose know-how and years of experience enable them to accurately interpret market developments in order to ensure success and stay ahead in business planning.
2. Long-term relationships with business partners:
The Company's charterers are first class shipping companies with whom the Group works closely on a long-term basis. When market conditions turn favorable and shipping rates rise sharply, Wisdom Marine charters ships at below-market rates to long-term business partners. Thus when the market turns sour, major charterers are willing to continue to support the Group and work together in fluctuations. This is the best business model to benefit both sides.
3. A young, diverse dry bulk fleet:
Given changes in the market and different client needs, the Group has been working to build a larger and more diverse fleet for several years. Old ships are replaced by new ones in an ongoing effort to improve efficiency and stability while reducing the impact of rate changes in any single market.
4. Operational flexibility afforded by self-operated ships:
As a strategy, the Group holds a number of self-operated ships in the fleet to keep itself alert to developments in the market. These ships provide the flexibility for the Group to allocate ships in response to market volatility.

5.2.1.5 Long-term Outlook

1. Favorable factors
 - (1) A young, diverse dry bulk fleet: The Group has achieved economies of scale in a fleet consisting of a wide range of large, medium, and small vessels. The young, well equipped, and energy efficient vessels are able to meet customer expectations and provide a relatively steady income under market fluctuations.
 - (2) Excellent ship quality: When expanding its fleet, the Group tends to choose established Japanese shipbuilding companies with an excellent reputation and shipbuilding expertise in order to ensure

quality of the final products. Moreover, the Group's long-term relationships with the shipbuilders establish trust between the companies, and make the shipbuilders more willing to offer the Group better terms in sales. Should any plan for disposal be made in the future, compared to similar models made by Chinese, South Korean, or Vietnamese shipbuilders, Japanese-built vessels would be more popular with buyers and more likely to receive a larger gain on disposal.

2. Unfavorable factors and countermeasures

(1) Recruitment difficult and seafarers less trained: An increasing number of vessels in the last few years have led to a rising demand for seafarers. It has also led to challenges in recruitment and less trained seafarers, all of which create higher operating costs and risks.

(2) Countermeasures:

- a. In-house training - The Company started working with National Taiwan Ocean University in 2010. A number of deck and engine internships are offered every year, and interns are trained and encouraged to pursue key positions in the fleet.
- b. More retaining seafarers - As the fleet expands, crewing agencies have started training contract seafarers to be stationed specifically in the Wisdom fleet. The Company asks crewing agencies to retain seafarers with good performance.
- c. Enforcement of pre-boarding orientation - The Company requires crewing agencies gather seafarers before boarding to complete training in order to familiarize them with the Company's policies and raise safety awareness. In addition, the Company raises awareness by including the fleet's accidents in case study materials to keep seafarers vigilant.
- d. Performance evaluation - The Company keeps records of seafarers sent by crewing agencies and the performance and number of accidents associated with these seafarers for annual performance evaluation. The results are examined in order to decide whether to place more ships under certain crewing agencies.
- e. Humanized management - The Company takes humanized management. We listen to the needs of our seafarers and solve their problems promptly.

5.2.2 Application and production of key products

The Group is in the dry bulk shipping business and does not manufacture any goods or perform any production process.

5.2.3 Supply status of primary raw materials

The Group provides shipping services, and therefore does not purchase any raw materials for production. There are only the costs of fuels and lubricants for ships, which account for a relatively large percentage of the annual operating costs. Depending on the length of voyage, route, weather conditions, and level of inventory, the Group obtains quotations on fuel prices at different bunkering ports, and makes purchases through brokers or directly from suppliers in order to diversify sources and reduce costs.

5.2.4 List of Key Customers

5.2.4.1 Key Suppliers in Last Two Years

The Company provides shipping services, and therefore does not purchase any raw materials for production. There are only the costs of fuels and lubricants for ships, which account for a relatively large percentage of the annual operating costs. Given suitable lubricant specification may vary from ship to ship, the Company works with four to five international lubricant suppliers on a long-term basis. The Company usually asks for quotes and negotiates with the suppliers before selecting a supplier offering the right specifications at an acceptable price and discounts are often offered on large and repeated purchases. In 2019 and 2020, by diversification, the purchase amount of each suppliers is less than 10% of total purchases. Meanwhile, factors to be considered in fuel purchases include the length of voyage, route, weather conditions, and level of inventory as well as fuel prices and suppliers at different bunkering ports. Source diversification and reduced costs are achieved in the process.

Names of suppliers supplying 10% or more of purchases and the amounts and percentages of total purchases:

Unit: NT\$000; %

Year	2021				2020			
Item	Name	Amount	Net purchase percentage	Relationship with issuer	Name	Amount	Net purchase percentage	Relationship with issuer
	SHELL	162,421	11.27%	N/A				-
	Other	1,278,243	88.73%	-	Other	1,855,575	100.00%	-
	Net purchase	1,440,664	100.00%	-	Net purchase	1,855,575	100.00%	-

Note 1: USD amounts converted to TWD at an average exchange rate of 27.937 and 29.470 for 2021 and 2020, respectively.

5.2.4.2 Key Customers in Last Two Years

80% or more of the Group's operating income is income from ship chartering. Charterers are primarily well established and managed European and Japanese shipping companies in long-term business relationships with the Group. Cargill Ocean Transportation has become the Group's largest customer due to an improvement customer relationship and most of its charters being index linked rate that benefited from the recovery of the dry bulk shipping market in 2021. Vitterra has been using a lot of the Group's eco-ships. It was the Group's largest customer between 2015 and 2020. Oldendorff Carriers accounts for a larger percentage than before also due to most of its charters being index linked rate.

Names of customers making 10% or more of purchases and the amounts and percentages of total purchases:

Unit: NT\$000; %

Year	2021				2020			
Item	Name	Amount	Net sale percentage	Relationship with issuer	Name	Amount	Net sale percentage	Relationship with issuer
1	Cargill Ocean Transportation	2,353,684	12.28%	N/A	Vitterra Chartering B.V.	1,368,034	11.46%	N/A
2	Vitterra Chartering B.V.	2,047,561	10.68%	N/A	-	-	-	-
3	Oldendorff Carriers	2,041,856	10.65%	N/A	-	-	-	-
	Other	12,726,296	66.39%	-	Other	10,571,399	88.54%	-
	Net sales	19,169,397	100.00%	-	Net sales	11,939,433	100.00%	-

Note: USD amounts converted to TWD at an average exchange rate of 27.937 and 29.470 for 2021 and 2020, respectively

5.2.5 Output in Last Two Years

Not applicable as the Group operates a dry bulk shipping business and does not manufacture any goods.

5.2.6 Sales in Last Two Years

The Group operates a dry bulk shipping business and does not generate sales. Instead, operating income is provided for the last two years.

Having sustained larger market volatility created by COVID-19, neither of our revenue and profit performed well in the first half of 2020. The economy started to recover in the second half year, and the Company adopted more conservative business strategies. As a result, profits showed slight increases. The global economic recovery continued in 2021. However, port quarantine and crew change issues kept ship turnover down, which in turn pushed up dry bulk shipping rates. The operating margin was 43.2% and the total revenue US\$686.1 million in 2021, up by 69.4% compared to the previous year.

Unit: NT\$000; %

Year	2021		2020	
Item	Amount	Percentage	Item	Amount
Hire Revenue	18,611,744	97.09%	11,169,570	93.55%
Freight Revenue	166,815	0.87%	378,965	3.17%
Management Revenue	32,527	0.17%	114,100	0.96%
Other	358,311	1.87%	276,798	2.32%
Total	19,169,397	100.00%	11,939,433	100.00%

5.3 Workforce Overview

The employees of the Group can be divided into shore employees and seafarers. The shore employees handle administrative management and ship management duties. The number of employees as shown below has been rising every year as the company grows. The seafarers are hired by the subsidiary Wisdom Marine Lines S.A. through recruitment agencies. The Group employs approximately 2,700 seamen up to the publication date of this annual report.

Composition of shore-based personnel		2019			2020			2021		
Item	Category	Male	Female	Total	Male	Female	Total	Male	Female	Total
Level	Senior management ¹	11	7	18	12	8	20	16	8	24
	Middle management ²	16	19	35	16	18	34	14	21	35
	General employees	31	76	107	32	77	109	29	75	104
Age	Aged 60 and over	8	1	9	7	1	8	8	1	9
	Aged 50 to 59	3	1	4	6	1	7	5	1	6
	Aged 40 to 49	9	11	20	12	13	25	16	12	28
	Aged 30 - 39	26	54	80	22	60	82	19	64	83
	Aged 20 - 29	12	35	47	13	28	41	11	26	37
Total		58	102	160	60	103	163	59	104	163
Percentage		36.3%	63.8%	100.0%	36.8%	63.2%	100%	36.2%	63.8%	100%
Average age (year)								42.27	34.76	37.48
Average years of service								7.89	7.97	7.94
Item	Category	Male	Female	Percentage	Male	Female	Percentage	Male	Female	Percentage
Education	Ph.D	0	0	0%	0	0	0%	0	0	0%
	Master's	16	29	28%	18	30	29%	18	28	28%
	University graduate	37	71	68%	36	71	66%	35	74	67%
	High school	5	2	4%	6	2	5%	6	2	5%
	Below high school	0	0	0%	0	0	0%	0	0	0%

5.4 Environmental protection expenditure

5.4.1 Losses due to environmental pollution in last two years and up to the publication date of this annual report

Date	2021/2/23
Description	M.V. Amis Leader was picking a shipment at the Port of Halmstad, Sweden when the port authority discovered spilled oil on the sea surface around the vessel. An investigation revealed the cause to be a sewer water valve in the engine room not being fully closed due to a concrete blockage, which led to slops (estimated at 20 liters or more) being accidentally mixed with ballast water and released together into the sea. The port authority completed the investigations on April 20, 2021 and closed the case with a fine.
Total losses / damages/ disposal	NT\$200,000 (SEK 71,400)
Prospective expenditure	None
Countermeasure	When the accident happened, the ship actively cooperated in the investigation of the accident. The company had sent the precautions to the entire fleet for reference to avoid the same accident from happening again.

5.4.2 Measures taken for environmental protection

Prevention of pollution by oil from ships has been implemented according to MARPOL Annex I.

Prevention of pollution by sewage from ships has been implemented according to MARPOL Annex IV.

Prevention of pollution by garbage from ships has been implemented according to MARPOL Annex V.

Prevention of air pollution from ships and energy efficiency management have been implemented according to MARPOL Annex VI.

Ballast water management has been implemented according to the Ballast Water Management Convention.

5.5 Employer-employee relations

5.5.1 Employee benefits, continuing education, training, retirement systems and their implementation as well as employer-employee agreements and various measures to protect employee rights

5.5.1.1 Employee benefits

The Company follows the International Bill of Human Rights, domestic labor laws, and its own human rights policy. Employee pay and promotion is not determined by gender, age, nationality, or race in any way. Employee remuneration is adjusted regularly based on market averages and economic trends every year. In addition, the Company has the Employee Work Rules and Bonus Guidelines in place and the Remuneration Committee, which consists of independent directors, to assist in assessing and overseeing the remuneration policy and employee remuneration standards. The generous bonus system provides annual bonuses for senior employees and guaranteed 15-month pay and a 5-month sign-on bonus for new hires.

The Company also provides an excellent benefit policy and a full range of programs in order to enable employees to focus on work while maintaining quality of life. The holiday rules in place exceed what is required under the Labor Standards Act and comply with the labor laws and work rules. Examples include three days each of paid personal leave and sick leave and paid vaccination leave. Meanwhile, the Employee Welfare Committee is in place to handle employee allowances, such as wedding and funeral allowances, hospital stay allowances, childbirth allowances, sports allowances, holiday gifts, and birthday cakes/gifts.

In the interest of employee health and safety, the Company purchases accident, health, and occupational accident insurance coverage for the employees in addition to the statutory coverage under the Labor Insurance Program and the National Health Insurance Program.

Employer-employee meetings are held regularly as a healthy channel of communication with workers.

Employer-employee issues relevant to the employees are discussed and improvements are proposed during these meetings.

5.5.1.2 Education and training

The Company places great emphasis on employee growth in both specialized and universal skills. A wide range of education and training courses are made available to employees to develop professional skills and explore their potential. In addition to internal orientation for new hires as needed, department heads act as instructors and present the operations and know-how of their departments to the other departments. Employees are encouraged to take professional courses at external institutions, and external parties are brought in to teach courses and help employees advance their professional training.

5.5.1.3 Retirement system and implementation status

The Company follows the new pension plan under the Labor Pension Act and contributes no less than 6% of employee's monthly salary to the plan every month pursuant to the Labor Pension Act. The contributions are held in personal pension accounts created by the Bureau of Labor Insurance. Other details are also handled as the law requires.

Given past service is also recognized, the Company follows the Labor Standards Act and allocates 2% of total employee salary to the pension reserve every month for employees except for those opt for the old labor pension scheme. The contributions are deposited in the name of the Company's Pension Fund Oversight Committee into the Bank of Taiwan, which handles collection, custody and management of the fund.

5.5.1.4 Employer-employee relations and measures to protect employee rights

The Company follow the law and the International Bill of Human Rights and implement management policies and procedures and incorporate them into internal regulations, including corporate governance and bonus distribution. The human rights policy was established and disclosed on the company website on March 30, 2018. The policy ensures that the recruitment policy is free of any unfair practices in order to maintain fairness and impartiality in recruitment, benefits and compensation, training, performance evaluation and promotion. The Company also provides adequate, effective grievance mechanisms to address and prevent infringement of employee rights. Meanwhile, the Company works hard to create an equal opportunity workplace free of discrimination and harassment.

As a healthy channel for communication with employees, the Human Resources Section of the Management Department is designated as the grievance channel for labor rights issues and the unit responsible for implementing response measures. In addition, these issues can be discussed in management meetings or employer-employee meetings in order to find equitable solutions.

Efforts to protect workers' rights and provide a safe and healthy work environment include the following:

1. hold regular health and safety campaigns, firefighting training, and emergency drills.
2. require ships undergo regular maintenance and repair as required by law, and raise awareness among the crew in order to create a safe workplace and prevent occupational accidents.
3. post 24-hour security guards with supervision and monitoring to protect company property and employee safety.
4. implement the Guidelines for Measures of Prevention, Complaint, and Punishment of Sexual Harassment in the Workplace, which are aimed to raise awareness of sexual harassment prevention and install appropriate reporting channels.
5. implement the Guidelines for Handling Employee Feedback and Complaints to provide a channel for reporting violation of human dignity or employment contracts that leads to violation of employees' rights.
6. have put the COVID-19 Prevention Measures and Management Guidelines in place to establish the rules and safeguard employee health and safety.
7. pay attention to information security and protection of employees' personal information and privacy.
8. hold employer-employee meetings regularly as a healthy channel of communication with workers, and discuss employer-employee issues relevant to the employees and propose improvements during these

meetings.

5.5.2 Losses due to labor disputes in last two years and up to the publication date of this annual report

There has been no relevant case in last two years and up to the date of publication of this annual report.

5.6 Cyber security management

5.6.1 Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

1. Management framework

We have a cyber security team, whose convener is appointed by the board of directors. The cyber security team is responsible for devising the company's cyber security policies and for tasking the Information Section of the Administration Department and related departments to implement these cyber security policies after they are approved by the board of directors. We also plan to create a chief information officer and a head of cyber security by the end of 2022 in order to strengthen the prevention and management aspects of our cyber security.

2. Cyber security policy

Our cyber security policy is to ensure all of the company's hardware/software, information and communication work properly to prevent intentional or accidental threats. The cyber security team identifies the risks and devise corresponding management programs as shown below.

3. Management programs

Item	Management programs
Hardware	(1) Enforce control of access to the server rooms. (2) Maintain clean, tidy and temperature controlled server rooms. The servers are equipped with uninterruptible power supply systems to prevent sudden power outages from causing problems. (3) All key information equipment and personal computers are supported by backup mechanisms to keep the company's operations from being disrupted by malfunction of any single machine.
Software	(1) Automatically update software regularly to ensure the computers are safe to use. (2) Install anti-virus software and prohibit installation of any unauthorized software. (3) Sign maintenance contracts to outsource system restoration to vendors.
Data	(1) Set a minimum level of account password strength and require regular change of password. (2) Require that the authorization level of any account be approved before it can be created or changed. (3) Keep two or more backup copies of all important information. (4) Delete all related user accounts when an employee terminates employment.
Communication	(1) Install network firewalls to reduce the risk of hacker attack. (2) Prohibit the use of any onboard computer to access the Internet. Limit the use to sending/receiving email. (3) Require that all external access of an internal account and authorization be reviewed before proceeding. (4) Keep the intranet and the WiFi network separate from each other for better network security.
Audit	(1) Auditors perform regular audits every year. (2) The Information Section performs regular internal assessments every year.

5.6.2 List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided : NA ◦

5.7 Major Contracts

As of the date of publication of this annual report, the major contracts signed by the Company and still in force are listed as follows:

5.7.1 Long-term Loan Agreements

Company Name	Vessel Name	Counterparty	Contract Date	Period	Nature of Contract	Restrictive Clauses
Harmony Pescadores S.A. (Panama)	Izumo	Mega Bank, Chung Shan	2007/12/7	15 yrs from the drawdown date	Loan Agreement	None
Babuza Wisdom S.A.	Babuza Wisdom	Mega Bank, Chung Shan	2008/6/2	13 yrs from the drawdown date	Loan Agreement	None
Log Wisdom S.A.	Genius Star IX	Hua Nan Bank, Hsin Wei	2009/8/24	13 yrs from the drawdown date	Loan Agreement	None
Paiwan Wisdom S.A.	Amis Wisdom III	Mega Bank, Central (Syndicate)	2009/9/8	12.5yrs from the drawdown date	Loan Agreement	None
Saysiat Wisdom S.A.	Amis Wisdom VI	Mega Bank, Central (Syndicate)	2009/9/8	12.5yrs from the drawdown date	Loan Agreement	None
GSX Maritime S.A.	Genius Star X	Mega Bank, Central (Syndicate)	2009/9/8	12.5yrs from the drawdown date	Loan Agreement	None
Atayal Wisdom S.A.	Poavosa Wisdom III	Mega Bank, Central (Syndicate)	2009/9/8	12.5yrs from the drawdown date	Loan Agreement	None
Bunun Wisdom S.A.	Poavosa Wisdom VI	Mega Bank, Central (Syndicate)	2009/9/8	12.5yrs from the drawdown date	Loan Agreement	None
Tao Brave S.A.	Tao Brave	Mega Bank, Central (Syndicate)	2009/9/8	12.5yrs from the drawdown date	Loan Agreement	None
Tao Mariner S.A.	Tao Mariner	Mega Bank, Central (Syndicate)	2009/9/8	12.5yrs from the drawdown date	Loan Agreement	None
Sao Wisdom S.A.	Global Faith	Shin Kong Bank, Dunnan	2010/2/9	13.5 yrs from the drawdown date	Loan Agreement	None
Rukai Maritime S.A.	Naluhu	Shin Kong Bank, Dunnan	2010/5/25	13.5 yrs from the drawdown date	Loan Agreement	None
Amis Wisdom S.A.	Amis Wisdom I	Mega Bank, Chung Shan	2010/6/15	15 yrs from the drawdown date	Loan Agreement	None
Makatao Wisdom S.A.	Amis Wisdom II	Mega Bank, Chung Shan	2010/7/21	15 yrs from the drawdown date	Loan Agreement	None
Dumun Navigation S.A.	Frontier Bonanza	First Bank, Ho Ping	2010/10/11	15 yrs from the drawdown date	Loan Agreement	None
Ligulao Wisdom S.A.	Ligulao	Hua Nan Bank, Hsin Wei	2010/11/16	13 yrs from the drawdown date	Loan Agreement	None
Vayi Wisdom S.A.	LBC Energy	Cooperative Bank, Hsin Wei	2011/7/25	12 yrs from the drawdown date	Loan Agreement	None
Atayal Mariner S.A.	Atayal Ace	E. Sun Bank (Syndicate)	2011/7/28	12 yrs from the drawdown date	Loan Agreement	None
Atayal Brave S.A.	Atayal Brave	E. Sun Bank (Syndicate)	2011/7/28	12 yrs from the drawdown date	Loan Agreement	None
Atayal Star S.A.	Atayal Star	E. Sun Bank (Syndicate)	2011/7/28	12 yrs from the drawdown date	Loan Agreement	None
Atayal Mariner S.A.	Atayal Mariner	Bank SinoPac	2011/9/22	12.75 yrs from the drawdown date	Loan Agreement	None
Amis Navigation S.A.	Amis Brave	Cooperative Bank, Hsin Wei (Syndicate)	2011/12/21	8.5 yrs from the drawdown date	Loan Agreement	None
Bunun Marine S.A.	Bunun Ace	Cooperative Bank, Hsin Wei (Syndicate)	2011/12/21	8.5 yrs from the drawdown date	Loan Agreement	None

Company Name	Vessel Name	Counterparty	Contract Date	Period	Nature of Contract	Restrictive Clauses
Bunun Navigation S.A.	Bunun Wisdom	Cooperative Bank, Hsin Wei (Syndicate)	2011/12/21	8.5 yrs from the drawdown date	Loan Agreement	None
GS Navigation S.A.	Genius Star XI	Cooperative Bank, Hsin Wei (Syndicate)	2011/12/21	8.5 yrs from the drawdown date	Loan Agreement	None
GS Global S.A.	Genius Star XII	Cooperative Bank, Hsin Wei (Syndicate)	2011/12/21	8.5 yrs from the drawdown date	Loan Agreement	None
Katagalan Line S.A.	Katagalan Wisdom III	Cooperative Bank, Hsin Wei (Syndicate)	2011/12/21	8.5 yrs from the drawdown date	Loan Agreement	None
Poavosa International S.A.	Poavosa Wisdom VII	Cooperative Bank, Hsin Wei (Syndicate)	2011/12/21	8.5 yrs from the drawdown date	Loan Agreement	None
Poavosa Maritime S.A.	Poavosa Wisdom VIII	Cooperative Bank, Hsin Wei (Syndicate)	2011/12/21	8.5 yrs from the drawdown date	Loan Agreement	None
Tao Ace S.A.	Tao Ace	Cooperative Bank, Hsin Wei (Syndicate)	2011/12/21	8.5 yrs from the drawdown date	Loan Agreement	None
Tao Treasure S.A.	Tao Treasure	Cooperative Bank, Hsin Wei (Syndicate)	2011/12/21	8.5 yrs from the drawdown date	Loan Agreement	None
Sakizaya Marine S.A.	Sakizaya Ace	Mega Bank, Chung Shan	2013/1/30	12 yrs from the drawdown date	Loan Agreement	None
Amis Star S.A.	Amis Ace	First Bank, Ho Ping (Syndicate)	2013/4/24	13.5 yrs from the drawdown date	Loan Agreement	None
Amis Mariner S.A.	Amis Champion	First Bank, Ho Ping (Syndicate)	2013/4/24	13.5 yrs from the drawdown date	Loan Agreement	None
Amis Carriers S.A.	Amis Dolphin	First Bank, Ho Ping (Syndicate)	2013/4/24	13.5 yrs from the drawdown date	Loan Agreement	None
Sakizaya Line S.A.	Sakizaya Brave	First Bank, Ho Ping (Syndicate)	2013/4/24	13.5 yrs from the drawdown date	Loan Agreement	None
Katagalan Navigation S.A.	Scarlet Eagle	First Bank, Ho Ping (Syndicate)	2013/4/24	13.5 yrs from the drawdown date	Loan Agreement	None
Amis International S.A.	Scarlet Falcon	First Bank, Ho Ping (Syndicate)	2013/4/24	13.5 yrs from the drawdown date	Loan Agreement	None
Sakizaya Navigation S.A.	Sakizaya Champion	Mega Bank, Central	2013/7/1	13 yrs from the drawdown date	Loan Agreement	None
Daiwan Champion S.A.	Daiwan Champion	Amberjack Marine S.A.(Tokyo Century)	2014/3/28	12.5 yrs from the drawdown date	Loan Agreement	None
Katagalan Carriers S.A.	Scarlet Rosella	Dialease Maritime S.A. (MUJFL)	2014/3/28	15 yrs from the drawdown date	Loan Agreement	None
Bunun Fortune S.A.	Bunun Fortune	Dialease Maritime S.A. (MUJFL)	2014/4/25	8 yrs from the drawdown date	Loan Agreement	None
Daiwan Dolphin S.A.	Daiwan Dolphin	Amberjack Marine S.A.(Tokyo Century)	2014/5/23	7 yrs from the drawdown date	Loan Agreement	None
Bunun Elegance S.A.	Bunun Elegance	Mega Bank, Central	2014/9/2	8 yrs from the drawdown date	Loan Agreement	None
Daiwan Elegance S.A.	Daiwan Elegance	Mega Bank, Chung Shan	2014/9/2	8 yrs from the drawdown date	Loan Agreement	None
Daiwan Fortune S.A.	Daiwan Fortune	Mega Bank, Chung Shan	2014/9/2	8 yrs from the drawdown date	Loan Agreement	None
Bunun Dynasty S.A.	Bunun Dynasty	BNP Paribas	2014/10/21	8 yrs from the drawdown date	Loan Agreement	None
Amis Fortune S.A.	Amis Fortune	Dialease Maritime S.A. (MUJFL)	2014/11/17	7 yrs from the drawdown date	Loan Agreement	None
Daiwan Glory S.A.	Daiwan Glory	SLSS SHIPPING S.A. (Showa Leasing)	2014/12/12	5 yrs from the drawdown date	Loan Agreement	None

Company Name	Vessel Name	Counterparty	Contract Date	Period	Nature of Contract	Restrictive Clauses
Sakizaya Diamond S.A.	Sakizaya Diamond	Bank of Taiwan, Hsin Chuang	2015/1/6	8.5 yrs from the drawdown date	Loan Agreement	None
Fourseas Mritime S.A. Panama	Bunun Glory	First Bank, Ho Ping	2015/3/20	8 yrs from the drawdown date	Loan Agreement	None
Sakizaya Fortune S.A.	Sakizaya Future	Mega Bank, Central	2015/11/19	8 yrs from the drawdown date	Loan Agreement	None
Triumph Wisdom S.A.	Amis Glory	Dialease Maritime S.A. (MUJFL)	2015/12/9	6 yrs from the drawdown date	Loan Agreement	None
Siraya Wisdom S.A.	Siraya Wisdom	Dialease Maritime S.A. (MUJFL)	2015/12/9	7 yrs from the drawdown date	Loan Agreement	None
Daiwan Justice S.A.	Daiwan Justice	Mega Bank, Chung Shan	2016/3/7	8 yrs from the drawdown date	Loan Agreement	None
Daiwan Kalon S.A.	Daiwan Kalon	Mega Bank, Chung Shan	2016/3/11	8 yrs from the drawdown date	Loan Agreement	None
Daiwan Hero S.A.	Daiwan Hero	Bank of Taiwan (Syndicate)	2016/4/18	8.5 yrs from the drawdown date	Loan Agreement	None
Daiwan Infinity S.A.	Daiwan Infinity	Bank of Taiwan (Syndicate)	2016/4/18	8.5 yrs from the drawdown date	Loan Agreement	None
Sakizaya Justice S.A.	Sakizaya Justice	Bank of Taiwan (Syndicate)	2016/4/18	8.5 yrs from the drawdown date	Loan Agreement	None
Hoanya Wisdom S.A.	Hoanya Wisdom	The Higashi Nippon Bank	2016/5/25	7 yrs from the drawdown date	Loan Agreement	None
Taokas Wisdom S.A.	Taokas Wisdom	The Higashi Nippon Bank	2016/5/25	7 yrs from the drawdown date	Loan Agreement	None
Sakizaya Hero S.A.	Sakizaya Hero	Bank SinoPac	2016/7/28	10 yrs from the drawdown date	Loan Agreement	None
Bunun Infinity S.A.	Bunun Infinity	Hua Nan Bank, Hsin Wei	2016/9/6	8.5 yrs from the drawdown date	Loan Agreement	None
Sakizaya Integrity S.A.	Sakizaya Integrity	Bank of Taiwan, Hsin Chuang	2016/9/29	8.5 yrs from the drawdown date	Loan Agreement	None
Katagalan Marine S.A.	Katagalan Wisdom	Bank SinoPac	2016/10/21	10 yrs from the drawdown date	Loan Agreement	None
Amis Hero S.A.	Amis Hero	Chang Hwa Bank	2017/3/24	8 yrs from the drawdown date	Loan Agreement	None
Sakizaya Kalon S.A.	Sakizaya Kalon	Mega Bank, Central	2017/4/5	8 yrs from the drawdown date	Loan Agreement	None
Sakizaya Leader S.A.	Sakizaya Leader	Mega Bank, Central	2017/4/5	8 yrs from the drawdown date	Loan Agreement	None
Bunun Justice S.A.	Bunun Justice	Bank of Taiwan, Lian Cheng	2017/4/5	8.5 yrs from the drawdown date	Loan Agreement	None
Papora Wisdom S.A.	Papora Wisdom	Taichung Bank	2017/6/30	5 yrs from the drawdown date	Loan Agreement	None
Amis Integrity S.A.	Amis Integrity	SLSS SHIPPING S.A. (Showa Leasing)	2017/7/6	5 yrs from the drawdown date	Loan Agreement	None
Amis Justice S.A.	Amis Justice	The Iyo Bank	2017/8/22	8 yrs from the drawdown date	Loan Agreement	None
Sakizaya Power S.A.	Sakizaya Power	Hua Nan Bank, Hsin Wei	2017/8/25	8.5 yrs from the drawdown date	Loan Agreement	None
Sakizaya Orchid S.A.	Sakizaya Orchid	Bank SinoPac	2017/10/6	5 yrs from the drawdown date	Loan Agreement	None
Amis Miracle S.A.	Amis Miracle	Bank SinoPac	2017/12/21	5 yrs from the drawdown date	Loan Agreement	None

Company Name	Vessel Name	Counterparty	Contract Date	Period	Nature of Contract	Restrictive Clauses
Genius Star Carriers S.A.	Joseph Wisdom	The Iyo Bank	2018/1/4	8 yrs from the drawdown date	Loan Agreement	None
Adixi Wisdom S.A.	Bunun Kalon	En Tie Bank	2018/1/5	5 yrs from the drawdown date	Loan Agreement	None
Sakizaya Respect S.A.	Sakizaya Respect	BNP Paribas	2018/4/11	8 yrs from the drawdown date	Loan Agreement	None
Sakizaya Miracle S.A.	Sakizaya Miracle	Taichung Bank (Syndicate)	2018/4/27	5 yrs from the drawdown date	Loan Agreement	None
Dumun Marine S.A.	Amis Leader	En Tie Bank	2018/6/27	5 yrs from the drawdown date	Loan Agreement	None
Guma Marine S.A.	Amis Kalon	En Tie Bank	2018/6/27	5 yrs from the drawdown date	Loan Agreement	None
Tao Star S.A.	Tao Star	Bank SinoPac	2018/7/24	5 yrs from the drawdown date	Loan Agreement	None
Amis Nature Inc.	Amis Nature	Cooperative Bank, Hsin Wei	2018/7/30	8 yrs from the drawdown date	Loan Agreement	None
Genius Marine S.A.	Amis Power	New Roman S.A. (ORIX)	2018/9/7	10 yrs from the drawdown date	Loan Agreement	None
Daiwan Leader S.A.	Daiwan Leader	Shinsei Bank	2018/11/14	5 yrs from the drawdown date	Loan Agreement	None
Daiwan Miracle S.A.	Daiwan Miracle	Bank SinoPac	2019/3/26	5 yrs from the drawdown date	Loan Agreement	None
Sakizaya Wisdom S.A.	Sakizaya Wisdom	Taichung Bank	2019/5/28	4 yrs from the drawdown date	Loan Agreement	None
Luilang Wisdom S.A.	Bunun Leader	Cooperative Bank, Taipei	2019/7/17	8 yrs from the drawdown date	Loan Agreement	None
Trobian Wisdom S.A.	Amis Treasure	Mega Bank, Chung Shan	2019/8/23	8 yrs from the drawdown date	Loan Agreement	None
Winsome Wisdom S.A.	Ocean Victory	En Tie Bank	2019/8/27	5 yrs from the drawdown date	Loan Agreement	None
Unicorn Marine S.A.	Poavosa Brave	Taichung Bank	2019/12/5	4 yrs from the drawdown date	Loan Agreement	None
Taokas Marine S.A.	Daiwan Wisdom	Hua Nan Bank, Hsin Wei	2019/12/26	5 yrs from the drawdown date	Loan Agreement	None
Mount Wisdom S.A.	Sakizaya Star	Cooperative Bank, Hsin Wei	2020/3/4	8 yrs from the drawdown date	Loan Agreement	None
Guma Navigation S.A.	Amis Respect	Bank of Taiwan, Hsin Chuang	2020/3/13	8.5 yrs from the drawdown date	Loan Agreement	None
Mercy Marine Line S.A.	Amis Unicorn	Taipei Fubon Bank, An Ho	2020/3/18	10 yrs from the drawdown date	Loan Agreement	None
Katagalan Star S.A.	Bunun Miracle	Hua Nan Bank, Hsin Wei	2020/4/23	8.5 yrs from the drawdown date	Loan Agreement	None
Lloa Wisdom S.A.	Sakizaya Treasure	The Export-Import Bank	2020/6/10	10 yrs from the drawdown date	Loan Agreement	None
Wisdom Marine Lines Co., Ltd.	Hibiscus, Magnate, Wisdom Grace, Genius Star VIII, Beagle VII	Mega Bank, Central (Syndicate)	2020/6/17	3 yrs from the drawdown date	Loan Agreement Loan Agreement	None None

Company Name	Vessel Name	Counterparty	Contract Date	Period	Nature of Contract	Restrictive Clauses
	2nd preferred mortgage : Sakizaya Future, Sakizaya Kalon, Sakizaya Leader, Amis Wisdom I, Amis Wisdom II					
Unicorn Successor S.A.	Taikli	Bank SinoPac	2020/8/10	5 yrs from the drawdown date	Loan Agreement	None
Amis Victory S.A.	Amis Victory	Chang Hwa Bank	2020/8/18	8 yrs from the drawdown date	Loan Agreement	None
Bunun Hero S.A.	Bunun Hero	Bank of Panhsin	2020/8/19	7 yrs from the drawdown date	Loan Agreement	None
Kavalan Wisdom S.A.	Blue Horizon	Hua Nan Bank, Hsin Wei	2020/9/17	6 yrs from the drawdown date	Loan Agreement	None
Bunun Noble Inc.	Bunun Noble	BNP Paribas	2020/9/23	8 yrs from the drawdown date	Loan Agreement	None
Elite Steamship S.A.	Amis Wealth	Chang Hwa Bank	2020/11/27	8 yrs from the drawdown date	Loan Agreement	None
Amis Elegance S.A.	Amis Elegance	Taichung Bank	2021/1/18	5 yrs from the drawdown date	Loan Agreement	None
Favoran Wisdom S.A.	Bunun Orchid	Esperance Line S.A. (NTT Finance Corporation)	2021/2/17	5 yrs from the drawdown date	Loan Agreement	None
Sakizaya Unicorn S.A.	Sakizaya Unicorn	Cooperative Bank, Hsin Wei (Syndicate)	2021/3/12	8 yrs from the drawdown date	Loan Agreement	None
Sakizaya Victory S.A.	Sakizaya Victory	Cooperative Bank, Hsin Wei (Syndicate)	2021/3/12	8 yrs from the drawdown date	Loan Agreement	None
Fraternity Marine S.A.	Bunun Respect	The Iyo Bank	2021/3/15	8 yrs from the drawdown date	Loan Agreement	None
Mimasaka Investment S.A.	Jacques	The Iyo Bank	2021/6/21	8 yrs from the drawdown date	Loan Agreement	None
Katagalan Wisdom S.A.	Clear Horizon	Taichung Bank	2021/9/14	5 yrs from the drawdown date	Loan Agreement	None
Sakizaya Youth S.A.	Sakizaya Youth	Chang Hwa Bank	2021/12/28	8 yrs from the drawdown date	Loan Agreement	None
Unicorn Pescadores S.A.	Bunun Queen	Mega Bank, Central	2022/1/7	8 yrs from the drawdown date	Loan Agreement	None
Infinite Wisdom S.A.	Bunun Star	Cooperative Bank, Hsin Wei	2022/2/14	8 yrs from the drawdown date	Loan Agreement	None
Triumph Wisdom S.A.	Amis Glory	Bank of Panhsin	2022/3/24	7 yrs from the drawdown date	Loan Agreement	None

5.7.2 Newbuilding Contracts

Company Name	Vessel Name	Counterparty	Contract Date	Delivery (Est.)	Vessel Type	Restrictive Clauses
Wisdom Marine Lines S.A.	Sakizaya Youth	Tsuneishi Group (Zhoushan) Shipbuilding Inc.	2019/11/22	2022Q2	82,300 dwt bulk carrier	None
Wisdom Marine Lines S.A.	Sakizaya Zest	Tsuneishi Group (Zhoushan) Shipbuilding Inc.	2019/11/22	2022Q3	82,300 dwt bulk carrier	None
Wisdom Marine Lines S.A.	Bunun Unicorn	Nanura Shipping Co., Ltd.	-	2023Q2	40,000 dwt bulk carrier	None

Company Name	Vessel Name	Counterparty	Contract Date	Delivery (Est.)	Vessel Type	Restrictive Clauses
Wisdom Marine Lines S.A.	786	Onomichi Dockyard Co., Ltd.	2021/11/30	2023Q2	40,000 dwt bulk carrier	None
Wisdom Marine Lines S.A.	Bunun Victory	Nanura Shipping Co., Ltd.	-	2023Q3	40,000 dwt bulk carrier	None
Wisdom Marine Lines S.A.	Katagalan Ace	Tsuneishi Group (Zhoushan) Shipbuilding Inc.	2021/7/29	2023Q3	82,300 dwt bulk carrier	None
Wisdom Marine Lines S.A.	Katagalan Brave	Tsuneishi Group (Zhoushan) Shipbuilding Inc.	2021/7/29	2023Q4	82,300 dwt bulk carrier	None
Wisdom Marine Lines S.A.	787	Onomichi Dockyard Co., Ltd.	2021/11/30	2023Q4	40,000 dwt bulk carrier	None
Wisdom Marine Lines S.A.	Katagalan Champion	Tsuneishi Group (Zhoushan) Shipbuilding Inc.	2021/7/29	2024Q2	82,300 dwt bulk carrier	None

5.7.3 Time Charter Parties

Company Name	Vessel Name	Counterparty	Contract Date	Period	Nature of Contract	Restrictive Clauses
Amis Carriers S.A.	Amis Dolphin	Viterra Chartering B.V.	2015/1/15	8 yrs from the delivery	Time Charter	None
Wisdom Marine Lines S.A.	Amis Queen	Viterra Chartering B.V.	2019/4/11	5 yrs from the delivery	Time Charter	None
Wisdom Marine Lines S.A. as charterers	Amis Queen	Shoei Kisen Kaisha, Ltd.	2018/10/31	5 yrs from the delivery	Time Charter	None
Luilang Wisdom S.A.	Bunun Leader	Naviera Chilena Del Pacifico S.A.	2019/7/30	7 yrs from the delivery	Time Charter	None
Mimasaka Investment S.A.	Jaceques	Geogas Trading S.A.	2021/7/15	6 yrs from the delivery	Time Charter	None
Genius Star Carriers S.A.	Joseph Wisdom	Geogas Trading S.A.	2016/2/26	5 yrs from the delivery	Time Charter	None
Vayi Wisdom S.A.	LBC Energy	NYK Bulkship (Atlantic) N.V., Antwerp, Belgium	2011/10/26	15 yrs from the delivery	Time Charter	None
Ligulao Wisdom S.A.	Ligulao	Eastern Car Liner, Ltd.	2010/8/26	12 yrs from the delivery	Time Charter	None
Sakizaya Diamond S.A.	Sakizaya Diamond	Viterra Chartering B.V.	2015/4/9	8 yrs from the delivery	Time Charter	None
Sakizaya Glory S.A.	Sakizaya Elegance	Viterra Chartering B.V.	2015/10/28	8 yrs from the delivery	Time Charter	None
Sakizaya Fortune S.A.	Sakizaya Future	Starboard Shipping	2022/3/10	3 yrs from the delivery	Time Charter	None
Sakizaya Hero S.A.	Sakizaya Hero	Viterra Chartering B.V.	2021/8/10	3 yrs from the delivery	Time Charter	None
Sakizaya Integrity S.A.	Sakizaya Integrity	Viterra Chartering B.V.	2021/10/21	3 yrs from the delivery	Time Charter	None
Sakizaya Kalon S.A.	Sakizaya Kalon	Viterra Chartering B.V.	2022/2/25	3 yrs from the delivery	Time Charter	None

Company Name	Vessel Name	Counterparty	Contract Date	Period	Nature of Contract	Restrictive Clauses
Sakizaya Miracle S.A.	Sakizaya Miracle	Viterra Chartering B.V.	2021/7/7	3 yrs from the delivery	Time Charter	None
Sakizaya Orchid S.A.	Sakizaya Orchid	COFCO Agri Freight S.A.	2017/10/24	5 yrs from the delivery	Time Charter	None
Sakizaya Power S.A.	Sakizaya Power	COFCO Agri Freight S.A.	2017/9/25	5 yrs from the delivery	Time Charter	None
Sakizaya Queen S.A.	Sakizaya Queen	COFCO Agri Freight S.A.	2018/1/30	5 yrs from the delivery	Time Charter	None
Sakizaya Respect S.A.	Sakizaya Respect	Swissmarine S.A.	2022/2/2	3 yrs from the delivery	Time Charter	None
Lloa Wisdom S.A.	Sakizaya Treasure	Viterra Chartering B.V.	2021/11/9	3 yrs from the delivery	Time Charter	None
Sakizaya Unicorn S.A.	Sakizaya Unicorn	Viterra Chartering B.V.	2021/3/25	3 yrs from the delivery	Time Charter	None
Pescadores International Line S.A.	Sakizaya Xcel	Viterra Chartering B.V.	2022/1/19	3 yrs from the delivery	Time Charter	None
Katagalan Navigation S.A.	Scarlet Eagle	Viterra Chartering B.V.	2021/10/20	3 yrs from the delivery	Time Charter	None
Katagalan Carriers S.A.	Scarlet Rosella	Viterra Chartering B.V.	2021/10/6	3 yrs from the delivery	Time Charter	None
Unicorn Successor S.A.	Taikli	Eastern Car Liner, Ltd.	2011/4/8	12 yrs from the delivery	Time Charter	None

5.7.4 Bareboat Charter Parties

Company Name	Vessel Name	Counterparty	Contract Date	Period	Nature of Contract	Restrictive Clauses
Sakizaya Glory S.A.	Sakizaya Elegance	Norma Shipping Cooperation	2015/10/16	9.5 yrs from the delivery	Bareboat Charter	None
Sakizaya Glory S.A.	Sakizaya Glory	Marineway Shipping Corporation	2016/3/3	9.5 yrs from the delivery	Bareboat Charter	None
Taroko Maritime S.A.	Amis Orchid	Zelkova Maritime S.A.	2017/7/12	7 yrs from the delivery	Bareboat Charter	None
Sakizaya Queen S.A.	Sakizaya Queen	Sea Green Shipping S.A.	2018/1/12	7 yrs from the delivery	Bareboat Charter	None
Taokas Navigation S.A.	Paiwan Wisdom	Fortunate Transport S.A.	2018/8/24	7 yrs from the delivery	Bareboat Charter	None
Wisdom Marine Lines Co., Ltd.	Mega Benefit	Sea Green Shipping S.A.	2018/12/28	7 yrs from the delivery	Bareboat Charter	None
Taiwoan Wisdom S.A.	Amis Star	TLC Cosmos Ltd.	2019/11/18	8.75 yrs from the delivery	Bareboat Charter	None
Poavosa Navigation S.A.	Poavosa Ace	Sea Green Shipping S.A.	2021/10/29	7 yrs from the delivery	Bareboat Charter	None
Pescadores International Line S.A.	Sakizaya Xcel	Sea Green Shipping S.A.	2021/12/21	7 yrs from the delivery	Bareboat Charter	None

5.7.5 Ship Management Contracts

Company Name	Vessel Name	Counterparty	Contract Date	Period	Nature of Contract	Restrictive Clauses
Wisdom Marine Lines S.A.	As nominated	Benefit Transport S.A.	2017/5/31	Valid until being notified in writing 30 days prior to the intended termination date.	Ship Management Contract	None

6. Financial Information

6.1 Five-Year Financial Summary

6.1.1 Condensed Balance Sheet

6.1.1.1 Consolidated Condensed Balance Sheet – Based on IFRS

Unit: NT\$ thousands

Year		Financial Summary for The Last Five Years (Note 1)				
		2017	2018	2019	2020	2021
Item						
Current assets		3,656,183	3,339,375	5,136,737	3,493,823	7,813,280
Property, Plant and Equipment		79,416,557	84,196,177	75,187,933	73,422,324	69,358,778
Intangible assets		-	-	-	-	-
Other assets		1,992,453	1,399,300	6,572,991	5,495,448	5,927,095
Total assets		84,974,193	88,934,852	86,897,661	78,917,772	83,099,153
Current liabilities	Before distribution	10,033,331	12,075,235	15,387,095	9,165,735	10,174,141
	After distribution (Note 2)	10,650,039	13,029,526	16,420,828	10,285,349	-
Non-current liabilities		48,741,101	48,752,324	42,206,905	46,749,624	37,905,748
Total liabilities	Before distribution	58,774,432	60,827,559	57,594,000	55,915,359	48,079,889
	After distribution (Note 2)	59,391,140	61,781,850	58,627,733	57,034,973	-
Equity attributable to shareholders of the parent		26,199,761	28,107,293	29,303,661	26,496,236	35,019,264
Common stock		5,549,741	6,167,076	6,298,055	6,891,074	7,464,092
Capital surplus	Before distribution	1,612,164	1,250,933	1,386,689	631,675	34,548
	After distribution (Note 2)	995,456	296,642	180,665	34,548	-
Legal reserve		224	224	224	224	224
Retained earnings	Before distribution	12,043,086	13,851,985	16,050,453	16,161,603	23,882,872
	After distribution (Note 2)	12,043,086	13,851,985	16,050,453	15,639,117	-
Other equity interest		6,377,211	6,706,096	4,975,445	2,238,642	3,637,528
Treasury stock		-	-	-	-	-
Non-controlling interest		-	-	-	-	-
Total equity	Before distribution	26,199,761	28,107,293	29,303,661	26,496,236	35,019,264
	After distribution (Note 2)	25,583,053	27,153,002	28,269,928	25,749,827	-

Note 1 : The data for 2017~2021 are based on consolidated financial statement already audited and certified by CPAs.

Note 2 : The Distribution of 2021 has approves by the Board of Director on March 25, 2022 and submitted to the AGM for approval by the shareholders of the Company.

6.1.1.2 Consolidated Condensed Statement of Comprehensive Income – Based on IFRS

Unit:NT\$ thousands

Year		Financial Summary for The Last Five Years (Note 1)				
		2017	2018	2019	2020	2021
Item						
Operating revenues		11,038,548	13,067,626	13,833,457	11,939,433	19,169,397
Gross profit		2,036,269	3,636,284	3,569,547	1,657,239	8,451,513
Profit from operating activities		1,876,056	3,474,823	3,407,919	1,498,019	8,257,532
Non-operating income and expense		-1,457,072	-1,661,595	-1,191,891	-1,370,760	3,900

Item \ Year	Financial Summary for The Last Five Years (Note 1)				
	2017	2018	2019	2020	2021
Profit before income tax	418,984	1,829,555	2,216,028	127,259	8,261,432
Income from Continuing Operation	418,984	1,809,206	2,198,583	111,414	8,244,741
Loss on discontinued operations	-	-	-	-	-
Profit for the year	418,327	1,809,206	2,198,583	111,414	8,244,741
Other comprehensive income (income after tax)	-3,232,998	328,578	-1,730,990	-2,736,843	1,397,900
Total comprehensive income	-2,814,671	2,137,784	467,593	-2,625,429	9,642,641
Profit for the year attributable to Owners of the Company	417,981	1,809,206	2,198,583	111,414	8,244,741
Profit for the year attributable to non-controlling interest	436	-	-	-	-
Comprehensive income attributable to Owners of the Company	-2,807,423	2,137,784	467,593	-2,625,429	9,642,641
Comprehensive income attributable to non-controlling interest	-7,248	-	-	-	-
Earnings per share (NT\$) (Note 2)	0.71	2.92	3.38	0.15	11.05

Note 1 : The data for 2017~2021 are based on consolidated financial statement already audited and certified by CPAs.

Note 2 : Primary earnings per Share.

6.1.2 Auditors' Opinions from 2016 to 2020

Year	Accounting Firm	CPA	Audit Opinion
2017	Ernst & Young, Taiwan	Lin, Li Huang and Fuh, Wen Fun	Unqualified Opinion
2018	Ernst & Young, Taiwan	Lin, Li Huang and Fuh, Wen Fun	Unqualified Opinion
2019	Ernst & Young, Taiwan	Lin, Li Huang and Fuh, Wen Fun	Unqualified Opinion
2020	Ernst & Young, Taiwan	Lin, Li Huang and Lu, Chian Uen	Unqualified Opinion
2021	Ernst & Young, Taiwan	Lu, Chian Uen and Liu, Jung Chin	Unqualified Opinion

6.2 Five-Year Financial Analysis

Item \ Year		Financial Analysis for the Last Five Years (Note 1)				
		2017	2018	2019	2020	2021
Financial structure (%)	Debt Ratio (%)	69.17	68.40	66.28	67.85	57.86
	Ratio of long-term capital to property, plant and equipment (%)	94.36	91.29	95.11	99.76	105.14
Solvency (%)	Current ratio (%)	35.53	27.65	33.38	38.12	76.80
	Quick ratio (%)	34.38	24.94	30.78	33.08	74.04
	Interest earned ratio (times)	1.31	2.05	2.22	1.10	10.07
Operating performance	Accounts receivable turnover (times)	85.56	104.07	74.43	66.41	111.25
	Average collection period	4.26	3.50	4.90	5.49	3.28
	Inventory turnover (times)	78.22	76.61	64.44	42.51	54.40
	Accounts payable turnover (times)	55.18	38.20	37.55	34.40	43.33
	Average days in sales	4.66	4.76	5.66	8.58	6.70
	Property, plant and equipment turnover (times)	0.14	0.16	0.18	0.16	0.28

Item		Financial Analysis for the Last Five Years (Note 1)				
		2017	2018	2019	2020	2021
	Total assets turnover (times)	0.13	0.15	0.16	0.14	0.23
Profitability	Return on total assets (%)	2.05	4.07	4.57	1.62	11.06
	Return on stockholders' equity (%)	1.52	6.66	7.66	0.40	26.81
	Pre-tax income to paid-in capital (%)	Income from operations		30.42	55.17	49.45
		Income before tax		6.79	28.79	32.16
	Profit ratio (%)	3.79	13.84	15.89	0.93	43.01
	Earnings per share (NT\$)	0.71	2.92	3.38	0.15	11.05
Cash flow	Cash flow ratio (%)	46.28	50.02	42.59	51.85	143.27
	Cash flow adequacy ratio (%)	49.33	64.78	118.86	70.18	104.55
	Cash reinvestment ratio (%)	4.31	5.36	6.04	3.83	13.52
Leverage	Operating leverage	3.11	2.21	2.33	4.07	1.54
	Financial leverage	3.44	1.99	2.14	6.23	1.12

Note 1 : The data for 2017~2021 are based on consolidated financial statement already audited and certified by CPAs.

6.2.1 The equations of preceding financial analysis are as the following :

6.2.1.1 Financial Structure

1. Liabilities-to-assets ratio = total liabilities / total assets °
2. Ratio of long-term fund to property, plant and equipment = (total shareholders' equity + non-current liabilities) / net property, plant and equipment

6.2.1.2 Solvency

1. Current ratio = current assets / current liabilities
2. Quick ratio = (current assets - inventory - prepaid expense) / current liabilities
3. Interest protection multiples = net income before tax and interest expense payment / current year's interest expense

6.2.1.3 Management capacity

1. Accounts receivable turnover ratio (including accounts receivable and notes receivable resulted from business operation) = net sales / average balance of accounts receivable (including accounts receivable and notes receivable resulted from business operation)
2. Average collection days = 365 / accounts receivable turnover ratio
3. Inventory turnover ratio = cost of goods sold / average inventory
4. Accounts payable turnover ratio (including accounts payable and notes payable resulted from business operation) = cost of goods sold / average balance of accounts payable (including accounts payable and notes payable resulted from business operation)
5. Average inventory days = 365 / Inventory turnover ratio
6. Property, plant and equipment turnover ratio = net sales / net property, plant and equipment
7. Total assets turnover ratio = net sales / net assets

6.2.1.4 Profitability

1. Rate of return on assets = [after-tax income + interest expense × (1 - tax rate)] / total assets
Note : The Company is foreign company, need not count the tax rate.
2. Rate of return on equity = after-tax income / total equity

3. Net profit ratio = after-tax income / net sales
4. Earnings per share = (profit attributable to owners' of the Company) / weighted average number of shares

6.2.1.5 Cash flow

1. Cash flow ratio = cash flow from operating activities / current liabilities
2. Net cash flow adequacy ratio = cash flow from operating activities in the five most recent years / (capital expenditure + inventory increase + cash dividends) in the five most recent years
3. Cash reinvestment ratio = (cash flow from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other non-current assets + operating fund)

6.2.1.6 Leverage

1. Operating leverage = (net operating revenue - variable operating costs and expenses) / profit from operating activities
2. Financial leverage = profit from operating activities / (profit from operating activities - interest expense) °

6.2.2 Analysis of financial ratio differences exceed 20% for the last two years :

1. Current ratio increase : due to current assets increase
2. Quick ratio increase : due to current assets increase
3. Interest protection multiples increase : due to profit from operating activities / income before tax increase
4. Accounts receivable turnover ratio increase : due to net sales increase
5. Average collection days decrease : due to accounts receivable turnover ratio increase
6. Inventory turnover ratio increase : due to average inventory is less than last year.
7. Accounts payable turnover ratio increase : due to average accounts payable decrease
8. Average inventory days decrease : due to average inventory is less than last year.
9. Property, plant and equipment turnover ratio increase : due to net sales increase
10. Total assets turnover ratio increase : due to net sales increase
11. Rate of return on assets increase : due to after-tax income is more than last year.
12. Rate of return on equity increase : due to after-tax income is more than last year.
13. Profit from operating activities to paid-in capital increase : due to profit from operating activities is more than last year.
14. Profit from operating activities / income before tax to paid-in capital increase : due to profit from operating activities / income before tax is more than last year.
15. Net profit ratio increase : due to after-tax income is more than last year.
16. Earning per share increase : due to profit attributable to owners' of the Company increase
17. Net cash flow adequacy ratio increase : due to net cash flows from operating activities increase.
18. Cash reinvestment ratio increase : due to net cash flows from operating activities increase.
19. Operating leverage decrease : due to profit from operating activities increase.
20. Financial leverage decrease : due to profit from operating activities increase.

6.3 Audit Committee's Report for the Most Recent Year

Please refer to page 112.

6.4 Consolidated Financial Statements for the Years Ended December 31, 2021, and Independent Auditors' Report

Please refer to page 113 ~ 203.

6.5 A parent company only financial statement for the most recent fiscal year, certified by a CPA

None.

6.6 If the company or its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the annual report shall explain how said difficulties will affect the company's financial situation.

None.

7. Financial Conditions, Business Results and Risk Analysis

7.1 Financial Overview

7.1.1 Financial Status Analysis

Unit: NT\$000; %

	2020		2021		Increase/Decrease		Description
	Amount	%	Amount	%	Amount	%	
Current assets	3,493,823	4.24	7,813,280	9.40%	4,319,457	123.63%	Mainly attributed to increase in cash and cash equivalents
Fixed assets	73,422,324	89.09	69,358,778	83.47%	-4,063,546	-5.53%	Mainly attributed to increase in vessel disposal.
Current long-term loans	5,019,044	6.09	7,727,949	9.30%	2,708,905	53.97%	Mainly attributed to long-term loans moved to current long-term loans.
Long-term borrowings	36,855,312	44.72	28,585,258	34.40%	-8,270,054	-22.44%	Mainly attributed to long-term loans moved to current long-term borrowings or loan repayment.
Lease obligations- Noncurrent	3,097,902	3.76	2,968,653	3.57%	-129,249	-4.17%	Mainly attributed to decrease in lease payments payable on capital leases for ships.
Long-term payables	5,335,752	6.47	4,971,380	5.98%	-364,372	-6.83%	Mainly attributed to decrease in related-party financing.
Common share capital	7,464,092	9.06	7,464,092	8.98%	0	0.00%	-
Capital surplus	631,675	0.77	34,548	0.04%	-597,127	-94.53%	Mainly attributed to dividend distribution out of capital surplus.
Retained earnings	16,161,603	19.61	23,882,872	28.74%	7,721,269	47.78%	Mainly attributed to increase in net profit of current period

7.2 Business Results

7.2.1 Business Result Analysis

Unit: NT\$000; %

Year Item	2020		2021		Increase/Decrease		Description
	Amount	%	Amount	%	Amount	%	
Operating income	11,939,433	100.00	19,169,397	100.00	7,229,964	60.56	Mainly attributed to adverse conditions in the dry bulk shipping market caused by the coronavirus.
Depreciation expense	4,442,490	37.21	4,278,537	22.32	-163,953	-3.69	An annual increase of 1.79% in US dollars mainly attributed to the change of fleet structure.
Operating costs	10,282,194	86.12	10,717,884	55.91	435,690	4.24	Mainly attributed to the increase of crew wages and crew travel fees during the pandemic.
Net operating income	1,498,019	12.55	8,257,532	43.08	6,759,513	451.23	Mainly attributed to adverse conditions in the dry bulk shipping market caused by the coronavirus.

Year Item	2020		2021		Increase/Decrease		Description
	Amount	%	Amount	%	Amount	%	
Non-operating income	10,102	0.05	3,149,379	16.43	3,139,277	31075.80	Mainly attributed to compensation from the charterer for their early termination of the time charter this year.
Gain/loss on the disposal of fixed assets	0	0.00	-65,929	-0.34	-65,929	-	Mainly attributed to the ship disposal this year.
Interest expenses	1,257,470	10.53	910,941	4.75	-346,529	-27.56	Mainly attributed to US dollar rate cuts this year.
Foreign exchange gain/loss	-244,808	-2.05	168,389	0.88	413,197	168.78	Mainly attributed to US dollar appreciation this year.
Net income before tax	127,259	1.07	8,261,432	43.10	8,134,173	6391.83	Mainly attributed to adverse conditions in the dry bulk shipping market caused by the coronavirus.

7.3 Cash Flow

7.3.1 Cash Flow Analysis

Unit: NT\$000; %

	2020	2021	Increase /Decrease	Increase /Decrease (%)	Change analysis
Operating activities	4,752,461	14,576,027	9,823,566	206.70	Mainly attributed to increase in net profit before tax.
Investing activities	-6,549,881	-3,195,198	3,354,683	-51.22	Mainly attributed to increase in newbuilding investment.
Financing activities	440,776	-6,594,274	-7,035,050	-1596.06	Mainly attributed to decrease in long-term borrowing.

7.3.2 Cash Flow Analysis for the Coming Year and Plan to Improve Liquidity

Unit: thousand NT\$

Beginning cash balance (1)	Expected total cash flow from operating activities (2)	Expected total cash outflow (3)	Expected cash surplus (deficit) (1) + (2) - (3)	Remedial measures for expected cash deficit	
				Investment plans	Financing plans
5,251,451	27,277,515	5,439,481	27,089,485	-	-

7.3.2.1 Analysis of Cash Flow Changes in the Coming Year

- Expected net cash flow from operating activities: The dry bulk shipping market is expected to start to recover in the coming year. Revenue from the fleet business can be expected to rise steadily, which can lead to a higher cash flow from operating activities.
- Expected net cash flow from investing activities: Given the Group's business plan for the coming year, the number of newbuildings is expected to fall slightly compared to the previous year, which can lead to a slightly lower net cash outflow from investing activities.
- Expected net cash flow from financing activities: The number of newbuildings is expected to fall slightly in the coming year. Hence, the net cash flow from financing activities is expected to be lower than the previous year.

7.3.2.2 Remedial Action for Expected Cash Deficit and Liquidity Analysis: N/A.

7.4 Effect of Capital Expenditure on Financial Performance in Last Year

Unit: NT\$000

Project	Source of funding	Estimated completion date	Total funding required (total contract price) & contract price by year		
Building new ships	Self-funding and bank loans	Ship delivery dates	9,592,797 (US\$346,435,400)	5 vessels in 2022	3,772,486 (US\$136,240,000)
				6 vessels in 2023	4,892,696 (US\$176,695,000)
				1 vessel in 2024	927,615 (US\$33,500,000)

The Company has paid a total of US\$50,061,540 into the shipbuilding contracts above as at December 31, 2021. The remaining payments will be made at keel installation, launching, and delivery. Financing arrangements for a total of US\$330,000,000 of the shipbuilding contracts above have been completed as at December 31, 2021. The Company expects to pay off in installments before May 2024.

Anticipated benefit :

The Group expands the fleet to meet changes in the market and different customer needs. Choosing Japanese-built high specification environmentally friendly and energy efficient newbuildings makes it easier to attract the best clients and increase revenue and profits. The Group is thus able to develop more stable funding and more flexible utilization of funds in the long term and make itself more competitive in the process.

7.5 Investment Policy in Last Year, Profit/Loss Analysis, Improvement Plan, and Investment Plan for the Coming Year

To meet operational needs, the Group owns each ship through subsidiaries. Wisdom Marine Lines has direct control of the subsidiaries and makes business plans in the interest of the Group as a whole. There has not been any non-business related investment.

However, as sales continue to grow, the board of directors of the Company passed a resolution for investment on January 29, 2016. The investment plan proposed finding an easily accessible location in Taipei for a headquarters to be built and providing the funds to acquire a 40% stake in Pescadores Investment and Development Inc. The Company had later acquired land for an office building on Dunhua South Road in Taipei. The urban renewal project has been approved in 2019, and the building permit is pending. Given the building was not yet open for business, the Company recognized a loss of US\$0.98 million in the 2021 consolidated financial statements using the equity method, but the amount was less than 0.5% of the Group's total investment. The investment is, therefore, expected to have minimal impact on the Company in the future.

7.6 Risk Assessment for Last Year Up To the Publication Date of this Report

7.6.1 Impact of Interest Rate and Exchange Rate Changes and Inflation on the Company's Profit and Response Measures

1. Interest rate changes: Please refer to details in Section 7.6.13.B(1).
2. Exchange rate changes: Please refer to details in Section 7.6.13.B(2).
3. Inflation: Please refer to details in Section 7.6.13.B(3).

7.6.2 Policy Regarding High-risk, High-Leverage Investments, Loans to Others, Endorsements, Guarantees, and Derivatives, Reasons for Profit or Loss, and Response Measures

1. High-risk, high-leveraged investments: Please refer to details in Section 7.6.13.B(4).
2. Third-party lending arrangements: Please refer to details in Section 7.6.13.B(5).
3. Endorsements and guarantees: Please refer to details in Section 7.6.13.B(6).
4. Derivatives trading: Please refer to details in Section 7.6.13.B(7).

7.6.3 Future R&D Programs and Expected R&D Investment

Please refer to details in Section 7.6.13.C(11).

7.6.4 Impact of Key Domestic or International Policy or Industry Changes on the Company's Finance and Sales and Response Measures

1. Impact of Key Domestic or International Policy: Please refer to details in Section 7.6.13.F(4).
2. Industry Changes: Please refer to details in Section 7.6.13.A(4).

7.6.5 Impact of Technological (including Information Security Risk) and Industry Developments on the Company's Finance and Sales and Response Measures

1. Technological: Please refer to details in Section 7.6.13.A(1).
2. Industry Developments: Please refer to details in Section 7.6.13.C(7).

7.6.6 Impact of Corporate Image Change on Crisis Management and Response Measures

Please refer to details in Section 7.6.13.E(4).

7.6.7 Anticipated Benefits and Possible Risks Associated with Mergers and Acquisitions, and Countermeasures

Please refer to details in Section 7.6.13.C(8).

7.6.8 Expected Benefits and Potential Risks of Factory Expansion and Response Measures

Please refer to details in Section 7.6.13.C(9).

7.6.9 Concentration Risk in Procurement or Sales and Response Measures

1. Procurements: Please refer to details in Section 7.6.13.C(1).
2. Sales: Please refer to details in Section 7.6.13.C(2).

7.6.10 Impact of and Risks in Large Transfer or Change of Equity among Directors, Supervisors, or Principal Shareholders with Over 10% Stake in the Company and Response Measures

Please refer to details in Section 7.6.13.F(2).

7.6.11 Impact of and Risks in Change of Management for the Company and Responding Measures

Please refer to details in Section 7.6.13.F(3).

7.6.12 Litigious or Non-litigious Matters

Concluded or pending litigious, non-litigious, or administrative litigation events involving the Company or

any of its directors and supervisors, the president or de facto responsible person of the Company, or a principal shareholder with an over 10% stake and its subsidiary where the outcome may have a material impact on the rights of the Company's shareholders or the prices of its securities

No.	Wisdom Marine Group	Counterparty	Fact in contention and amount of damages	Status/Progress
1	Unicorn Fortune S.A.	R. Piyaell International Pvt. Ltd.	Regarding the sinking of MV Bingo on October 13, 2013, R. Piyaell International sent through its lawyer a letter of demand for US\$700,000 in damages. (full insurance)	The statute of limitations on this case expired in 2020.
2	Saysiat Wisdom S.A.	Copanship Bulkers A/S	Since the charterer (Copanship Bulkers A/S) declared bankruptcy in February 2015, a claim for US\$8 million in damages was made.	A liquidation distribution about US\$18,000 was received in September 2020. The case is closed.
3	Tao Mariner S.A.	MGA International Pte Ltd.	Regarding the damaged cargo incident on February 12, 2016, the plaintiff MGA International filed a lawsuit with the Bombay High Court for US\$3.5 million in damages. (full insurance)	The insurer Skuld P&I is currently assisting with investigation. Litigation is ongoing.
4	Bunun Justice S.A.	Lurongyu 58979, Lurongyu 58869, Lurongyuanyuyun 001	Regarding the ship collision on March 30, 2018, the counterparty sent through its lawyer a letter of demand for the Group to provide a standby letter of credit for RMB11 million. (full insurance)	A settlement with the counterparty was reached in January 2020, and about US\$560,000 were to be paid in damages. The case is closed.
5	Amis Integrity S.A.	Dry Bulk Singapore Pte Ltd	The Company terminated the agreement with the charterer on July 12, 2019. The counterparty (sub-charterer) filed a suit with the Oregon U.S. District Court to claim US\$2.5 million in damages.	Litigation is ongoing.
6	Poavosa Wisdom S.A.	Emirates NBD Bank PJSC	As result of the receiver dispute in January 2019, the counterparty (product owner) tried to claim US\$6.36 million in damages from the Group.	The lawyers are currently assisting with investigation.
7	Amis Integrity S.A.	Solomon Shipping Inc	Regarding the ship collision in September 2018, the counterparty sent through its lawyer a letter of demand for the Group to provide a letter of undertaking for US\$2.5 million. The case was brought to a British court in 2021. (full insurance)	Litigation is ongoing.
8	Triumph Wisdom S.A.	Winner Capebulk S.A.	Regarding the ship collision in March 2021, the counterparty filed through its lawyer a lawsuit with a British court to claim US\$2 million in damages. Meanwhile, the Company made a claim for US\$1.5 million in damages from the counterparty. (full insurance)	Litigation is ongoing.

7.6.13 Other Material Risks and Response Measures

The Company has created a risk management team according to the risk management policy passed by the board of directors. The team manage risks by following the process below:

1. Risk identification: The risk management team performs risk identification. The scope of identification is all business activities conducted by the Company, its subsidiaries, and all sub-subsidiaries for the purpose of ownership, management, or operation of ships. The aspects of identification shall include but not be limited to operation, finance, industry, environment, social, and governance.
2. Materiality valuation: The risk management team evaluates identified risks in terms of the degree of impact and relevance to determine the risks are material.
3. Risk management: For risks deemed material, the risk management team will, based on the nature of the risks, task the appropriate parties to manage the risks and/or implement response measures.
4. Risk management inventory and reporting: The risk management team takes inventory of management

of the risks, and delivers a status report on the risk management policy to the board of directors at least once a year.

Potential material risks to be faced by the Company, their impacts, and response measures are described as follows:

A. Industry risks	Impacts and response measures
(1) Technological changes	The Group offers shipping services and is not involved in any manufacturing or production activities. The impacts of technological changes are mostly on decision making regarding ship investments. Most of the environmental regulations implemented in response to climate issues in the shipping industry involve ship design or additional equipment, which may lead to higher capital expenditures. However, it is difficult to isolate the increase in ship prices due to new regulations. Meanwhile, the Company is investing in high-end eco-ships on an ongoing basis. Shipbuilding technologies and specification changes are expected to have less impacts on the Company than on other companies in the business.
(2) Market volatility	The global demand for raw materials and commodities and the supply of ships are the two factors driving the dry bulk shipping market. The Group has a diverse fleet consisting mainly of small- and medium-sized bulk carriers that have lower depreciation rates in the market. Therefore, the Group is less exposed to the impact of market volatility compared to other companies in the business. Furthermore, the Group arranges long term charters to spread out expiration dates in order to protect cash flows from repayments and allocate ships to long term charters or to self management as needed for diversification.
(3) Oil price changes	The Group is generally not responsible for the costs of fuels for ships on long term charters. The impact of fuel price volatility on the Group is found mainly in the self managed ships operating in the spot market as it affects short-term estimates of the cost of fuel. However, in the long term, shipping rates actually charged in the spot market for dry bulk shipping will be adjusted to reflect oil price increase or decrease.
(4) Industry changes	Industry changes in recent years are mainly results of implementation of international environmental regulations. Please refer to the climate related financial disclosures (TCFD) in Section 3.4.5.3 for related impacts and response measures.
(5) Competition in the industry	Bulk shipping is an international free competition market. In terms of the total number and total capacity of dry bulk carriers worldwide, individual shipping companies in Taiwan and in other countries occupy only very small percentages. In addition, since cargo space cannot be stored, the capacity of a shipping company is decided by its ability in solicitation of cargo and assignment of ships. The Group has a competitive advantage in its fleet and partners. The risk of supply and demand change for each ship type is reduced by a diversified fleet. The young fleet provides consistent, efficient services. The Company also works with some of the best international shipping companies. Long-term contracts provide a steady income stream while self-managed ships operating in the commodity market keep the Company alert to developments in the market and adaptable to changes in the business.

B. Financial risks	Impacts and response measures
(1) Interest rate changes	The nature of its business means the Group has a great need for funds. As a result, it carries a relatively large amount of loans. The Group has accounts with financially sound and well managed banks in Taiwan, Japan, and Europe, which allow the Group to evaluate interest rates charged by different banks before deciding on suitable terms. Moreover, the Group, being a well managed company in good credit standing, has stronger bargaining power over banks and benefits from lower financing costs. The Group does not carry any fixed rate liabilities at fair value through profit or loss or use any derivatives to offset its debt obligations. Hence, any interest rate change on the closing date is not likely to have any material impact on profits and losses. An interest rate risk sensitivity analysis is included under Note 12.3 in the 2021 financial statements.
(2) Exchange rate changes	The operating revenue and operating costs of the Group are often expressed in U.S. dollars. Exchange rate changes have little impact on the operating revenue from core businesses. Exposure to exchange rate risk exists in foreign currency loans to fund ships and rises mainly from exchange rate volatility in the Japanese yen. An exchange rate risk sensitivity analysis is included under Note 12.3 in the 2021 financial statements. The Group finances ships in installments for a period of eight to ten years in most cases. Exchange rate risk is spread across the years in the financing period. Most financing agreements contain a "loan currency conversion" clause for which the Company may apply as needed to counter exchange rate changes.
(3) Inflation	The Group has not sustained any material impact on profit and loss from inflation. If operating costs rise due to inflation, the Group may adjust prices when signing contracts.

B. Financial risks	Impacts and response measures
(4) High-risk, high-leveraged investments	The Group focuses on its core businesses and has not ventured into any high risk business in other industries. It aims for stability when devising financial policies and does not make high-leverage investments. Therefore, there is not likely to be any material risk.
(5) Loans to others	Except for borrowings between members of the Group, no loans to others were made in the last year up to the publication date of this report. In addition, all borrowings within the Group were approved by the board of directors of the Company and complied with the applicable regulations, and had no impact on profits or losses on the Group's consolidated financial statements.
(6) Endorsements and guarantees	Except for endorsements and guarantees between members of the Group, no endorsements and guarantees were made in the last year up to the publication date of this report. In addition, all endorsements and guarantees within the Group were approved by the board of directors of the Company and complied with the applicable regulations, and had no impact on profits or losses on the Group's consolidated financial statements.
(7) Derivatives trading	The Group trade derivatives to avoid the exchange rate risk in foreign currency payments. The trading procedures follow the Procedures for the Acquisition or Disposal of Assets and are evaluated regularly as required. Exchange rates in derivatives contracts are provided in advance, and are, therefore, unlikely to cause any material cash flow risk. Moreover, all counterparties are banks with good credit ratings. The chance of encountering credit risk is extremely low.
(8) Liquidity	The liquidity risk for a shipping company occurs in out-of-pocket payments for new buildings and repayments in ship financing. For new buildings, buyers are often required to pay for the ships in installments before delivery. The buyer's failure to make the installment payments on time will give the shipbuilder the right to unilaterally terminate the agreement and hold the buyer liable for damages to the shipbuilder. Moreover, the Company usually apply to financial institutions for loans to fund newbuilding purchases. These loan agreements often contain a cross default clause that provides the borrower's failure to repay principal or interest on another loan or default on another agreement will constitute default on the loan agreements, thereby creating cross default risk. Under such circumstances, the financial institutions will be entitled to demand early repayments from the Company. If the Company is unable to make repayments, the creditors may proceed unilaterally to auction off the underlying ships as compensation. The Group uses retained earnings to build up cash assets and revenue from the fleet to make down payments for new buildings. The Group takes a conservative approach to financial planning, and always evaluates cash flows in new building projects with care and caution.

C. Operational risks	Impacts and response measures
(1) Procurement concentration	For the Group, only the costs of fuels and lubricants for ships occupy a relatively large percentage of the annual operating costs. Given lubricant requirements may vary from vessel to vessel, the Company works with four to five international lubricant suppliers on a long-term basis. The Company usually asks for quotes and negotiates with the suppliers before selecting a supplier offering the right specifications at better rates. In addition, the Company tends to negotiate for bulk discounts with suppliers. The practice helps ensure a steady supply. There has not been any incident of supply shortage or disruption causing an impact on shipping operations. In terms of fuel, depending on the length of voyage, route, weather conditions, and level of inventory, the Company considers fuel prices and suppliers at different bunkering ports, and make purchases through fuel brokers or directly from suppliers in order to diversify sources and reduce costs. Meanwhile, the Group is open to new suppliers and always assessing potential business relationships in order to diversify concentration risk in procurement.
(2) Sales concentration	The Group diversifies charter expiration and freight negotiation as needed. The three largest clients of Wisdom Marine Lines were all in a long term relationship with the company in 2021. An improved outlook on the industry meant new charters were subject to higher freight rates and therefore accounted for a higher percentage. Meanwhile, the Company started looking for new clients and strengthening relationships as needed if the clients worked well with the Company and performed their contracts. The purpose was to diversify the risk of sales concentration.
(3) Charterer default	Given the nature of the business, the Group collects freight on charters in advance, and manages charters through credit ratings of each client and restriction on its overall risk. In the event of a charterer defaulting, the crew can follow the ship owner's instructions and cease supporting the charterer's operation, and the ship will be made available for chartering again in the market in order to reduce the impact of the default.

C. Operational risks	Impacts and response measures
(4) Third party liability	The Group may become liable for damage to third parties in the process of conducting shipping operations. The most common examples include crew death and injury, freight claim, and pollution cleanup. The Group joins international shipowners associations as a means to manage risks and their potential adverse effects on the company. However, this does not guarantee elimination of risks arising from any of the third parties above. As part of its risk management practices, the Company strengthens personnel training and management to ensure seaworthiness of its vessels.
(5) Hull damage	Ships are exposed to the risk of sinking due to extreme weather conditions, collision, structural damage or mechanical failure due to forces of nature or human error by the crew, war, or other human factors. All of the Group's ships are insured against structural and war risks. However, it is not guaranteed that risks arising from collision, damage, or loss can always be avoided. As part of its risk management practices, the Company strengthens personnel training and management to ensure seaworthiness of its vessels.
(6) Piracy	The routes operated by the Group may pass through high risk waters or countries. In addition to persuading charterers to keep from dangerous waters and avoid coastal navigation in order to reduce risk, where it is unavoidable, ships will sail with armed escorts from different countries or have hired armed guards onboard. Insurance coverages will also be purchased for the voyage as needed. All departments in the Group work constantly to keep the ships up to date on the latest anti-piracy information, and help the captains familiarize themselves with the anti-piracy measures and related safety regulations.
(7) Cyber security	The Company has a cyber security team in place to identify cyber security risks and devise corresponding management programs in order to ensure all of the company's hardware/software, information and communication work properly and prevent intentional or accidental threats. Furthermore, all key navigational equipment onboard can be operated manually by seamen, and onboard communication systems strictly prohibits access to the Internet and allows only sending/receiving email. Assessments have indicated no material cyber security risk at present.
(8) Acquisition	Not applicable as the Group has not had plans to acquire other companies outside the Group in last year up to the publication date of this report.
(9) Plant expansion	This is not applicable as the Group offers shipping services, is not involved in any manufacturing or production activities, and has no plans for plant expansion.
(10) Business disruption	The Group operates a network of routes that spreads across the world. There are occasional short interruptions of business operations due to local regulations, freight claims, or mechanical failures. Sometimes ships and/or crew may be seized or detained temporarily, leading to default of contract or other operating losses. To better manage such risks, the Group implements more rigorous training for crew to be more prepared for emergencies, and establishes a communication network and crisis management mechanisms to ensure normal operations are restored in the shortest possible time.
(11) R&D programs and expected R&D investment	Not applicable as the Company operates mainly in the ship management and shipping services industries and is not involved in shipbuilding.

D. Environmental risks	Impacts and response measures
(1) Climate change	Please refer to the climate related financial disclosures (TCFD) in Section 3.4.5.3.
(2) Changes of environmental regulations	Please refer to the Ocean Sustainability in Section 3.4.5.2

E. Social risks	Impacts and response measures
(1) Executive management turnover	The Group relies on the experience and knowledge of Chairman Lan and the executive management team for the success of its operations. A high executive turnover will not be constructive to the Company's long-term development. Hence, one of the Group's long-term strategies focuses on retaining talent and passing on experience and knowledge.

E. Social risks	Impacts and response measures
(2) Crew turnover	A growing number of vessels in the shipping market over the last few years and the subsequent rising demand for seafarers have led to challenges in recruitment and less trained seafarers and created higher operating costs and risks. As a professional ship owner, the Group has to employ a large number of seafarers. The majority of the crew currently employed by the Group are Chinese seafarers. The Group recruits, dispatches, and manages them through local recruitment agencies in China. Given the limited number of experienced and qualified seafarer recruitment and dispatch agencies in China, the qualification and quality of service offered by one agency may vary greatly from the next. In addition, the lack of clearly established regulations and enforcement standards may not be conducive for local recruitment agencies to provide a steady supply of seafarers for the Group. Furthermore, the human resources market in China has been undergoing transformation in recent years. Therefore, the Group has considered replacing a workforce consisting mainly of Chinese seafarers and building a crew trained in-house. As a result, the Group started working with National Taiwan Ocean University in 2010. Deck and engine internships are made available every year, and interns are trained and encouraged to pursue key positions in the fleet.
(3) Infectious diseases	Disease control rules at the ports create difficulties in ship turnover and higher operating costs, and can even lead to business suspension. The Group checks disease control guidelines and voyage status every week, and arranges for ship turnover at appropriate time and places. Allowances are provided to the crew as needed as a token of appreciation for their cooperation in this difficult time.
(4) Crisis management for corporate image change	The Group places a great emphasis on corporate governance and there has not been any significant change in its corporate image in recent years. There is currently no material impact in this aspect.

F. Governance risks	Impacts and response measures
(1) Differences in laws between the place of registration and place of listing	The laws regarding shareholder rights and jurisdiction in the Company's place of registration, the Cayman Islands, differ in some places from those of the Republic of China. The Company has amended the Articles of Incorporation to comply with the Securities and Exchange Act, the Company Act and other applicable laws of the Republic of China to the maximum extent permitted by the laws of the Cayman Islands. However, protection of shareholder rights may not extend to the same degree as required of companies incorporated in Taiwan. Please refer to Section 8.5 of this report for ways of exercising shareholder rights and material deviation in protection of shareholder rights. Investors should find out and consult their advisors on any protection of shareholder rights available or otherwise when investing in a Cayman Islands company.
(2) Transfer or replacement of significant shares	Up to the publication date of this report, except for Chairman Lan, no other shareholders hold more than 10% of the shares. There is not likely to be any large transfer of equity to cause any adverse effect on the Company.
(3) Change of management	Not applicable as the Group has not had any change of management in last year up to the publication date of this report.
(4) Change of key policies in or outside the country	The Company is registered in the Cayman Islands, while the business entity Wisdom Marine Lines S.A. is incorporated in Panama. Most economic activities in the Cayman Islands take place in the financial services industry. Panama is the world's leading country in the size of ship registry with an open economy and no foreign exchange controls. Political and economic conditions are stable in both countries. As at the publication date of this report, the Company has not learned of any key policy or regulatory changes in the Cayman Islands or in Panama that would have a material impact on the Company's finance or sales.

7.7 Other Important Information

None.

8. Special Disclosure

8.1 Information of Related Party

8.1.1 Basic Information of Related Party

Units:US\$

Company Name	Established Date	Address	Capital	Major Opreated Item
Wisdom Marine International Inc.	2008/12/4	7F-11 No. 237, Sec. 2, Fuxing South Road, Taipei City, Taiwan	25,130,899.18	Ship operations management
Well Shipmanagement and Maritime Consultant Co., Limited	2001/9/6	6F No. 237, Sec. 2, Fuxing South Road, Taipei City, Taiwan	2,200,928.09	Safety management for ships
Huian Ship Management Co.,Ltd	2021/12/17	5F No. 237, Sec. 2, Fuxing South Road, Taipei City, Taiwan	107,991.36	Safety management for ships
Wisdom Marine Lines S.A.	1999/3/15	MMG Tower 23rd Floor, Paseo del Mar and Pacific Avenues, Costa del Este, Panama City, Republic of Panama	517,947,000.00	Marine Transport
Adixi Wisdom S.A.	2010/5/20	As above.	10,000.00	As above.
Amis Carriers S.A.	2013/2/1	As above.	10,000.00	As above.
Amis Elegance S.A.	2013/4/25	As above.	10,000.00	As above.
Amis Fortune S.A.	2014/5/20	As above.	10,000.00	As above.
Amis Hero S.A.	2017/1/10	As above.	10,000.00	As above.
Amis Integrity S.A.	2017/3/17	As above.	10,000.00	As above.
Amis International S.A.	2012/8/14	As above.	10,000.00	As above.
Amis Justice S.A.	2017/5/3	As above.	10,000.00	As above.
Amis Mariner S.A.	2013/2/1	As above.	10,000.00	As above.
Amis Miracle S.A.	2017/5/1	As above.	10,000.00	As above.
Amis Nature Inc.	2018/2/26	80 Broad Street, Monrovia, Liberia	10,000.00	As above.
Amis Navigation S.A.	2011/9/16	MMG Tower 23rd Floor, Paseo del Mar and Pacific Avenues, Costa del Este, Panama City, Republic of Panama	10,000.00	As above.
Amis Star S.A.	2012/8/14	As above.	10,000.00	As above.
Amis Victory S.A.	2020/2/27	As above.	10,000.00	As above.
Amis Wisdom S.A.	2009/4/15	As above.	10,000.00	As above.
Arikun Wisdom S.A.	2007/1/4	As above.	10,000.00	As above.
Atayal Brave S.A.	2011/3/25	As above.	10,000.00	As above.
Atayal Mariner S.A.	2011/3/24	As above.	10,000.00	As above.
Atayal Star S.A.	2011/3/25	As above.	10,000.00	As above.
Atayal Wisdom S.A.	2009/4/15	As above.	10,000.00	As above.
Babuza Wisdom S.A.	2008/2/18	As above.	10,000.00	As above.
Beagle Marine S.A.	2008/2/18	As above.	10,000.00	As above.
Beagle Wisdom S.A.	2004/8/10	As above.	3,500,000.00	As above.
Bunun Brave S.A.	2013/10/30	As above.	10,000.00	As above.
Bunun Champion S.A.	2013/11/25	As above.	10,000.00	As above.

Company Name	Established Date	Address	Capital	Major Opreated Item
Bunun Dynasty S.A.	2013/11/25	As above.	10,000.00	As above.
Bunun Elegance S.A.	2013/11/25	As above.	10,000.00	As above.
Bunun Fortune S.A.	2013/3/20	As above.	10,000.00	As above.
Bunun Hero S.A.	2015/6/9	As above.	10,000.00	As above.
Bunun Infinity S.A.	2016/1/5	As above.	10,000.00	As above.
Bunun Justice S.A.	2016/10/17	As above.	10,000.00	As above.
Bunun Marine S.A.	2011/9/16	As above.	10,000.00	As above.
Bunun Navigation S.A.	2011/5/30	As above.	10,000.00	As above.
Bunun Noble Inc.	2020/7/13	80 Broad Street, Monrovia, Liberia	10,000.00	As above.
Bunun Treasure S.A.	2021/9/24	As above.	10,000.00	As above.
Bunun Unicorn S.A.	2021/12/20	MMG Tower, 23rd Floor, Paseo Del Mar And Pacific Avenues, Costa Del Este, Panama City, Republic of Panama	10,000.00	As above.
Bunun Victory S.A.	2021/12/20	As above.	10,000.00	As above.
Bunun Wisdom S.A.	2009/4/15	As above.	10,000.00	As above.
Cosmic Wisdom S.A.	2000/4/10	As above.	10,000.00	As above.
Daiwan Champion S.A.	2014/2/25	As above.	10,000.00	As above.
Daiwan Dolphin S.A.	2014/2/25	As above.	10,000.00	As above.
Daiwan Elegance S.A.	2014/2/25	As above.	10,000.00	As above.
Daiwan Fortune S.A.	2014/2/25	As above.	10,000.00	As above.
Daiwan Glory S.A.	2014/2/25	As above.	10,000.00	As above.
Daiwan Hero S.A.	2016/1/5	As above.	10,000.00	As above.
Daiwan Infinity S.A.	2016/1/5	As above.	10,000.00	As above.
Daiwan Justice S.A.	2016/1/5	As above.	10,000.00	As above.
Daiwan Kalon S.A.	2016/1/5	As above.	10,000.00	As above.
Daiwan Leader S.A.	2017/3/15	80 Broad Street, Monrovia, Liberia	10,000.00	As above.
Daiwan Miracle S.A.	2017/3/15	MMG Tower, 23rd Floor, Paseo Del Mar And Pacific Avenues, Costa Del Este, Panama City, Republic of Panama	10,000.00	As above.
Dumun Marine S.A.	2009/10/7	As above.	10,000.00	As above.
Dumun Navigation S.A.	2010/1/27	As above.	10,000.00	As above.
Elite Steamship S.A.	1996/10/4	As above.	10,000.00	As above.
Euroasia Investment S.A.	1999/7/23	As above.	10,000.00	As above.
Favoran Wisdom S.A.	2009/6/5	As above.	10,000.00	As above.
Fourseas Maritime S.A. Panama	1991/10/31	As above.	10,000.00	As above.
Fraternity Marine S.A.	1999/7/14	As above.	10,000.00	As above.
Fraternity Ship Investment S.A.	1999/8/24	As above.	10,000.00	As above.
Genius Marine S.A.	2001/10/12	As above.	10,000.00	As above.
Genius Prince S.A.	2002/10/1	BICSA FINANCIAL CENTER, 60TH FLOOR, BALBOA AVENUE, PANAMA CITY, REPUBLIC OF PANAMA	10,000.00	As above.

Company Name	Established Date	Address	Capital	Major Opreated Item
Genius Star Carriers S.A.	2003/12/15	MMG Tower, 23rd Floor, Paseo Del Mar And Pacific Avenues, Costa Del Este, Panama City, Republic of Panama	10,000.00	As above.
Genius Star Navigation S.A.	2004/8/10	As above.	10,000.00	As above.
GS Global S.A.	2011/5/25	As above.	10,000.00	As above.
GS Navigation S.A.	2011/5/25	As above.	10,000.00	As above.
GSX Maritime S.A.	2009/4/15	As above.	10,000.00	As above.
Guma Marine S.A.	2009/10/7	As above.	10,000.00	As above.
Guma Navigation S.A.	2010/1/27	As above.	10,000.00	As above.
Harmony Pescadores S.A.	1993/10/4	As above.	10,000.00	As above.
Harmony Transport S.A.	2003/4/15	As above.	10,000.00	As above.
Hoanya Wisdom S.A.	2006/11/15	As above.	10,000.00	As above.
Infinite Wisdom S.A.	2003/1/21	80 Broad Street, Monrovia, Liberia	10,000.00	As above.
Katagalan Ace S.A.	2021/12/20	MMG Tower, 23rd Floor, Paseo Del Mar And Pacific Avenues, Costa Del Este, Panama City, Republic of Panama	10,000.00	As above.
Katagalan Brave S.A.	2021/12/20	As above.	10,000.00	As above.
Katagalan Carriers S.A.	2013/3/14	As above.	10,000.00	As above.
Katagalan Champion S.A.	2021/12/20	As above.	10,000.00	As above.
Katagalan Line S.A.	2011/5/16	As above.	10,000.00	As above.
Katagalan Marine S.A.	2011/3/24	As above.	10,000.00	As above.
Katagalan Navigation S.A.	2013/2/1	As above.	10,000.00	As above.
Katagalan Star S.A.	2013/3/14	As above.	10,000.00	As above.
Katagalan Wisdom S.A.	2009/4/15	As above.	10,000.00	As above.
Kavalan Wisdom S.A.	2009/4/15	As above.	10,000.00	As above.
Ligulao Wisdom S.A.	2010/5/20	As above.	10,000.00	As above.
Lloa Wisdom S.A.	2009/9/21	80 Broad Street, Monrovia, Liberia	10,000.00	As above.
Log Wisdom S.A.	2008/4/21	MMG Tower, 23rd Floor, Paseo Del Mar And Pacific Avenues, Costa Del Este, Panama City, Republic of Panama	10,000.00	As above.
Luilang Wisdom S.A.	2009/4/16	As above.	10,000.00	As above.
Magnate Maritime S.A.	2004/6/8	As above.	10,000.00	As above.
Makatao Wisdom S.A.	2009/4/15	As above.	10,000.00	As above.
Mercy Marine Line S.A.	2002/3/18	80 Broad Street, Monrovia, Liberia	10,000.00	As above.
Mighty Maritime S.A.	1997/8/5	MMG Tower, 23rd Floor, Paseo Del Mar And Pacific Avenues, Costa Del Este, Panama City, Republic of Panama	10,000.00	As above.
Mimasaka Investment S.A.	2009/9/21	As above.	10,000.00	As above.
Mount Wisdom S.A.	2000/4/10	As above.	10,000.00	As above.
Paiwan Wisdom S.A.	2009/4/15	As above.	10,000.00	As above.
Papora Wisdom S.A.	2006/11/15	As above.	10,000.00	As above.

Company Name	Established Date	Address	Capital	Major Opreated Item
Pazeh Wisdom S.A.	2008/2/18	As above.	10,000.00	As above.
Pescadores International Line S.A.	2006/11/27	As above.	10,000.00	As above.
Poavosa International S.A.	2011/5/25	As above.	10,000.00	As above.
Poavosa Maritime S.A.	2011/5/25	As above.	10,000.00	As above.
Poavosa Navigation S.A.	2013/1/23	As above.	10,000.00	As above.
Poavosa Wisdom S.A.	2008/2/18	As above.	10,000.00	As above.
Rukai Maritime S.A.	2009/2/16	As above.	10,000.00	As above.
Sakizaya Diamond S.A.	2014/2/25	As above.	10,000.00	As above.
Sakizaya Fortune S.A.	2015/5/29	As above.	10,000.00	As above.
Sakizaya Glory S.A.	2015/5/29	As above.	10,000.00	As above.
Sakizaya Hero S.A.	2016/1/5	As above.	10,000.00	As above.
Sakizaya Integrity S.A.	2016/1/5	As above.	10,000.00	As above.
Sakizaya Justice S.A.	2016/1/5	As above.	10,000.00	As above.
Sakizaya Kalon S.A.	2016/10/12	As above.	10,000.00	As above.
Sakizaya Leader S.A.	2016/10/12	As above.	10,000.00	As above.
Sakizaya Line S.A.	2012/11/21	As above.	10,000.00	As above.
Sakizaya Marine S.A.	2012/1/19	As above.	10,000.00	As above.
Sakizaya Miracle S.A.	2017/1/10	As above.	10,000.00	As above.
Sakizaya Navigation S.A.	2012/1/19	As above.	10,000.00	As above.
Sakizaya Orchid S.A.	2017/4/28	As above.	10,000.00	As above.
Sakizaya Power S.A.	2017/4/28	As above.	10,000.00	As above.
Sakizaya Queen S.A.	2017/3/15	As above.	10,000.00	As above.
Sakizaya Respect S.A.	2017/3/15	As above.	10,000.00	As above.
Sakizaya Unicorn S.A.	2020/11/20	80 Broad Street, Monrovia, Liberia	10,000.00	As above.
Sakizaya Victory S.A.	2020/11/20	As above.	10,000.00	As above.
Sakizaya Wisdom S.A.	2009/4/15	MMG Tower, 23rd Floor, Paseo Del Mar And Pacific Avenues, Costa Del Este, Panama City, Republic of Panama	10,000.00	As above.
Sakizaya Youth S.A.	2021/9/24	As above.	10,000.00	As above.
Sao Wisdom S.A.	2009/10/7	As above.	10,000.00	As above.
Saysiat Wisdom S.A.	2009/4/15	As above.	10,000.00	As above.
Siraya Wisdom S.A.	2006/11/15	As above.	10,000.00	As above.
Taivoan Wisdom S.A.	2009/6/5	80 Broad Street, Monrovia, Liberia	10,000.00	As above.
Tao Ace S.A.	2011/5/30	MMG Tower, 23rd Floor, Paseo Del Mar And Pacific Avenues, Costa Del Este, Panama City, Republic of Panama	10,000.00	As above.
Tao Brave S.A.	2009/4/15	As above.	10,000.00	As above.
Tao Mariner S.A.	2009/4/15	As above.	10,000.00	As above.
Tao Star S.A.	2010/6/2	As above.	10,000.00	As above.
Tao Treasure S.A.	2011/5/30	As above.	10,000.00	As above.

Company Name	Established Date	Address	Capital	Major Opreated Item
Taokas Marine S.A.	2009/7/10	As above.	10,000.00	As above.
Taokas Navigation S.A.	2009/7/9	As above.	10,000.00	As above.
Taokas Wisdom S.A.	2006/11/15	As above.	10,000.00	As above.
Taroko Maritime S.A.	2009/2/26	As above.	10,000.00	As above.
Taroko Wisdom S.A.	2009/4/16	As above.	20,000.00	As above.
Triumph Wisdom S.A.	2009/9/21	As above.	10,000.00	As above.
Trobian Wisdom S.A.	2009/6/5	80 Broad Street, Monrovia, Liberia	10,000.00	As above.
Unicorn Bravo S.A.	2006/5/24	MMG Tower, 23rd Floor, Paseo Del Mar And Pacific Avenues, Costa Del Este, Panama City, Republic of Panama	10,000.00	As above.
Unicorn Fortune S.A.	2006/5/25	As above.	10,000.00	As above.
Unicorn Logger S.A.	2006/5/25	As above.	10,000.00	As above.
Unicorn Logistics S.A.	2008/5/16	As above.	10,000.00	As above.
Unicorn Marine S.A.	2000/1/17	As above.	10,000.00	As above.
Unicorn Pescadores S.A.	2006/5/24	80 Broad Street, Monrovia, Liberia	10,000.00	As above.
Unicorn Successor S.A.	2003/4/15	MMG Tower, 23rd Floor, Paseo Del Mar And Pacific Avenues, Costa Del Este, Panama City, Republic of Panama	10,000.00	As above.
Vayi Wisdom S.A.	2010/5/20	As above.	10,000.00	As above.
Winsome Wisdom S.A.	2000/7/20	As above.	10,000.00	As above.
Wisdom Ace S.A.	2006/5/19	As above.	10,000.00	As above.
Wisdom Chartering S.A.	2021/11/23	As above.	10,000.00	As above.
Wisdom Lines Europe B.V.	2019/11/27	Blaak 34, Tribes Rotterdam Blaak, 3011TA Rotterdam	0.00	Ship operations management

8.1.2 According to Aiticles 369-3 of Company Act , presumed to be a control and affiliation relation : Not applicable.

8.1.3 Related Party of Consolidated Financial Statements :

Please refer to page 113~203.

8.1.4 The operation of the Company and related party :

The operation of the Company and related party include dry bulk shipping service.

8.1.5 Information of all related party director, supervision and president

Company Name	Title	Name	Current shareholding	
			Shares	Rate
Wisdom Marine International Inc.	Chairman	Lan, Chun-Sheng	-	-
Well Shipmanagement and Maritime Consultant Co., Limited	Chairman	Lan, Chun-Sheng	-	-
Huian Ship Management Co.,Ltd	Chairman	Lin, Yung Kuang		
Wisdom Marine Lines S.A.	Chairman	Lan, Chun-Sheng	-	-

Company Name	Title	Name	Current shareholding	
			Shares	Rate
Adixi Wisdom S.A.	As above.	As above.	-	-
Amis Carriers S.A.	As above.	As above.	-	-
Amis Elegance S.A.	As above.	As above.		
Amis Fortune S.A.	As above.	As above.	-	-
Amis Hero S.A.	As above.	As above.	-	-
Amis Integrity S.A.	As above.	As above.	-	-
Amis International S.A.	As above.	As above.	-	-
Amis Justice S.A.	As above.	As above.	-	-
Amis Mariner S.A.	As above.	As above.	-	-
Amis Miracle S.A.	As above.	As above.	-	-
Amis Nature Inc.	As above.	As above.	-	-
Amis Navigation S.A.	As above.	As above.	-	-
Amis Star S.A.	As above.	As above.	-	-
Amis Victory S.A.	As above.	As above.	-	-
Amis Wisdom S.A.	As above.	As above.	-	-
Arikun Wisdom S.A.	As above.	As above.	-	-
Atayal Brave S.A.	As above.	As above.	-	-
Atayal Mariner S.A.	As above.	As above.	-	-
Atayal Star S.A.	As above.	As above.	-	-
Atayal Wisdom S.A.	As above.	As above.	-	-
Babuza Wisdom S.A.	As above.	As above.	-	-
Beagle Marine S.A.	As above.	As above.	-	-
Beagle Wisdom S.A.	As above.	As above.	-	-
Bunun Brave S.A.	As above.	As above.	-	-
Bunun Champion S.A.	As above.	As above.	-	-
Bunun Dynasty S.A.	As above.	As above.	-	-
Bunun Elegance S.A.	As above.	As above.	-	-
Bunun Fortune S.A.	As above.	As above.	-	-
Bunun Hero S.A.	As above.	As above.	-	-
Bunun Infinity S.A.	As above.	As above.	-	-
Bunun Justice S.A.	As above.	As above.	-	-
Bunun Marine S.A.	As above.	As above.	-	-
Bunun Navigation S.A.	As above.	As above.	-	-
Bunun Noble Inc.	As above.	As above.	-	-
Bunun Treasure S.A.	As above.	As above.	-	-
Bunun Unicorn S.A.	As above.	As above.	-	-
Bunun Victory S.A.	As above.	As above.	-	-
Bunun Wisdom S.A.	As above.	As above.	-	-

Company Name	Title	Name	Current shareholding	
			Shares	Rate
Cosmic Wisdom S.A.	As above.	As above.	-	-
Daiwan Champion S.A.	As above.	As above.	-	-
Daiwan Dolphin S.A.	As above.	As above.	-	-
Daiwan Elegance S.A.	As above.	As above.	-	-
Daiwan Fortune S.A.	As above.	As above.	-	-
Daiwan Glory S.A.	As above.	As above.	-	-
Daiwan Hero S.A.	As above.	As above.	-	-
Daiwan Infinity S.A.	As above.	As above.	-	-
Daiwan Justice S.A.	As above.	As above.	-	-
Daiwan Kalon S.A.	As above.	As above.	-	-
Daiwan Leader S.A.	As above.	As above.	-	-
Daiwan Miracle S.A.	As above.	As above.	-	-
Dumun Marine S.A.	As above.	As above.	-	-
Dumun Navigation S.A.	As above.	As above.	-	-
Elite Steamship S.A.	As above.	As above.	-	-
Euroasia Investment S.A.	As above.	As above.	-	-
Favoran Wisdom S.A.	As above.	As above.	-	-
Fourseas Maritime S.A. Panama	As above.	As above.	-	-
Fraternity Marine S.A.	As above.	As above.	-	-
Fraternity Ship Investment S.A.	As above.	As above.	-	-
Genius Marine S.A.	As above.	As above.	-	-
Genius Prince S.A.	As above.	As above.	-	-
Genius Star Carriers S.A.	As above.	As above.	-	-
Genius Star Navigation S.A.	As above.	As above.	-	-
GS Global S.A.	As above.	As above.	-	-
GS Navigation S.A.	As above.	As above.	-	-
GSX Maritime S.A.	As above.	As above.	-	-
Guma Marine S.A.	As above.	As above.	-	-
Guma Navigation S.A.	As above.	As above.	-	-
Harmony Pescadores S.A.	As above.	As above.	-	-
Harmony Transport S.A.	As above.	As above.	-	-
Hoanya Wisdom S.A.	As above.	As above.	-	-
Infinite Wisdom S.A.	As above.	As above.	-	-
Katagalan Ace S.A.	As above.	As above.	-	-
Katagalan Brave S.A.	As above.	As above.	-	-
Katagalan Carriers S.A.	As above.	As above.	-	-
Katagalan Champion S.A.	As above.	As above.	-	-
Katagalan Line S.A.	As above.	As above.	-	-

Company Name	Title	Name	Current shareholding	
			Shares	Rate
Katagalan Marine S.A.	As above.	As above.	-	-
Katagalan Navigation S.A.	As above.	As above.	-	-
Katagalan Star S.A.	As above.	As above.	-	-
Katagalan Wisdom S.A.	As above.	As above.	-	-
Kavalan Wisdom S.A.	As above.	As above.	-	-
Ligulao Wisdom S.A.	As above.	As above.	-	-
Lloa Wisdom S.A.	As above.	As above.	-	-
Log Wisdom S.A.	As above.	As above.	-	-
Luilang Wisdom S.A.	As above.	As above.	-	-
Magnate Maritime S.A.	As above.	As above.	-	-
Makatao Wisdom S.A.	As above.	As above.	-	-
Mercy Marine Line S.A.	As above.	As above.	-	-
Mighty Maritime S.A.	As above.	As above.	-	-
Mimasaka Investment S.A.	As above.	As above.	-	-
Mount Wisdom S.A.	As above.	As above.	-	-
Paiwan Wisdom S.A.	As above.	As above.	-	-
Papora Wisdom S.A.	As above.	As above.	-	-
Pazeh Wisdom S.A.	As above.	As above.	-	-
Pescadores International Line S.A.	As above.	As above.	-	-
Poavosa International S.A.	As above.	As above.	-	-
Poavosa Maritime S.A.	As above.	As above.	-	-
Poavosa Navigation S.A.	As above.	As above.	-	-
Poavosa Wisdom S.A.	As above.	As above.	-	-
Rukai Maritime S.A.	As above.	As above.	-	-
Sakizaya Diamond S.A.	As above.	As above.	-	-
Sakizaya Fortune S.A.	As above.	As above.	-	-
Sakizaya Glory S.A.	As above.	As above.	-	-
Sakizaya Hero S.A.	As above.	As above.	-	-
Sakizaya Integrity S.A.	As above.	As above.	-	-
Sakizaya Justice S.A.	As above.	As above.	-	-
Sakizaya Kalon S.A.	As above.	As above.	-	-
Sakizaya Leader S.A.	As above.	As above.	-	-
Sakizaya Line S.A.	As above.	As above.	-	-
Sakizaya Marine S.A.	As above.	As above.	-	-
Sakizaya Miracle S.A.	As above.	As above.	-	-
Sakizaya Navigation S.A.	As above.	As above.	-	-
Sakizaya Orchid S.A.	As above.	As above.	-	-
Sakizaya Power S.A.	As above.	As above.	-	-

Company Name	Title	Name	Current shareholding	
			Shares	Rate
Sakizaya Queen S.A.	As above.	As above.	-	-
Sakizaya Respect S.A.	As above.	As above.	-	-
Sakizaya Unicorn S.A.	As above.	As above.	-	-
Sakizaya Victory S.A.	As above.	As above.	-	-
Sakizaya Wisdom S.A.	As above.	As above.	-	-
Sakizaya Youth S.A.	As above.	As above.	-	-
Sao Wisdom S.A.	As above.	As above.	-	-
Saysiat Wisdom S.A.	As above.	As above.	-	-
Siraya Wisdom S.A.	As above.	As above.	-	-
Taivoan Wisdom S.A.	As above.	As above.	-	-
Tao Ace S.A.	As above.	As above.	-	-
Tao Brave S.A.	As above.	As above.	-	-
Tao Mariner S.A.	As above.	As above.	-	-
Tao Star S.A.	As above.	As above.	-	-
Tao Treasure S.A.	As above.	As above.	-	-
Taokas Marine S.A.	As above.	As above.	-	-
Taokas Navigation S.A.	As above.	As above.	-	-
Taokas Wisdom S.A.	As above.	As above.	-	-
Taroko Maritime S.A.	As above.	As above.	-	-
Taroko Wisdom S.A.	As above.	As above.	-	-
Triumph Wisdom S.A.	As above.	As above.	-	-
Trobian Wisdom S.A.	As above.	As above.	-	-
Unicorn Bravo S.A.	As above.	As above.	-	-
Unicorn Fortune S.A.	As above.	As above.	-	-
Unicorn Logger S.A.	As above.	As above.	-	-
Unicorn Logistics S.A.	As above.	As above.	-	-
Unicorn Marine S.A.	As above.	As above.	-	-
Unicorn Pescadores S.A.	As above.	As above.	-	-
Unicorn Successor S.A.	As above.	As above.	-	-
Vayi Wisdom S.A.	As above.	As above.	-	-
Winsome Wisdom S.A.	As above.	As above.	-	-
Wisdom Ace S.A.	As above.	As above.	-	-
Wisdom Chartering S.A.	As above.	As above.	-	-
Wisdom Marine Lines S.A.	As above.	As above.	-	-
Wisdom Lines Europe B.V.	Director	Wisdom Marine International Inc.	-	100%

8.1.6 Operation of Related Party

Unit:US\$

Company Name	Capital	Assets	Liabilities	Equity	Operation Revenue	Profit on Operating Activities	Profit for the Year (after tax)	EPS (after tax)
Wisdom Marine International Inc.	25,130,899.18	31,608,461.03	14,861,702.79	16,746,758.24	6,801,132.62	16,287.30	-1,228,384.05	-0.017
Well Shipmanagement and Maritime Consultant Co., Limited	2,200,928.09	2,389,188.84	2,378,159.56	11,029.28	4,169,522.69	-339,052.44	-399,130.49	-0.099
Huian Ship Management Co.,Ltd	107,991.36	107,577.54	0.00	107,577.54	0.00	-758.96	-758.07	-7.02
Wisdom Marine Lines S.A.	517,947,000.00	387,431,226.69	251,134,581.43	136,296,645.26	5,278,854.36	-8,150,963.98	-7,313,117.57	-1.41
Adixi Wisdom S.A.	10,000.00	7,153,105.23	11,730,691.97	-4,577,586.74	3,606,999.55	1,240,801.28	997,720.74	9,977.21
Amis Carriers S.A.	10,000.00	21,537,103.59	9,830,753.23	11,706,350.36	4,867,642.60	1,822,010.43	1,621,437.94	16,214.38
Amis Elegance S.A.	10,000.00	17,843,160.94	9,134,817.22	8,708,343.72	4,053,263.86	1,168,618.28	938,872.03	9,388.72
Amis Fortune S.A.	10,000.00	33,070,451.47	9,794,265.11	23,276,186.36	10,283,496.50	7,374,591.91	7,125,591.51	71,255.92
Amis Hero S.A.	10,000.00	20,996,741.39	16,087,787.11	4,908,954.28	7,411,418.08	4,332,362.64	3,915,045.13	39,150.45
Amis Integrity S.A.	10,000.00	27,268,198.72	15,508,392.38	11,759,806.34	10,751,024.52	7,744,403.26	7,438,092.89	74,380.93
Amis International S.A.	10,000.00	60,228,525.95	12,765,369.95	47,463,156.00	7,323,490.69	3,758,094.72	3,484,008.33	34,840.08
Amis Justice S.A.	10,000.00	23,363,452.03	15,089,690.99	8,273,761.04	7,363,710.97	4,404,935.03	4,224,351.22	42,243.51
Amis Mariner S.A.	10,000.00	25,811,496.95	12,862,925.46	12,948,571.49	4,836,500.00	1,610,056.89	1,319,686.16	13,196.86
Amis Miracle S.A.	10,000.00	21,498,997.21	18,169,117.09	3,329,880.12	4,034,528.81	1,344,076.03	988,804.38	9,888.04
Amis Nature Inc.	10,000.00	26,042,273.60	17,038,189.98	9,004,083.62	10,230,424.67	7,152,761.98	6,813,381.42	68,133.81
Amis Navigation S.A.	10,000.00	17,090,549.77	9,985,650.86	7,104,898.91	4,199,841.23	1,535,013.37	1,360,177.30	13,601.77
Amis Star S.A.	10,000.00	25,865,653.79	10,820,038.18	15,045,615.61	7,075,969.40	3,576,008.40	3,326,711.71	33,267.12
Amis Victory S.A.	10,000.00	24,240,806.55	23,260,589.54	980,217.01	4,010,203.13	1,378,671.49	917,694.59	9,176.95
Amis Wisdom S.A.	10,000.00	50,977,841.86	11,918,956.52	39,058,885.34	8,918,061.17	5,369,183.92	5,240,696.95	52,406.97
Arikun Wisdom S.A.	10,000.00	-3,912,530.38	450,155.43	-4,362,685.81	1,571,392.04	235,103.25	-771,854.64	-7,718.55
Atayal Brave S.A.	10,000.00	10,777,000.45	3,221,266.78	7,555,733.67	3,816,580.09	1,629,988.29	1,582,578.99	15,825.79
Atayal Mariner S.A.	10,000.00	24,393,575.75	8,591,203.08	15,802,372.67	9,076,151.37	4,789,324.16	4,667,762.31	46,677.62
Atayal Star S.A.	10,000.00	11,803,190.18	2,902,005.30	8,901,184.88	3,252,392.91	1,024,259.97	981,067.31	9,810.67
Atayal Wisdom S.A.	10,000.00	16,264,545.85	6,039,204.20	10,225,341.65	4,843,071.19	1,479,987.10	1,379,613.19	13,796.13
Babuza Wisdom S.A.	10,000.00	4,753,044.35	1,175,335.28	3,577,709.07	2,955,646.66	93,832.60	77,429.60	774.30
Beagle Marine S.A.	10,000.00	9,110,004.52	0.00	9,110,004.52	0.00	-470.89	-470.89	-4.71
Beagle Wisdom S.A.	3,500,000.00	29,954,903.64	11,145,024.38	18,809,879.26	2,918,595.09	1,008,358.12	1,489,506.10	42.56
Bunun Brave S.A.	10,000.00	6,699,885.86	204,518.59	6,495,367.27	3,931,042.25	1,343,158.85	1,144,733.45	11,447.33
Bunun Champion S.A.	10,000.00	9,961,316.45	48,792.02	9,912,524.43	5,964,555.18	3,308,331.06	3,093,351.68	30,933.52
Bunun Dynasty S.A.	10,000.00	7,818,480.29	96,738.84	7,721,741.45	3,587,516.67	855,406.31	655,925.10	6,559.25
Bunun Elegance S.A.	10,000.00	24,741,583.38	11,325,371.54	13,416,211.84	8,710,120.43	5,794,372.94	5,554,032.29	55,540.32
Bunun Fortune S.A.	10,000.00	17,739,465.26	8,999,503.03	8,739,962.23	3,633,311.45	1,375,551.19	1,189,712.19	11,897.12
Bunun Hero S.A.	10,000.00	18,800,031.87	9,501,218.68	9,298,813.19	8,277,159.78	5,742,590.69	5,559,537.94	55,595.38

Company Name	Capital	Assets	Liabilities	Equity	Operation Revenue	Profit on Operating Activities	Profit for the Year (after tax)	EPS (after tax)
Bunun Infinity S.A.	10,000.00	13,959,770.58	13,279,032.55	680,738.03	3,359,484.11	740,060.89	501,759.11	5,017.59
Bunun Justice S.A.	10,000.00	14,562,100.57	10,079,297.74	4,482,802.83	5,594,181.55	2,967,051.13	2,757,686.49	27,576.86
Bunun Marine S.A.	10,000.00	18,786,869.59	9,374,689.50	9,412,180.09	3,180,291.94	508,927.38	530,723.64	5,307.24
Bunun Navigation S.A.	10,000.00	10,671,973.34	9,911,650.29	760,323.05	4,732,791.77	1,710,529.99	1,699,386.48	16,993.86
Bunun Noble Inc.	10,000.00	14,637,706.22	14,241,647.39	396,058.83	3,290,542.50	642,307.44	326,384.76	3,263.85
Bunun Treasure S.A.	10,000.00	9,124.34	0.00	9,124.34	0.00	-875.66	-875.66	-8.76
Bunun Unicorn S.A.	10,000.00	10,000.00	0.00	10,000.00	0.00	0.00	0.00	-
Bunun Victory S.A.	10,000.00	10,000.00	0.00	10,000.00	0.00	0.00	0.00	-
Bunun Wisdom S.A.	10,000.00	16,307,004.20	6,935,624.92	9,371,379.28	4,687,250.62	1,374,018.88	1,266,633.89	12,666.34
Cosmic Wisdom S.A.	10,000.00	7,926,410.38	466,275.00	7,460,135.38	4,335,879.44	719,622.24	714,979.89	7,149.80
Daiwan Champion S.A.	10,000.00	19,963,869.49	9,989,520.29	9,974,349.20	3,605,148.72	1,348,089.82	1,163,747.90	11,637.48
Daiwan Dolphin S.A.	10,000.00	19,704,168.38	10,181,592.81	9,522,575.57	3,809,636.03	1,538,751.30	1,352,403.36	13,524.03
Daiwan Elegance S.A.	10,000.00	22,410,269.18	10,972,350.24	11,437,918.94	7,498,281.44	4,802,541.97	4,573,221.64	45,732.22
Daiwan Fortune S.A.	10,000.00	18,763,730.50	11,174,494.60	7,589,235.90	3,373,744.60	767,912.16	531,179.51	5,311.80
Daiwan Glory S.A.	10,000.00	19,384,936.10	11,940,771.25	7,444,164.85	6,339,464.52	3,508,874.99	3,269,823.37	32,698.23
Daiwan Hero S.A.	10,000.00	11,421,127.07	10,906,878.36	514,248.71	3,302,945.02	701,062.56	481,425.75	4,814.26
Daiwan Infinity S.A.	10,000.00	12,196,340.17	10,786,662.50	1,409,677.67	3,293,207.17	966,486.43	746,786.69	7,467.87
Daiwan Justice S.A.	10,000.00	14,140,251.05	11,347,091.92	2,793,159.13	5,698,198.48	3,403,802.25	3,171,865.65	31,718.66
Daiwan Kalon S.A.	10,000.00	16,258,970.67	11,278,672.24	4,980,298.43	6,104,373.62	3,674,488.89	3,437,757.20	34,377.57
Daiwan Leader S.A.	10,000.00	13,838,962.78	11,670,155.92	2,168,806.86	3,009,358.64	805,910.72	670,776.72	6,707.77
Daiwan Miracle S.A.	10,000.00	17,881,523.98	13,011,283.40	4,870,240.58	5,864,086.78	3,463,773.03	3,239,757.22	32,397.57
Dumun Marine S.A.	10,000.00	21,317,605.18	6,524,546.48	14,793,058.70	9,350,616.71	6,186,928.51	6,054,793.55	60,547.94
Dumun Navigation S.A.	10,000.00	104,089,095.62	17,699,671.53	86,389,424.09	9,564,751.15	3,317,244.58	7,973,005.27	79,730.05
Elite Steamship S.A.	10,000.00	25,798,502.04	23,065,835.01	2,732,667.03	3,785,000.00	1,622,428.26	1,272,538.99	12,725.39
Euroasia Investment S.A.	10,000.00	5,357,005.13	172.34	5,356,832.79	1,168,765.64	375,918.72	-248,405.45	-2,484.05
Favoran Wisdom S.A.	10,000.00	26,973,070.33	16,882,428.09	10,090,642.24	3,364,407.55	1,328,588.62	1,103,323.52	11,033.24
Fourseas Maritime S.A. Panama	10,000.00	24,128,175.65	11,160,564.18	12,967,611.47	8,169,379.51	5,550,080.52	5,325,736.63	53,257.37
Fraternity Marine S.A.	10,000.00	26,215,445.92	16,070,659.11	10,144,786.81	2,859,907.13	1,086,743.10	916,849.41	9,168.49
Fraternity Ship Investment S.A.	10,000.00	10,228,283.98	6,306.24	10,221,977.74	1,649,372.06	-182,522.19	-62,947.12	-629.47
Genius Marine S.A.	10,000.00	39,200,955.34	22,918,582.66	16,282,372.68	9,094,458.37	6,320,236.52	5,858,000.69	58,580.01
Genius Prince S.A.	10,000.00	34,587,769.08	22,269,758.58	12,318,010.50	7,732,307.55	5,384,487.84	4,998,255.56	49,982.56
Genius Star Carriers S.A.	10,000.00	17,158,925.87	12,430,312.32	4,728,613.55	3,707,842.36	1,218,343.32	1,035,257.14	10,352.57
Genius Star Navigation S.A.	10,000.00	4,143,074.18	59,390.66	4,083,683.52	705,801.98	-541,717.60	-1,097,733.78	-10,977.34
GS Global S.A.	10,000.00	5,636,496.65	6,004,885.19	-368,388.54	4,721,450.69	1,977,863.38	1,546,962.55	15,469.63
GS Navigation S.A.	10,000.00	8,068,658.37	6,421,252.89	1,647,405.48	4,650,622.39	2,274,267.87	1,813,490.25	18,134.90
GSX Maritime S.A.	10,000.00	5,080,363.21	2,593,062.98	2,487,300.23	3,365,301.23	885,874.09	843,690.94	8,436.91
Guma Marine S.A.	10,000.00	22,963,927.12	6,477,614.65	16,486,312.47	7,538,999.79	4,094,224.10	3,953,003.35	39,530.03

Company Name	Capital	Assets	Liabilities	Equity	Operation Revenue	Profit on Operating Activities	Profit for the Year (after tax)	EPS (after tax)
Guma Navigation S.A.	10,000.00	10,802,611.41	15,031,287.77	-4,228,676.36	4,838,799.79	2,427,859.24	2,143,279.89	21,432.80
Harmony Pescadores S.A.	10,000.00	12,298,757.95	4,407,248.65	7,891,509.30	4,300,175.45	1,538,923.42	1,493,946.85	14,939.47
Harmony Transport S.A.	10,000.00	3,014,668.92	2,856.54	3,011,812.38	1,417,935.30	267,515.74	-339,255.25	-392.55
Hoanya Wisdom S.A.	10,000.00	11,261,289.60	3,186,469.27	8,074,820.33	3,260,661.55	-377,057.80	-60,613.45	-606.13
Infinite Wisdom S.A.	10,000.00	20,630,205.56	0.00	20,630,205.56	213.80	-2,346.61	-8,852.57	-88.53
Katagalan Ace S.A.	10,000.00	10,000.00	0.00	10,000.00	0.00	0.00	0.00	-
Katagalan Brave S.A.	10,000.00	10,000.00	0.00	10,000.00	0.00	0.00	0.00	-
Katagalan Carriers S.A.	10,000.00	49,181,834.53	11,953,438.06	37,228,396.47	8,197,928.63	5,060,355.32	19,097,112.79	190,971.13
Katagalan Champion S.A.	10,000.00	10,000.00	0.00	10,000.00	0.00	0.00	0.00	-
Katagalan Line S.A.	10,000.00	14,609,289.97	11,523,991.11	3,085,298.86	4,626,243.86	1,180,821.90	964,856.67	9,648.57
Katagalan Marine S.A.	10,000.00	19,458,611.31	10,854,893.99	8,603,717.32	6,354,749.39	2,717,778.46	2,498,987.41	24,989.87
Katagalan Navigation S.A.	10,000.00	35,534,819.90	14,630,860.40	20,903,959.50	6,884,649.80	3,567,722.96	8,682,279.91	86,822.80
Katagalan Star S.A.	10,000.00	25,892,990.82	17,829,658.13	8,063,332.69	3,549,212.48	1,322,335.79	1,006,519.22	10,065.19
Katagalan Wisdom S.A.	10,000.00	76,660,843.22	18,769,726.56	57,891,116.66	9,862,730.86	4,918,956.68	3,274,243.42	32,742.43
Kavalan Wisdom S.A.	10,000.00	94,353,810.22	25,131,006.20	69,222,804.02	9,620,544.88	4,205,790.64	8,925,959.73	89,259.60
Ligulao Wisdom S.A.	10,000.00	24,771,211.98	2,614,836.26	22,156,375.72	2,565,964.22	-32,907.74	1,267,931.83	12,679.32
Lloa Wisdom S.A.	10,000.00	23,352,652.30	23,369,030.48	-16,378.18	4,940,608.97	2,091,375.96	1,746,877.81	17,468.78
Log Wisdom S.A.	10,000.00	2,662,831.93	962,888.15	1,699,943.78	4,121,754.09	1,654,534.95	1,639,724.92	16,397.25
Luilang Wisdom S.A.	10,000.00	19,358,206.12	14,920,493.16	4,437,712.96	3,878,214.91	1,484,977.92	1,167,256.61	11,672.57
Magnate Maritime S.A.	10,000.00	-2,757,829.36	6,881.83	-2,764,711.19	1,589,530.09	418,380.07	180,482.51	1,804.83
Makatao Wisdom S.A.	10,000.00	33,115,932.45	11,560,791.82	21,555,140.63	4,001,574.81	433,403.88	304,800.32	3,048.00
Mercy Marine Line S.A.	10,000.00	28,238,128.22	18,580,690.68	9,657,437.54	4,570,819.47	2,198,284.45	1,929,769.18	19,297.69
Mighty Maritime S.A.	10,000.00	497,218.40	30,836.25	466,382.15	2,322,054.67	441,849.56	248,115.38	2,481.15
Mimasaka Investment S.A.	10,000.00	23,130,552.33	13,100,414.80	10,030,137.53	1,485,580.65	145,681.34	62,170.46	621.70
Mount Wisdom S.A.	10,000.00	18,349,432.48	24,277,735.46	-5,928,302.98	4,865,172.51	1,943,173.78	1,438,452.19	14,384.52
Paiwan Wisdom S.A.	10,000.00	19,932,657.68	6,405,203.92	13,527,453.76	4,004,656.84	-206,044.21	-303,239.21	-3,032.39
Papora Wisdom S.A.	10,000.00	19,139,953.54	3,029,662.26	16,110,291.28	5,484,554.11	2,674,399.02	2,609,653.67	26,096.54
Pazeh Wisdom S.A.	10,000.00	5,270,273.68	407,062.73	4,863,210.95	4,723,146.98	2,174,662.72	2,155,437.56	21,554.38
Pescadores International Line S.A.	10,000.00	-287,296.46	0.00	-287,296.46	0.00	-18,407.20	-18,407.20	-184.07
Poavosa International S.A.	10,000.00	11,645,851.97	9,731,341.26	1,914,510.71	4,633,649.08	1,774,264.22	1,618,857.70	16,188.58
Poavosa Maritime S.A.	10,000.00	13,017,622.20	8,478,114.06	4,539,508.14	4,533,456.22	1,708,298.55	1,941,696.94	19,416.97
Poavosa Navigation S.A.	10,000.00	10,223,801.84	12,984,503.85	-2,760,702.01	8,198,418.89	5,710,302.40	5,609,148.99	56,091.49
Poavosa Wisdom S.A.	10,000.00	21,392,433.29	52,637.91	21,339,795.38	6,042,996.32	3,081,694.96	2,561,958.97	25,619.59
Rukai Maritime S.A.	10,000.00	18,827,292.31	4,067,900.87	14,759,391.44	6,114,331.03	3,089,939.40	3,002,541.30	30,025.41
Sakizaya Diamond S.A.	10,000.00	20,984,848.88	9,037,773.74	11,947,075.14	4,914,854.15	1,834,188.56	1,631,024.58	16,310.25
Sakizaya Fortune S.A.	10,000.00	18,449,279.04	13,415,137.27	5,034,141.77	4,470,181.74	1,464,359.29	1,169,813.93	11,698.14
Sakizaya Glory S.A.	10,000.00	51,764,337.84	35,128,526.42	16,635,811.42	9,072,807.68	3,565,190.01	3,089,985.12	30,899.85
Sakizaya Hero S.A.	10,000.00	19,179,099.40	17,262,192.12	1,916,907.28	7,147,048.61	3,986,947.42	3,629,537.86	36,295.38

Company Name	Capital	Assets	Liabilities	Equity	Operation Revenue	Profit on Operating Activities	Profit for the Year (after tax)	EPS (after tax)
Sakizaya Integrity S.A.	10,000.00	15,100,304.80	14,597,854.64	502,450.16	5,197,755.31	2,335,716.95	2,028,291.05	20,282.91
Sakizaya Justice S.A.	10,000.00	19,518,237.52	18,012,823.68	1,505,413.84	3,891,652.90	904,717.90	548,955.43	5,489.55
Sakizaya Kalon S.A.	10,000.00	22,300,990.01	16,117,216.69	6,183,773.32	7,544,122.79	4,384,739.69	4,039,607.57	40,396.08
Sakizaya Leader S.A.	10,000.00	21,266,685.47	16,248,989.96	5,017,695.51	4,230,895.71	1,514,268.09	1,163,577.30	11,635.77
Sakizaya Line S.A.	10,000.00	18,407,092.09	11,310,417.58	7,096,674.51	5,512,805.56	2,487,333.45	2,280,495.93	22,804.96
Sakizaya Marine S.A.	10,000.00	18,433,922.48	8,939,414.16	9,494,508.32	6,565,813.21	3,558,303.20	3,342,034.65	33,420.35
Sakizaya Miracle S.A.	10,000.00	23,137,613.99	17,770,102.54	5,367,511.45	8,145,992.87	5,242,156.92	4,895,798.29	48,957.98
Sakizaya Navigation S.A.	10,000.00	20,463,104.97	12,204,169.62	8,258,935.35	3,724,831.45	632,374.73	360,692.29	3,606.92
Sakizaya Orchid S.A.	10,000.00	22,557,125.70	19,138,974.08	3,418,151.62	4,223,842.50	1,451,661.30	1,070,596.94	10,705.97
Sakizaya Power S.A.	10,000.00	19,221,835.86	14,603,891.41	4,617,944.45	4,241,754.71	1,543,039.39	1,244,415.21	12,444.15
Sakizaya Queen S.A.	10,000.00	26,461,368.21	20,302,324.51	6,159,043.70	4,034,703.38	1,196,678.62	879,732.64	8,797.33
Sakizaya Respect S.A.	10,000.00	23,978,738.91	12,572,376.98	11,406,361.93	10,365,106.13	7,483,796.63	7,196,942.68	71,969.43
Sakizaya Unicorn S.A.	10,000.00	23,090,272.67	21,915,352.32	1,174,920.35	3,808,490.56	1,531,651.58	1,166,332.00	11,663.32
Sakizaya Victory S.A.	10,000.00	28,109,249.23	22,654,438.25	5,454,810.98	7,855,903.63	5,733,257.86	5,445,187.43	54,451.87
Sakizaya Wisdom S.A.	10,000.00	15,720,319.41	9,365,059.71	6,355,259.70	3,533,206.07	450,407.57	281,521.20	2,815.21
Sakizaya Youth S.A.	10,000.00	9,650.83	0.00	9,650.83	0.00	-349.17	-349.17	-3.49
Sao Wisdom S.A.	10,000.00	13,165,077.10	2,996,893.52	10,168,183.58	3,859,689.36	994,854.26	934,330.34	9,343.30
Saysiat Wisdom S.A.	10,000.00	16,319,839.21	8,235,345.87	8,084,493.34	3,521,917.11	-456,924.49	-603,490.91	-6,034.91
Siraya Wisdom S.A.	10,000.00	7,148,030.60	1,101,179.25	6,046,851.35	3,275,765.48	476,771.91	607,059.70	6,070.60
Taivoan Wisdom S.A.	10,000.00	29,287,260.27	20,745,859.43	8,541,400.84	11,123,436.31	8,089,959.87	7,719,507.58	77,195.08
Tao Ace S.A.	10,000.00	10,847,556.56	7,109,918.81	3,737,637.75	6,144,524.30	3,356,145.96	3,225,577.35	32,255.77
Tao Brave S.A.	10,000.00	10,070,971.39	4,488,687.31	5,582,284.08	5,858,847.63	2,594,210.38	2,525,714.20	25,257.14
Tao Mariner S.A.	10,000.00	5,043,834.28	4,515,472.73	528,361.55	3,295,408.48	177,764.25	103,693.52	1,036.94
Tao Star S.A.	10,000.00	5,938,157.42	6,517,085.31	-578,927.89	3,856,357.59	742,208.26	632,100.92	6,321.01
Tao Treasure S.A.	10,000.00	10,270,872.08	7,648,969.66	2,621,902.42	4,757,920.67	2,171,506.67	2,035,227.97	20,352.28
Taokas Marine S.A.	10,000.00	16,475,733.70	4,761,890.13	11,713,843.57	6,012,394.31	3,134,799.94	3,088,871.19	30,888.71
Taokas Navigation S.A.	10,000.00	15,185,031.33	3,861,258.84	11,323,772.49	6,741,294.40	3,538,700.21	3,469,982.86	34,699.83
Taokas Wisdom S.A.	10,000.00	19,077,870.48	3,669,963.43	15,407,907.05	5,243,398.60	2,412,374.58	2,798,293.22	27,982.93
Taroko Maritime S.A.	10,000.00	19,105,643.46	8,841,044.21	10,264,599.25	4,234,741.56	1,448,828.29	1,299,723.61	12,997.24
Taroko Wisdom S.A.	20,000.00	-2,771,238.22	11,446.01	-2,782,684.23	687,425.36	-460,765.26	-460,765.26	-2,303.83
Triumph Wisdom S.A.	10,000.00	14,593,020.06	10,804,609.70	3,788,410.36	6,378,605.79	3,123,412.02	2,882,301.09	28,823.01
Trobian Wisdom S.A.	10,000.00	13,300,491.98	16,095,308.56	-2,794,816.58	4,213,010.89	1,691,155.26	1,350,380.25	13,503.80
Unicorn Bravo S.A.	10,000.00	-408,604.86	170,781.63	-579,386.49	2,103,306.10	198,443.97	197,397.15	1,973.97
Unicorn Fortune S.A.	10,000.00	2,023,721.57	0.00	2,023,721.57	0.00	-460.89	-460.89	-4.61
Unicorn Logger S.A.	10,000.00	1,847,758.61	448,970.05	1,398,788.56	1,727,751.26	156,456.71	151,843.21	1,518.43
Unicorn Logistics S.A.	10,000.00	-6,853,355.75	209,924.67	-7,063,280.42	3,169,500.40	-135,551.64	-138,808.24	-1,388.08
Unicorn Marine S.A.	10,000.00	15,761,498.95	3,683,455.44	12,078,043.51	6,139,198.98	3,258,056.85	3,175,963.34	31,759.63
Unicorn Pescadores S.A.	10,000.00	-17,202.34	0.00	-17,202.34	0.00	-19,214.25	-19,214.25	-192.14

Company Name	Capital	Assets	Liabilities	Equity	Operation Revenue	Profit on Operating Activities	Profit for the Year (after tax)	EPS (after tax)
Unicorn Successor S.A.	10,000.00	18,092,125.67	6,303,825.50	11,788,300.17	2,787,721.67	-167,684.76	1,089,465.75	10,894.66
Vayi Wisdom S.A.	10,000.00	49,631,175.10	13,929,483.53	35,701,691.57	5,856,218.75	1,724,503.83	1,560,081.51	15,600.82
Winsome Wisdom S.A.	10,000.00	43,729,481.74	13,147,090.58	30,582,391.16	4,065,185.18	1,417,490.08	415,213.99	4,152.14
Wisdom Ace S.A.	10,000.00	291,925.31	0.00	291,925.31	0.00	-460.88	-460.88	-4.61
Wisdom Chartering S.A.	10,000.00	8,034.00	0.00	8,034.00	0.00	-1,966.00	-1,966.00	-19.66
Wisdom Lines Europe B.V.	0.00	23,195.42	32,928.88	-9,733.46	170,828.40	-16,929.60	-13,754.98	-

8.2 Status of private placement of securities in the last fiscal year and up to the date of annual report publication

Not applicable as the Group has not offered any private placement of securities in the last fiscal year and up to the date of annual report publication.

8.3 Holding or disposal of shares in the Company by subsidiaries in the last fiscal year and up to the date of annual report publication

Not applicable as the Group has not had any subsidiary holding or disposing shares in the Company in the last fiscal year and up to the date of annual report publication.

8.4 Other supplemental information

None.

8.5 Material deviation in protection of shareholders' rights

The annual general meeting passed an amendment of the Articles of Incorporation of Wisdom Marine Lines ("the Company") on May 21, 2021. Provided the Companies Law of the Cayman Islands is not violated, the Company has followed the Shareholder Protection Checklist for Foreign Issuer's Country of Registration ("Shareholder Protection Checklist") released by the TWSE on December 25, 2019 and established detailed measures in the Articles of Incorporation to ensure shareholders are able to exercise their rights.

TWSE announced an amendment of the Shareholder Protection Checklist on March 11, 2022. To protect shareholders' rights, the Company has proposed a draft amendment of the Articles of Incorporation based on the amended Shareholder Protection Checklist, and the amendment is scheduled to be passed by the annual general meeting on May 20, 2022.

Regarding the amendment, given the Company has independent directors in lieu of supervisors and the amended Shareholder Protection Checklist released on March 11, 2022 had deleted the roles and responsibilities of supervisors applying mutatis mutandis to independent directors, the Company has deleted the corresponding provisions in the Articles of Incorporation accordingly.

The differences between the Company's Articles of Incorporation and the Shareholder Protection Checklist are described as follows

8.5.1 Resolutions for consolidation or merger

8.5.1.1 Shareholder Protection Checklist

According to the Shareholder Protection Checklist, a consolidation or merger resolution involves important shareholder rights, and should require a majority vote of the shareholders present, who have to represent two thirds or more of the total number of outstanding shares ("special resolution"). Where the shareholders present do not represent a sufficient number of shares as specified above, a resolution may be passed instead by a two-

thirds vote of the shareholders present, who have to represent more than half of the total number of outstanding shares.

8.5.1.2 According to the Companies Law of the Cayman Islands:

Based on the advice of lawyers in the Cayman Islands, Article 232 of the Companies Law of the Cayman Islands provides that "merger" means the merging of two or more constituent companies, one of which is the surviving company and the others the dissolved companies, and the surviving companies will assume all undertaking, property and liabilities of the dissolved companies; and "consolidation" means the combination of two or more constituent companies and all constituent companies are dissolved to form one new company which will assume the undertaking, property and liabilities of such companies in the consolidated company. Meanwhile, according to Section 233(6) of the Companies Law of the Cayman Islands, a plan of "merger" or "consolidation" shall be authorized by each constituent company by way of a 75% vote of the shareholders present ("special resolution of merger"), who have to represent 75% or more of the total number of outstanding shares of each such constituent company. If the shares issued by the surviving company or consolidated company to the shareholders of each constituent company represent the same rights and value as the original shares, the plan of "merger" or "consolidation" may be authorized by each constituent company by way of a "special resolution" of the shareholders of each such constituent company.

8.5.1.3 According to the Articles of Incorporation:

Section 2(a)(xii),(xxvi) of the Company's Articles of Incorporation followed the aforesaid law of the Cayman Islands and provided separate definitions for "consolidation" and "merger". However, Article 4, Subparagraph 3 of the Business Mergers And Acquisitions Act of the Republic of China defines "merger" and "consolidation" as forms of "merger and acquisition". Hence, Section 2(a)(xxv) of the Company's Articles of Incorporation was revised again to define "merger" and "consolidation" as "merger" under the laws of the Cayman Islands and those of the Republic of China and to be consistent with the Business Mergers And Acquisitions Act and related regulations of the Republic of China. Therefore, "merger" covers both "consolidation" and "merger" under the Company's Articles of Incorporation.

However, the laws of the Cayman Islands require a "merger" be authorized by each constituent company by way of a 75% vote of the shareholders present, who have to represent 75% or more of the total number of outstanding shares of each such constituent company or by way of a "special resolution" if certain conditions are met. Therefore, Section 2(a)(xiv) of the Company's Articles of Incorporation remains consistent with the above law of the Cayman Islands on "special resolutions of merger". In addition, Section 30(B) provides that mergers shall require a "special resolution of merger" to proceed as required under the laws of the Cayman Islands.

8.5.1.4 Reasons for deviation:

According to the lawyers in the Cayman Islands, the articles of incorporation of a company incorporated in the Cayman Islands are required to comply with the Companies Law of the Cayman Islands, and the Companies Law of the Cayman Islands shall prevail in case of conflict. According to the Companies Law of the Cayman Islands, resolutions involving a "merger" or "consolidation" should in principle require a "special resolution of merger" to proceed. Any resolution on such matters that is passed without meeting the voting threshold under the Companies Law of the Cayman Islands shall have no effect..

8.5.1.5 Impact on Taiwanese shareholders:

According to the shareholder protection regulations published by TWSE, shareholder attendance and voting percentage for merger resolutions should be set based on the Company Act, the Business Mergers And Acquisitions Act and other applicable regulations of the Republic of China. Based on Article 18, Paragraphs 1, 2 and 4 of the Business Mergers And Acquisitions Act of the Republic of China, passing a merger resolution should require a majority vote of the shareholders present, who have to represent two thirds or more of the total number of outstanding shares. For public companies, where the shareholders present do not represent a

sufficient number of shares as specified in the preceding paragraph, a resolution may be passed instead by a two-thirds vote of the shareholders present, who have to represent more than half of the total number of outstanding shares. For the total number of shares represented by attending shareholders and the voting threshold provided in the three preceding paragraphs, if higher requirements are provided in the Articles of Incorporation, the Articles of Incorporation shall prevail.

Hence, following the Business Mergers And Acquisitions Act of the Republic of China above, if the Articles of Incorporation provide higher requirements on the total number of shares represented by attending shareholders and the voting threshold, the Articles of Incorporation shall prevail in order to better protect shareholders' rights. The Company revised the Articles of Incorporation regarding "special resolution of merger" provisions pursuant to the Companies Law of the Cayman Islands. Given the voting threshold is not lower than the requirements under the Company Act of the Republic of China or on the Shareholder Protection Checklist, the revision should have no negative impact on shareholder rights

8.5.2 Attendance by Proxy

8.5.2.1 Basis for Attendance by Proxy on Shareholder Protection Checklist

The Basis for Attendance by Proxy on Shareholder Protection Checklist is found in Articles 5, 6, 6-1, and 7, Article 8, Paragraph 4, Articles 10, 11, 12, 13, 13-1, and 14, Article 16, Paragraph 1, Article 18, Article 19, Paragraph 1, and Articles 20, 21, 22, and 23 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies ("Regulations Governing the Use of Proxies").

8.5.2.2 According to The Companies Law of the Cayman Islands/Articles of Incorporation:

According to Section 59 of the Articles of Incorporation, shareholders attending annual general meetings by proxy or conducting proxy solicitation shall follow the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies and other applicable laws of the Republic of China.

8.5.2.3 Reasons for deviation:

Given the degree of detail and relative complexity of the rules on proxy use and solicitation provided by the Shareholder Protection Checklist, the Company, in the interest of avoiding frequent changes of the Articles of Incorporation in response to regulatory changes, intends to establish general rules in compliance with the Regulations Governing the Use of Proxies and related laws of the Republic of China.

8.5.2.4 Impact on Taiwanese shareholders:

Given the purpose of the Shareholder Protection Checklist is to require that public companies and their shareholders comply with the proxy use and solicitation provisions under the Company Act of the Republic of China and the Regulations Governing the Use of Proxies, Section 59 of the Company's Articles of Incorporation has been made to require shareholders attending annual general meetings by proxy or conducting proxy solicitation to follow the Regulations Governing the Use of Proxies and other applicable laws of the Republic of China. Furthermore, Section 2(6) of the Taiwan Stock Exchange Letter Taiwan-Stock-Shang-0991701319 dated April 16, 2010 ("TWSE Letter") provides that general provisions may be established with "subject to the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies of the Republic of China". Therefore, the rules for the use of proxies under the Company's Articles of Incorporation are not below the requirements of the law of the Republic of China, and should have no real impact on shareholder rights.

8.6 Corporate events with material impact on shareholders' equity or stock prices set forth in Article 36, Paragraph 3, Subparagraph 2 of Securities and Exchange Act in the past year and up to the date of report should be listed individually:

None.

Wisdom Marine Lines Co., Ltd.

Statement on Internal Control

Date: March 25, 2022

This statement relates to the internal control system of the Company and the results of a self-assessment for the year ending December 31, 2021.

- I. The Company is fully aware that the establishment, implementation and maintenance of its internal control system is the responsibility of the Board of Directors and the management personnel. In this regard the Company has established such a system. The aim of the system is to provide reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations.
- II. There are inherent limitations to even the most well designed internal control system. As such, an effective internal control system can only reasonably ensure the achievement of the three aforementioned objectives. Moreover, the operating environment and situation may change and impact the effectiveness of the internal control system. Nevertheless, self-supervision measures have been built into the Company's internal control system to facilitate immediate rectification once procedural flaws have been identified.
- III. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. Control environment, 2. Risk assessment, 3. Control operation, 4. Information and communication, and 5. Monitoring. Each element further contains several items. For more information on the aforementioned items, please refer to the Regulations.
- IV. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
- V. Based on the findings of the assessment mentioned in the preceding paragraph, the Company believes that at December 31, 2021, its internal control system (including its supervision and management of subsidiaries), encompassing internal controls for knowledge of the degree of achievement of operational effectiveness and efficiency objectives, reliability of reporting, and compliance with applicable laws and regulations, is effectively designed and operating, and reasonably assures the achievement of the aforementioned objectives.
- VI. This Statement will become a major part of the content of the Company's Annual Report and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This Statement has been passed by the Board of Directors Meeting of the Company held on March 25, 2022, where 0 of the 8 attending Directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

Wisdom Marine Lines Co., Limited

Chairman: Lan, Chun-Sheng

President: Cheng, Chun-Sheng

Wisdom Marine Lines Co., Limited

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2021 Business Report, Financial Statements and proposal for distribution of 2021 earnings. Of which, the Financial Statements have been audited by Lu, Chian Uen and Liu, Jung Chin, Ernst & Young, Taiwan.

The 2021 Business Report, Financial Statements and proposal for distribution of 2021 earnings have been audited by us as Audit Committee of the Company. We deem no inappropriateness on these documents. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report. Please review.

To
The 2022 Annual General Meeting

Wisdom Marine Lines Co., Limited
Chairman of the the Audit Committee : Chiu, Yung-Ho
On the date of March 25, 2022

WISDOM MARINE LINES CO., LIMITED (CAYMAN)
AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT AUDITORS
31 DECEMBER 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.

STATEMENT BY DIRECTORS

This statement specifies the responsibility of the Board of Directors in compiling the Consolidated Financial Report of Wisdom Marine Lines Co., Limited (Cayman) (the “Company”) and its subsidiaries (together the “Group”).

In addition to the disclosure of accounting information, a complete consolidated financial report shall include the roles of each segment of the Group and their future development, so that the readers of the Financial Report can fully understand the future development and potential risk of the Group. In respect of the full and complete disclosure of accounting procedures and financial information, the Board has responsibility to review the Group’s strategies, important business plans, and risk management policies, to set operational targets, and to monitor the results of operations, in order to comply with relevant regulations, protect company interests, and avoid potential fraud within the Group. We have provided the relevant financial information for every financial report year, and disclosed the consolidated assets, liabilities, financial structure and operating performance in a truthful, fair and objective manner. Our disclosure is based on the principles of consistency and going concern assumption, and we make fair judgments and estimations regarding accrual items at the end of each year, in order to prevent erroneous information in the consolidated financial report.

The Board of Directors and management reviewed the consolidated financial report of the Company and its subsidiaries for 2021 and 2020 on 25 February 2022. The consolidated financial report have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee, and give a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and 2020 and the consolidated results and changes in equity of the Group for the years then ended, and there is no fraudulent or concealed information.

The Board of Directors has, on the date of this statement, authorized these financial statements for issue..

Wisdom Marine Lines Co., Limited
Director
25 February 2022

Independent Auditors' Report Translated from Chinese

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

Opinion

We have audited the accompanying consolidated balance sheets of Wisdom Marine Lines Co., Limited (Cayman) (the “Company”) and its subsidiaries (together the “Group”) as of 31 December 2021 and 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2021 and 2020, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of 31 December 2021 and 2020, and their consolidated financial performance and cash flows for the years ended 31 December 2021 and 2020, in conformity with the requirements of the International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2021 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Hire revenues amounted to \$666,204,114 for the year ended 31 December 2021, accounting for 97% of operating revenues, which is significant to the consolidated financial statements. Therefore, we have determined the validity of hire revenue as a key audit matter. The audit procedures we conducted regarding the hire revenue recognition included but not limited to the following: understanding the design and implementation of internal controls with regard to hire revenue recognition in order to design relevant internal control audit procedures in response to the validity of hire revenue so as to verify the effectiveness of the design and implementation of the Group's internal controls; selecting samples from the population of hire revenues to perform tests of control and tests of details; examining lease contracts, debit notes, bank statements and remittances to ensure whether recognition of hire revenues are in accordance with contract terms and remitters are consistent with the counterparty of the lease contracts, performing confirmations of lease contracts to verify existence of lessees and validity of contract terms; analyzing variances in hire revenues and fluctuations in gross margin and assessing the reasonable. We also evaluated the disclosure regarding revenue recognition in Notes 4 and 6 of the consolidated financial statements.

Impairment of property, plant and equipment

As at 31 December 2021, the amount of the Group's property, plant and equipment was \$2,504,831,302, which accounted for 84% of total assets. The management assessed if there is any indication that an asset may be impaired on balance sheet date. If there is any indication that an asset may be impaired, the Group should evaluate the recoverable amount of the cash-generating-unit (CGU), to which the asset belongs. The property, plant and equipment of the Group mainly consists of vessel equipment. The subsidiaries of the Company took the one-vessel-one-company strategy to manage vessels, and the main CGU for each subsidiary is their vessels. With the view that the amount of property, plant and equipment being material and the calculation of recoverable amount involving numerous assumptions and estimates, we have determined the impairment of property, plant and equipment as a key audit matter. The audit procedures we conducted regarding the impairment of property, plant and equipment included but not limited to the following: evaluating the appropriateness of the accounting policy for impairment of property, plant and equipment; inspecting the impairment evaluation report provided by the Group and assessing the reasonableness of managements identification of indicators of impairment and the assumptions used, including identification of CGU, estimation of cash flows and discount rate. We also evaluated the disclosure regarding property, plant and equipment in Notes 4, 5 and 6 of the consolidated financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee and Interpretations developed by the Standing Interpretations Committee and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability to continue as a going concern of the Company and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either

intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or

business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2021 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

/s/Lu, Chian Uen

/s/Liu, Jung Chin

Ernst & Young, Taiwan

25 February 2022

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 audit 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
31 December 2020 and 2019
(All Amounts Expressed in US Dollars)

	Notes	31 December 2020	31 December 2019
ASSETS			
Cash and cash equivalents	6.1	\$20,895,280	\$63,589,694
Current financial assets at fair value through other comprehensive income	6.3 & 8	1,685,039	1,004,550
Current contract assets	6.15	-	18,147
Accounts receivable, net	6.4 & 6.16	5,070,695	5,965,627
Accounts receivable due from related parties, net	6.4, 6.16 & 7	412,739	392,537
Other receivables	7	3,092,745	4,384,142
Inventories	6.5	10,517,805	6,278,542
Prepayments	7	5,928,880	7,108,312
Other current financial assets	6.1 & 8	58,438,469	62,736,605
Other current assets	7	18,293,713	19,860,599
Total current assets		124,335,365	171,338,755
Investments accounted for using the equity method	6.6	8,561,823	3,418,510
Property, plant and equipment	6.7 & 8	2,612,894,085	2,507,936,429
Right-of-use assets	6.12 & 7	126,269,568	135,745,985
Investment property, net	6.8 & 8	2,599,070	5,786,221
Deferred tax assets	6.20	136,498	68,251
Guarantee deposits paid		11,902,138	11,265,677
Other non-current assets	6.9	46,098,420	62,961,204
Total non-current assets		2,808,461,602	2,727,182,277
TOTAL ASSETS		\$2,932,796,967	\$2,898,521,032

WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONT'D)
31 DECEMBER 2021 AND 2020
(All Amounts Expressed in US Dollars)

	Note	31 December 2021	31 December 2020
LIABILITIES			
Short-term borrowings	6.9	\$19,434,367	\$73,669,964
Current contract liabilities	6.14	-	30,446
Accounts payable		5,183,797	12,496,823
Accounts payable to related parties	7	42,243	580,114
Other accrued expenses	7	22,615,218	21,445,966
Advance receipts		19,746,063	20,924,645
Other current liabilities		1,306,144	123,867
		<u>68,327,832</u>	<u>129,271,825</u>
Current lease liabilities	6.11 & 7	15,007,603	14,011,443
Long-term borrowings, current portion	6.9	279,088,093	178,613,676
Long-term accounts payable, current portion	6.11	4,001,390	3,163,612
Long-term accounts payable to related parties, current portion	6.11 & 7	1,005,230	1,122,219
		<u>299,102,316</u>	<u>196,910,950</u>
Total current liabilities		<u>367,430,148</u>	<u>326,182,775</u>
Bonds payable	6.10	49,655,475	48,778,634
Long-term borrowings, non-current portion	6.9	1,032,331,456	1,311,576,937
Deferred tax liabilities	6.19	3,738	47,709
Non-current lease liabilities	6.11 & 7	107,210,291	110,245,615
Long-term accounts payable, non-current portion	6.11	31,853,444	37,141,208
Long-term accounts payable to related parties, non-current portion	6.11 & 7	147,683,556	152,743,197
Net defined benefit liability, non-current	6.12	194,408	153,961
Guarantee deposits received	7	390	3,000,384
Total non-current liabilities		<u>1,368,932,758</u>	<u>1,663,687,645</u>
TOTAL LIABILITIES		<u>1,736,362,906</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		801,813,459	525,443,419
Exchange differences on translation of foreign financial statements		222,873,948	158,789,935
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		18,468	46,821
TOTAL EQUITY		<u>1,264,689,936</u>	<u>942,926,547</u>
TOTAL LIABILITIES AND EQUITY		<u>\$3,001,052,842</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
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020
(All Amounts Expressed in US Dollars)

	Notes	2021	2020
Operating revenue	6.14 & 7	\$686,165,180	\$405,138,553
Operating costs	6.16 & 7	383,644,757	348,903,801
Gross profit from operations		302,520,423	56,234,752
Operating expenses			
Administrative expenses	6.16 & 7	6,504,395	5,192,335
Expected credit losses (gains)	6.15	439,124	210,445
Total operating expenses		6,943,519	5,402,780
Net operating income		295,576,904	50,831,972
Non-operating income and expenses			
Interest income	6.17	241,407	650,663
Other income, others	6.17	112,731,475	342,798
Foreign exchange gains (losses)	6.17	6,027,448	(8,307,008)
Gains on financial assets or liabilities at fair value through profit or loss	6.10 & 6.17	-	1,744,862
Miscellaneous expenses	6.17 & 7	(3,496,290)	(2,274,982)
Losses on disposals of property, plant and equipment	6.6 & 6.17	(2,359,918)	-
Losses from lease modification	6.17	-	(8,018)
Impairment loss	6.6 & 6.17	(79,500,000)	-
Interest expense	6.6, 6.10, 6.17 & 7	(32,606,977)	(42,669,511)
Share of (loss) gain of associates and joint ventures accounted for using equity method	6.5	(897,545)	4,007,475
Total non-operating income and expenses		139,600	(46,513,721)
Profit from continuing operations before tax		295,716,504	4,318,251
Income tax expense	6.19	597,455	537,649
Net income		295,119,049	3,780,602
Other comprehensive income (loss):	6.18		
Components of other comprehensive income (loss) that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		(44,139)	(1,691)
Income tax (income) expense relating to items that will not be reclassified		(8,828)	(338)
Components of other comprehensive income (loss) that will be reclassified to profit or loss			
Exchange differences on translation of foreign financial statements		64,084,013	(32,333,364)
Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income		(28,353)	39,902
Other comprehensive income (loss), net of tax		64,020,349	(32,294,815)
Total comprehensive income (loss)		\$359,139,398	\$(28,514,213)
Net income (loss) attributable to:			
Net income (loss) attributable to owners of parent		\$295,119,049	\$3,780,602
Comprehensive income (loss) attributable to:			
Comprehensive income (loss) attributable to owners of parent		\$359,139,398	\$(28,514,213)
Basic earnings per share	6.20	\$0.40	\$0.01
Diluted earnings per share	6.20	\$0.40	\$0.00

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

(All Amounts Expressed in US Dollars)

	Total retained earnings			Other components of equity		
	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
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)	-	-	-	-
Profit for the year ended 31 December 2020	-	-	-	3,780,602	-	-
Other comprehensive income (loss), net of tax, for the year ended 31 December 2020	-	-	-	(1,353)	(32,333,364)	39,902
Total comprehensive income (loss) for the year ended 31 December 2020	-	-	-	3,779,249	(32,333,364)	39,902
Issuance of common stock for cash	13,373,454	15,035,951	-	-	-	-
Conversion of convertible bonds	24,371	41,739	-	-	-	-
Balance, 31 December 2020	\$238,739,686	\$19,899,726	\$6,960	\$525,443,419	\$158,789,935	\$46,821
Balance, 1 January 2021	\$238,739,686	\$19,899,726	\$6,960	\$525,443,419	\$158,789,935	\$46,821
Appropriation and distribution of retained earnings:						
Cash dividends of ordinary share	-	-	-	(18,713,698)	-	-
Other changes in capital surplus:						
Cash dividends distributed from capital surplus	-	(18,662,311)	-	-	-	-
Profit for the year ended 31 December 2021	-	-	-	295,119,049	-	-
Other comprehensive income (loss), net of tax, for the year ended 31 December 2021	-	-	-	(35,311)	64,084,013	(28,353)
Total comprehensive income (loss) for the year ended 31 December 2021	-	-	-	295,083,738	64,084,013	(28,353)
Balance, 31 December 2021	\$238,739,686	\$1,237,415	\$6,960	\$801,813,459	\$222,873,948	\$18,468

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

WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020
(All Amounts Expressed in US Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from continuing operations before tax	\$295,716,504	\$4,318,251
Adjustments to reconcile net income (loss) before tax:		
Depreciation expense	153,376,959	150,746,172
Amortization expense	15,097	14,884
Expected credit losses	439,124	210,445
Net gains on financial assets or liabilities at fair value through profit or loss	-	(1,744,862)
Interest expense	32,606,977	42,669,511
Interest income	(241,407)	(650,663)
Effect of exchange rate changes of bonds payable	723,613	3,632,975
Share of loss (profit) of associates and joint ventures accounted for using the equity method	897,545	(4,007,475)
Losses on disposals of property, plant and equipment	2,359,918	-
Amortization of financial assets at fair value through other comprehensive income	1,245	(2,695)
Amortization of issuance costs of convertible bonds payable	-	5,719
Impairment loss	79,500,000	-
Unrealized foreign exchange (gains) losses	(3,305,675)	1,704,116
Other adjustments	(3,980,688)	2,837,591
Changes in operating assets and liabilities:		
Decrease (increase) in contract assets	-	18,147
Decrease (increase) in accounts receivable	(1,660,160)	684,487
Decrease (increase) in accounts receivable-related parties	37,166	(20,202)
Decrease (increase) in other receivables	(122,666)	1,169,118
Decrease (increase) in inventories	7,442,492	(4,747,370)
Decrease (increase) in prepayments	(647,432)	1,179,432
Decrease (increase) in other current assets	(1,969,193)	1,566,886
Increase (decrease) in contract liabilities	(30,446)	(60,873)
Increase (decrease) in accounts payable	(7,313,026)	4,272,722
Increase (decrease) in accounts payable to related parties	(537,871)	250,614
Increase (decrease) in other accrued expenses	1,391,432	(843,609)
Increase (decrease) in advance receipts	(1,178,582)	3,192,439
Increase (decrease) in other current liabilities	1,182,277	(642,803)
Cash generated from operations	554,703,203	205,752,957
Interest received	199,650	787,858
Interest paid	(32,656,104)	(44,419,740)
Income taxes paid	(530,601)	(576,898)
Net cash generated from operating activities	521,716,148	161,544,177
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(2,135,800)	(578,211)
Proceeds from disposals of financial assets for hedging	(16,455)	-
Acquisition of investments accounted for using the equity method	(2,166,847)	(711,744)
Acquisition of property, plant and equipment	(18,917,551)	(26,059,408)
Proceeds from disposals of property, plant and equipment	65,918,550	-
Decrease (increase) in guarantee deposits paid	382	(34,129)
Acquisition of right-of-use assets	(1,165,988)	(594,120)
Decrease (increase) in other financial assets	9,542,251	4,298,136
Decrease (increase) in other non-current assets (prepayments for vessels)	(165,364,906)	(198,411,250)
Net cash used in investing activities	(114,306,364)	(222,090,726)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	(53,516,484)	14,853,642
Repayments of bonds	-	(22,323,261)
Increase (decrease) in long-term borrowings	(124,248,203)	(5,565,561)
Increase (decrease) in guarantee deposits received	(1,600,000)	2,967,844
Repayments of the principal portion of lease liabilities	(14,354,822)	(13,811,136)
Increase (decrease) in other financial liabilities (long-term accounts payable (including to related parties))	(3,993,082)	48,035,487
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	(237,962,300)	17,998,667
Effect of exchange rate changes on cash and cash equivalents	(691,239)	(146,532)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	168,756,245	(42,694,414)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	20,895,280	63,589,694
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$189,651,525	\$20,895,280

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
31 DECEMBER 2021 AND 2020
(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 25 February 2022.

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.

- (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.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

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.

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.

4. Summary of significant accounting policies

(1) Statement of compliance

The consolidated financial statements of the Group for the years ended 31 December 2021 and 2020 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board.

(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

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (b) exposure, or rights, to variable returns from its involvement with the investee, and
- (c) the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee
- (b) rights arising from other contractual arrangements
- (c) the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it:

- (a) derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- (b) derecognizes the carrying amount of any non-controlling interest;
- (c) recognizes the fair value of the consideration received;
- (d) recognizes the fair value of any investment retained;
- (e) recognizes any surplus or deficit in profit or loss; and
- (f) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss.

B. The consolidated entities are listed as follows:

Investor	Investee Company Name	2021.12.31 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	Huian Ship Management Co., Ltd.	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%
WML	Bunun Treasure S.A.	100%	-

Investor	Investee Company Name	2021.12.31 Ownership Percentage	2020.12.31 Ownership Percentage
WML	Bunun Unicorn S.A.	100%	-
WML	Bunun Victory 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 Ace S.A.	100%	-
WML	Katagalan Brave S.A.	100%	-
WML	Katagalan Carriers S.A.	100%	100%
WML	Katagalan Champion S.A.	100%	-
WML	Katagalan Line S.A.	100%	100%

Investor	Investee Company Name	2021.12.31 Ownership Percentage	2020.12.31 Ownership Percentage
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%
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%

Investor	Investee Company Name	2021.12.31 Ownership Percentage	2020.12.31 Ownership Percentage
WML	Sakizaya Victory S.A.	100%	100%
WML	Sakizaya Wisdom S.A.	100%	100%
WML	Sakizaya Youth S.A.	100%	-
WML	Sao Wisdom S.A.	100%	100%
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%
WML	Wisdom Chartering S.A.	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.

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.

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.

(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.

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 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.

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 represent 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.
- (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.

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.

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.

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.

(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.

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*”.

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.

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	3-25 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.

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 properties 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.

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.

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.

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.

(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 contacts 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.

(20) Post-employment benefits

A. Defined contribution plans

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.

B. Defined benefit plans

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur.

Past service costs are recognized in profit or loss on the earlier of:

- (a) the date of the plan amendment or curtailment, and
- (b) the date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

The Group will remeasure the net defined benefit liability (asset) and determine current service costs and net interest for the remaining reporting period by renewed actuarial assumptions since the post-employment benefit plan of the defined benefit plan be amended, curtailed or settled.

C. Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(21) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5. Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. Please find the details as below:

(1) Judgement

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

A. Investment properties

Certain properties of the Group comprise a portion that is held to earn rentals or for capital appreciation and another portion that is owner-occupied. If these portions could be sold separately, the Group accounts for the portions separately as investment properties and property, plant and equipment. If the portions could not be sold separately, the property is classified as investment property in its entirety only if the portion that is owner-occupied is under 1% of the total property.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

B. Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on 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 less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

C. Useful lives and depreciation of vessels

Management determines the estimated useful lives and related depreciation charges for its vessels. This estimate is based on the historical experience of the actual useful lives of vessels of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry activities. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write down technically obsolete or non-strategic assets that have been abandoned or sold. Management assesses the scrap value according to the characteristics of the Group's vessels and the market research from Clarkson and Demolition Market.

The Group determines the depreciation amount of vessels based on the estimated useful lives and residual values, which are reviewed at each reporting date. The principal assumptions for the Group's estimation of the useful lives and residual values include those related to the mode of operations, government regulations, and scrap value of vessels in future.

D. Provision for losses from accidents

Provision for losses from accidents is made based on an assessment of the outcome of negotiations, arbitration or litigation, and the recoverability of losses from insurance companies, which requires management's judgment and estimates. Where the actual outcome or expectation in the future differs from the original estimate, such differences will have an impact on the carrying amount of the provisions and losses incurred in accidents/write-back in the period in which such estimate is changed.

E. Fair value of investment property

Where the fair value of investment property disclosed in Note 6 and Note 12 cannot be obtained from the active market, it is determined using valuation techniques including the sales comparison approach and the income approach. Changes in assumptions adopted in the valuation methods could affect the disclosed fair value of investment property and the result of impairment testing. Please refer to Note 6 and Note 12 for more details.

6. Contents of significant accounts

(1) Cash and cash equivalents

	31 December 2021	31 December 2020
Cash on hand	\$5,430	\$5,424
Checking deposits	-	18
Demand deposits	126,496,095	19,039,838
Time deposits	63,150,000	1,850,000
Total	<u>\$189,651,525</u>	<u>\$20,895,280</u>

As at 31 December 2021 and 2020, cash and cash equivalents with carrying amounts of \$48,896,218 and \$58,438,469 respectively, were pledged to secure bank loans and were classified under other financial assets.

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

	31 December 2021	31 December 2020
Investments in debt instruments measured at fair value through other comprehensive income		
Bonds		
-Current	\$3,753,850	\$1,685,039

A. For the amount of aforementioned financial assets pledged for bank loans as at 31 December 2021 and 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

	31 December 2021	31 December 2020
Accounts receivable	\$6,134,955	\$5,435,677
Less: loss allowance	(255,963)	(364,982)
Subtotal	5,878,992	5,070,695
Accounts receivable due from related parties	375,573	412,739
Less: loss allowance	-	-
Subtotal	375,573	412,739
Accounts receivable, net	\$6,254,565	\$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 31 December 2021 and 2020 are \$6,510,528 and \$5,848,416, respectively. Please refer to Note 6.(15) for more details on loss allowance of trade receivables for the years ended 31 December 2021 and 2020. Please refer to Note 12 for more details on credit risk management.

(4) Inventories

	31 December 2021	31 December 2020
Fuel	\$3,557,729	\$10,517,805

A. The cost of inventories recognized in expenses amounts to \$3,202,883 for the year ended 31 December 2021, including the reversal of write-down of inventories of \$482,416.

B. The cost of inventories recognized in expenses amounts to \$13,482,906 for the year ended 31 December 2020, including the write-down of inventories of \$508,107.

C. Because of the rising prices of the crude oil, the Group had recognized the reversal of write-down of inventories in the amount of \$482,416 for the years ended December 31,

2021.

D. As at 31 December 2021 and 2020, the aforementioned inventories were not pledged as collateral.

(5) Investments accounted for using the equity method

Investees	31 December 2021		31 December 2020	
	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in associates:				
Pescadores Investment and Development Inc.	<u>\$9,949,892</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 31 December 2021, the Group had contributed capital amounting to NT\$572 million and recognized investment losses amounting to NT\$296 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.

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

	31 December 2021	31 December 2020
Current assets	\$1,536,665	\$457,154
Non-current assets	166,936,748	164,501,017
Current liabilities	(12,551)	(30,482)

	31 December 2021	31 December 2020
Non-current liabilities	(143,586,132)	(143,523,132)
Equity	24,874,730	21,404,557
Percentage of ownership (%)	40%	40%
Group's carrying amount of the investment	\$9,949,892	\$8,561,823

	For the Years Ended 31 December	
	2021	2020
Operating revenue	\$-	\$-
Profit (loss) from continuing operations	(2,243,862)	10,018,688
Other comprehensive income (loss) for the year	-	-
Total comprehensive income (loss) for the year	\$(2,243,862)	\$10,018,688

- (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 31 December 2021 and 2020.

(6) Property, plant and equipment

	31 December 2021	31 December 2020
Owner occupied property, plant and equipment	\$14,250,633	\$14,140,468
Property, plant and equipment leased out under operating leases	2,490,580,669	2,598,753,617
Total	\$2,504,831,302	\$2,612,894,085

A. Owner occupied property, plant and equipment

	Beginning				Foreign exchange	Ending
31 December 2021	balance	Additions	Disposals	Re-classification	differences	balance
Cost						
Land	\$12,427,758	\$-	\$-	\$-	\$184,016	\$12,611,774
Buildings	1,704,103	-	-	-	25,232	1,729,335
Transportation equipment	100,712	-	-	-	1,491	102,203
Office equipment	354,886	-	-	-	5,255	360,141
Total	14,587,459	-	-	-	215,994	14,803,453
Accumulated depreciation						
Buildings	91,613	74,000	-	-	2,017	167,630
Transportation equipment	79,379	4,951	-	-	1,221	85,551
Office equipment	275,999	19,381	-	-	4,259	299,639
Total	446,991	98,332	-	-	7,497	552,820
Net Balance	\$14,140,468	\$(98,332)	\$-	\$-	\$208,497	\$14,250,633

31 December 2020	Beginning balance	Additions	Disposals	Re-classification	Foreign exchange 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

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

31 December 2021	Beginning balance	Additions	Impairment	Disposals	Re-classification	Foreign exchange differences	Ending balance
Cost							
Vessel	\$3,530,390,668	\$2,908,673	\$-	\$143,486,062	\$160,377,580	\$42,239	\$3,550,233,098
Vessel equipment	10,993,246	2,184,712	-	355,602	(2,275,769)	212	10,546,799
Dry-dock	30,556,393	13,824,166	-	2,694,993	(9,241,162)	10,278	32,454,682
Total	3,571,940,307	18,917,551	-	146,536,657	148,860,649	52,729	3,593,234,579
Accumulated depreciation and impairment							
Vessel	953,867,184	127,005,997	79,500,000	78,955,402	-	30,751	1,081,448,530
Vessel equipment	6,036,040	2,248,127	-	186,395	(2,275,769)	212	5,822,215
Dry-dock	13,283,466	13,526,372	-	1,244,751	(10,191,162)	9,240	15,383,165
Total	973,186,690	142,780,496	79,500,000	80,386,548	(12,466,931)	40,203	1,102,653,910
Net Balance	\$2,598,753,617	\$(123,862,945)	\$(79,500,000)	\$66,150,109	\$161,327,580	\$12,526	\$2,490,580,669

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

31 December 2020	Beginning balance	Additions	Disposals	Re-classification	Foreign exchange differences	Ending balance
Total	846,622,300	140,568,264	-	(14,164,167)	160,293	973,186,690
Net Balance	<u>\$2,498,194,846</u>	<u>\$(114,766,000)</u>	<u>\$-</u>	<u>\$215,261,750</u>	<u>\$63,021</u>	<u>\$2,598,753,617</u>

- C. As at 31 December 2021 and 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 31 December 2021 and 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 31 December 2021 and 2020, please refer to Note 8 for further details.
- F. As at 31 December 2021, the Group has entered into certain ship building contracts, please refer to Note 9.(1) for further details.
- G. For the years ended 31 December 2021 and 2020, the amounts of total interest expense before capitalization of borrowing costs were \$32,658,261 and \$42,797,752; the capitalized interest were \$51,284 and \$128,241, respectively, with capitalization of rate of borrowing costs at 1.36~2.05% and 1.61~3.98%, respectively.
- H. For the years ended 31 December 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, respectively.
- I. For the year ended 31 December 2021, the \$79,500,000 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.

31 December 2021	Beginning balance	Additions	Disposals	Re-classification	Foreign exchange differences	Ending balance
Cost						
Land	\$2,333,803	\$-	\$-	\$-	\$34,556	\$2,368,359
Buildings	280,586	-	-	-	4,155	284,741
Total	<u>2,614,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,711</u>	<u>2,653,100</u>

	Beginning				Foreign exchange	
31 December 2021	balance	Additions	Disposals	Re-classification	differences	Ending balance
Accumulated depreciation						
Buildings	15,319	9,732	-	-	314	25,365
Total	15,319	9,732	-	-	314	25,365
Net Balance	\$2,599,070	\$(9,732)	\$-	\$-	\$38,397	\$2,627,735

	Beginning				Foreign exchange	
31 December 2020	balance	Additions	Disposals	Re-classification	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

	For the Years Ended 31 December	
	2021	2020
Rental income from investment property	\$117,574	\$50,127
Less:		
Direct operating expenses from investment property generating rental income	(32,958)	(29,269)
Direct operating expenses from investment property not generating rental income	-	(32,218)
Total	\$84,616	\$(11,360)

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 31 December 2021 and 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 \$2,886,313 and \$2,770,894 as at 31 December 2021 and 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

	31 December 2021	31 December 2020
Prepayment for vessels	\$50,061,540	\$46,061,000
Deferred expenses	76,458	37,420
Total	<u>\$50,137,998</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).

(9) Borrowings

	31 December 2021	31 December 2020
Bank loans		
— Short-term borrowings	<u>\$19,434,367</u>	<u>\$73,669,964</u>
— Long-term borrowings (including current portion)	<u>\$1,311,419,549</u>	<u>\$1,490,190,613</u>

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

Loans	Currency	Nominal interest rates	Maturity date	Amount
31 December 2021				
Unsecured	USD	1.21%~1.82%	2019.10.01~2023.07.08	\$22,135,833
	JPY	0.88%~1.33%	2021.09.01~2023.08.31	11,076,362
Secured	USD	1.03%~2.82%	2010.02.22~2030.06.23	812,412,305
	JPY	0.88%~2.14%	2007.12.18~2030.04.02	472,887,776
	TWD	1.32%~2.00%	2016.03.28~2024.05.31	12,341,640
Total				<u>\$1,330,853,916</u>
Loans	Currency	Nominal interest rates	Maturity date	Amount
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				<u>\$1,563,860,577</u>

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

Maturity period	31 December 2021	31 December 2020
Within one year	\$279,088,093	\$178,613,676
Beyond one year and up to five years	778,214,151	1,021,902,250
More than five years	<u>254,117,305</u>	<u>289,674,687</u>

Total	<u>\$1,311,419,549</u>	<u>\$1,490,190,613</u>
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- (a) As at 31 December 2021 and 2020, WML had provided financing guarantees for its subsidiaries of \$1,059,359 thousand and \$1,106,409 thousand, respectively.
- (b) As at 31 December 2021 and 2020, the Group had unused credit facilities of \$101,034 thousand and \$82,990 thousand, respectively.
- (c) The Group's covenants under the loan agreements are as follows:
- Loan lenders shall be notified of any significant movement of the Group's shareholder's equity.
 - In certain circumstances, the Group retains the option to select the currency to be used for loan or debt settlement.
 - Some equity shares of the Company's subsidiaries were pledged to secure bank loans.
- (d) As at 31 December 2021 and 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

	<u>31 December 2021</u>	<u>31 December 2020</u>
Secured bonds	\$49,655,475	\$48,778,634
Less: current portion	-	-
Net	<u>\$49,655,475</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:

	<u>31 December 2021</u>	<u>31 December 2020</u>
First R.O.C. secured bonds issued in 2019		
Bonds issued	\$44,814,755	\$44,814,755
Accumulated converted amount	(303,465)	(456,693)
Valuation on bonds payable	<u>5,144,185</u>	<u>4,420,572</u>
Net	49,655,475	48,778,634
Less: current portion of bonds payable	-	-
Total	<u>\$49,665,475</u>	<u>\$48,778,634</u>
Interest expense	<u>\$570,216</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%.

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

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.

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 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.

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.

(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.

	For the Years Ended 31 December	
	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	\$666,323,324	\$379,066,604

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 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Not later than one year	\$678,969,615	\$262,678,478
Later than one year but not later than two years	363,700,399	119,200,601
Later than two years but not later than three years	293,667,807	78,490,688
Later than three years but not later than four years	289,887,575	61,855,338
Later than four years but not later than five years	278,181,811	55,724,695
Later than five years	-	86,883,187
Total	\$1,904,407,207	\$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.

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

	31 December 2021	31 December 2020
Vessels	\$139,860,214	\$126,265,257

Buildings	704,490	4,311
Total	<u>\$140,564,704</u>	<u>\$126,269,568</u>

During the years ended 31 December 2021 and 2020, the additions to right-of-use assets of the Group amounting to \$24,771,205 and \$610,590, respectively.

ii. Lease liabilities

	31 December 2021	31 December 2020
Lease liabilities		
Current	\$15,007,603	\$14,011,443
Non-current	<u>107,210,291</u>	<u>110,245,615</u>
Total	<u>\$122,217,894</u>	<u>\$124,257,058</u>

(i) Please refer to Note 6.(17).D for the interest on lease liabilities recognized during the years ended 31 December 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

	For the Years Ended 31 December	
	2021	2020
Vessels	\$10,134,931	\$9,664,100
Buildings	<u>353,468</u>	<u>421,490</u>
Total	<u>\$10,488,399</u>	<u>\$10,085,590</u>

(c) Income and costs relating to leasing activities

	For the Years Ended 31 December	
	2021	2020
The expense relating to short-term leases	\$405,419	\$1,057,441
The expense relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	7,517	5,870

The expense relating to variable lease payments not included in the measurement of lease liabilities	-	175,262
Income from subleasing right-of-use assets	41,390,049	26,198,960
Losses arising from sale and leaseback transactions	99,036	87,857

During the year ended 31 December 2020, the rent concessions arising as a direct consequence of the Covid-19 pandemic amounting to \$22,955, 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 years ended 31 December 2021 and 2020, the Group's total cash outflows for leases amounting to \$16,840,344 and \$17,207,823, respectively.

(e) Sale and leaseback transaction

- i. As at 31 December 2021 and 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:

31 December 2021	Vessel	Lease term	Rent	Contract price	Interest rates
	(i)	7 years from 2018.09	¥28,928,000/quarter	¥810,000,000	1.5%
	(ii)	7 years from 2021.11	¥45,900,000/quarter	¥1,485,000,000	TIBOR+1.35%
31 December 2020	Vessel	Lease term	Rent	Contract price	Interest rates
	(i)	7 years from 2018.09	¥28,928,000/quarter	¥810,000,000	1.5%

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

	31 December 2021	31 December 2020
Within one year	\$2,600,226	\$1,122,219
Beyond one year and up to five years	9,144,505	4,208,476
More than five years	4,925,723	-
Total	\$16,670,454	\$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.

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 31 December 2021 and 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.
- (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:

	31 December 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:

Item	Unit: NTD	
	For the Years Ended 31 December	
	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.

(14) Operating revenue

	For the Years Ended 31 December	
	2021	2020
Revenue from contracts with customers		
Freight revenue	\$5,971,127	\$12,859,334
Vessel management revenue	1,164,315	3,871,724
Subtotal	7,135,442	16,731,058
Hire revenue (Note)		
Hire revenue-long term	494,253,898	309,301,874

Hire revenue-short term	171,950,216	69,713,051
Subtotal	666,204,114	379,014,925
Other operating revenue	12,825,624	9,392,570
Total	<u>\$686,165,180</u>	<u>\$405,138,553</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 years ended 31 December 2021 and 2020 are as follows:

A. Disaggregation of revenue

	For the Years Ended 31 December	
	2021	2020
Rendering of services	<u>\$7,135,442</u>	<u>\$16,731,058</u>
Timing of revenue recognition:		
Over time	<u>\$7,135,442</u>	<u>\$16,731,058</u>

B. Contract balances

(a) Current contract assets

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

The significant changes in the Group's balances of contract assets during the years ended 31 December 2021 and 2020 are as follows:

	For the Years Ended 31 December	
	2021	2020
The opening balance transferred to trade receivables	\$-	\$(18,147)
Change in the measure of progress	\$-	\$-

(b) Current contract liabilities

31 December 2021	31 December 2020	1 January 2020
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Rendering of services	\$-	\$30,446	\$91,319
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The significant changes in the Group's balances of contract liabilities during the years ended 31 December 2021 and 2020 are as follows:

	For the Years Ended 31 December	
	2021	2020
The opening balance transferred to revenue	\$(30,446)	\$(91,319)
Change in the measure of progress	\$-	\$30,446

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)

	For the Years Ended 31 December	
	2021	2020
Operating expenses – expected credit losses/(gains)		
Accounts receivable	\$439,124	\$210,445

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 31 December 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:

31 December 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	\$4,746,958	\$58,828	\$390,836	\$711,457	\$602,449	\$-	\$6,510,528

Loss ratio	0.43%	9.67%	10.60%	13.13%	15.75%	100%	
Lifetime expected credit							
losses	20,546	5,689	41,428	93,414	94,886	-	255,963
Net carrying amount	\$4,726,412	\$53,139	\$349,408	\$618,043	\$507,563	\$-	\$6,254,565

31 December 2020	Past due						
	Not yet due	Under 6 months	7~12 months	13~18 months	19~24 months	Over 24 months	Total
Gross carrying amount	\$3,559,939	\$846,711	\$544,930	\$109,561	\$787,275	\$-	\$5,848,416
Loss ratio	0.57%	11.36%	12.99%	16.26%	20.33%	100%	
Lifetime expected credit losses	20,142	96,186	70,786	17,815	160,053	-	364,982
Net carrying amount	\$3,539,797	\$750,525	\$474,144	\$91,746	\$627,222	\$-	\$5,483,434

The movement in the provision for impairment of accounts receivable during the years ended 31 December 2021 and 2020 is as follows:

	For the Years Ended 31 December	
	2021	2020
Beginning balance	\$364,982	\$154,537
Addition for the current period	439,124	210,445
Write off for past due over 25 months	(548,143)	-
Ending balance	\$255,963	\$364,982

(16) Operating costs

	For the Years Ended 31 December	
	2021	2020
Depreciation	\$153,149,480	\$150,456,662
Cost of materials	45,367,977	53,331,268
Expenses for chartering services	40,723,383	27,783,163
Wages and personnel expenses	133,518,772	107,241,968
Other operating costs	10,885,145	10,090,740
Total	\$383,644,757	\$348,903,801

A. Cost of materials

	For the Years Ended 31 December	
	2021	2020

Fuel	\$3,202,883	\$13,482,906
Lubricants	9,487,311	9,823,787
Materials	9,318,841	8,803,295
Spare parts	12,700,980	12,070,972
Inspection fees	6,917,319	5,772,760
Repairs and maintenance	2,508,946	2,133,450
Paints	1,231,697	1,244,098
Total	\$45,367,977	\$53,331,268

B. Expenses for chartering services

	For the Years Ended 31 December	
	2021	2020
Commissions	\$31,893,935	\$16,711,333
Port charges	1,668,804	3,162,083
Agency costs	523,666	737,846
Chartering expenses	370,139	1,018,578
Dispatch expenses	123,005	224,795
Postage expenses	2,922,366	2,779,949
Others	3,221,468	3,148,579
Total	\$40,723,383	\$27,783,163

C. Wages and personnel expenses

	For the Years Ended 31 December	
	2021	2020
Crew wages	\$96,380,115	\$79,686,440
Insurance expenses	9,170,988	9,188,964
Food and meals	6,686,780	6,609,150
Crew travel fees	17,235,898	7,870,725
Bonus	3,860,416	3,718,734
Pension	184,575	167,955
Total	\$133,518,772	\$107,241,968

D. Other operating costs

	For the Years Ended 31 December	
	2021	2020
Hull and machinery insurance	\$8,248,191	\$7,775,306

Compensation for damage	1,729,546	943,927
Lease payments	3,252	102,764
Others	904,156	1,268,743
Total	<u>\$10,885,145</u>	<u>\$10,090,740</u>

E. Summary statement of employee benefits, depreciation and amortization expenses by function for the years ended 31 December 2021 and 2020:

	For the years ended 31 December					
	2021			2020		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	\$100,240,531	\$3,579,977	\$103,820,508	\$83,405,174	\$1,909,174	\$85,314,348
Insurance expenses	9,170,988	170,812	9,341,800	9,188,964	142,425	9,331,389
Pension	184,575	68,223	252,798	167,955	59,869	227,824
Other employee benefits expense	6,687,905	62,473	6,750,378	6,611,154	67,791	6,678,945
Depreciation	153,149,480	227,479	153,376,959	150,456,662	289,510	150,746,172
Amortization	-	15,097	15,097	-	14,884	14,884

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	<u>\$164,087</u>	<u>\$164,321</u>	<u>\$(234)</u>
	2019		
	The actual appropriation according to the	The amount recognized in the financial report	Difference

	shareholders meeting		
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 \$1,016,339 and \$164,321 for the years ended 31 December 2021 and 2020, respectively. These amounts were calculated based on the Company's net profit during the years ended 31 December 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 for the years ended 31 December 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.

(17) Non-operating income and expenses

A. Interest income

	For the Years Ended 31 December	
	2021	2020
Interest income		
Bank deposits	\$166,406	\$603,216
Financial assets at fair value through other comprehensive income	75,001	47,447
Total	\$241,407	\$650,663

B. Other income

	For the Years Ended 31 December	
	2021	2020
Other income, others	\$112,731,475	\$342,798

The Group and the lessee had both agreed to early terminate the lease agreement during the year ended 31 December 2021. The Group received a compensation for \$108,747,430, which was fully collected and recognized under other income, others.

C. Other gains and losses

	For the Years Ended 31 December	
	2021	2020
Foreign exchange gains (losses)	\$6,027,448	\$(8,307,008)
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	-	(8,018)
Impairment loss	(79,500,000)	-
Subtotal	(75,832,470)	(6,570,164)
Miscellaneous expenses	(3,496,290)	(2,274,982)
Total	\$(79,328,760)	\$(8,845,146)

Note: Arising from held for trading financial liabilities

D. Interest expense

	For the Years Ended 31 December	
	2021	2020
Interest on borrowings from bank	\$26,045,004	\$35,839,015
Interest on bonds payable	570,216	942,829
Interest on lease liabilities	2,072,586	2,158,114
Interest on long-term accounts payable (including from related parties)	3,882,602	3,719,627
Interest on guarantee deposits received	36,569	9,926
Total interest expense	\$32,606,977	\$42,669,511

(18) Components of other comprehensive income (loss)

For the year ended 31 December 2021

	Arising during the period	The original cost that was removed to hedged item	Other comprehensive income (loss)	Income tax income (expenses)	Other comprehensive income, net of tax
Components of other comprehensive income that will not be reclassified to profit or loss:					
Remeasurement of defined benefit plans	\$(44,139)	\$-	\$(44,139)	\$8,828	\$(35,311)

Components of other comprehensive income that will be reclassified to profit or loss:					
Exchange differences on translation of foreign financial statements	64,084,013	-	64,084,013	-	64,084,013
Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	(28,353)	-	(28,353)	-	(28,353)
Total of other comprehensive income (loss)	<u>\$64,011,521</u>	<u>\$-</u>	<u>\$64,011,521</u>	<u>\$8,828</u>	<u>\$64,020,349</u>

For the year ended 31 December 2020

	Arising during the period	The original cost that was removed to hedged item	Other comprehensive income (loss)	Income tax income (expenses)	Other comprehensive income, net of tax
Components of other comprehensive income that will not be reclassified to profit or loss:					
Remeasurements of defined benefit plans	\$(1,691)	\$-	\$(1,691)	\$338	\$(1,353)
Components of other comprehensive income that will be reclassified to profit or loss:					
Exchange differences on translation of foreign financial statements	(32,333,364)	-	(32,333,364)	-	(32,333,364)
Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	39,902	-	39,902	-	39,902
Total of other comprehensive income (loss)	<u>\$(32,295,153)</u>	<u>\$-</u>	<u>\$(32,295,153)</u>	<u>\$338</u>	<u>\$(32,294,815)</u>

(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 years ended 31 December 2021 and 2020, the components of income tax expenses (income) of WML, WELL and WII were as follows:

Income tax expense (income) recognized in profit or loss

	For the years ended 31 December	
	2021	2020
Current income tax expense:		
Current income tax charge	\$594,362	\$562,107
Adjustments in respect of current income tax of prior periods	-	569
Deferred tax expense (income):		

Deferred tax expense (income) relating to origination and reversal of temporary differences	(5,797)	(16,600)
Deferred tax expense (income) arising from write-down or reversal of write-down of deferred tax asset	8,890	(8,427)
Total income tax expense	<u>\$597,455</u>	<u>\$537,649</u>

Income tax relating to components of other comprehensive income

	For the years ended 31 December	
	2021	2020
Deferred tax expense (income):		
Remeasurements of the defined benefit plans	<u>\$(8,828)</u>	<u>\$(338)</u>
Income tax relating to components of other comprehensive income	<u>\$(8,828)</u>	<u>\$(338)</u>

Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended 31 December	
	2021	2020
Tax at the domestic rates applicable to profits in the country concerned	\$245,472	\$1,081,402
Tax effect of revenues exempt from taxation and expenses not deductible for tax purposes	263,829	(596,131)
Tax effect of deferred tax assets/liabilities	88,154	51,809
Adjustments of other income tax	-	569
Total income tax expense recognized in profit or loss	<u>\$597,455</u>	<u>\$537,649</u>

Deferred tax assets (liabilities) relate to the following:

(a) Unrecognized deferred tax assets

Unrecognized deferred tax assets of the Group are as follows:

	31 December 2021	31 December 2020
Deductible temporary difference		

Tax loss	\$1,783,544	\$1,033,253
Impairment loss	827,323	923,492
Total	<u>\$2,610,867</u>	<u>\$1,956,745</u>

The ROC Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes and Impairment loss.

The Group's estimated unused tax effects of the loss carry-forwards as at 31 December 2021:

Year	Unused Amount	Expiration Year
2014 assessed amount	\$76,629	2024
2017 assessed amount	57,093	2027
2019 assessed amount	528,988	2029
2020 filed amount	566,293	2030
2021 filed amount	554,541	2031
	<u>\$1,783,544</u>	

(b) Recognized deferred tax assets

For the years ended 31 December 2021 and 2020, changes in deferred tax assets and liabilities are as follows:

	Defined benefit plans	Other	Total
Deferred tax assets (liabilities):			
Balance, 1 January 2021	\$30,792	\$57,997	\$88,789
Debit (credit) in income statement	(1,262)	(1,831)	(3,093)
Relating to components of other			
comprehensive income	8,828	-	8,828
Exchange rate effects	524	841	1,365
Balance, 31 December 2021	<u>\$38,882</u>	<u>\$57,007</u>	<u>\$95,889</u>
Balance, 1 January 2020	\$29,642	\$28,646	\$58,288
Debit (credit) in income statement	(1,133)	26,160	25,027
Relating to components of other			
comprehensive income	338	-	338
Exchange rate effects	1,945	3,191	5,136
Balance, 31 December 2020	<u>\$30,792</u>	<u>\$57,997</u>	<u>\$88,789</u>

Reflected in balance sheet as follows:

	31 December 2021	31 December 2020
Deferred tax assets	\$99,627	\$136,498
Deferred tax liabilities	\$3,738	\$47,709

C. The assessment of income tax returns

As at 31 December 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 Ship management and Maritime Consultant Co., Ltd. (WELL)	Assessed and approved up to 2019

(20) Earnings 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.

	For the years ended 31 December	
	2021	2020
Basic earnings per share		
Profit attributable to ordinary shareholders	\$295,119,049	\$3,780,602
Weighted average number of ordinary shares	746,409,199	729,329,679
	\$0.40	\$0.01
Diluted earnings per share		
Profit attributable to ordinary shareholders (diluted)	\$295,119,049	\$3,780,602

	For the years ended 31 December	
	2021	2020
Interest expenses on convertible bonds, net of tax	-	344,323
Foreign exchange losses on convertible bonds	-	576,676
Gains on valuation of conversion rights of convertible bonds, net of tax	-	(1,744,862)
Profit attributable to ordinary shareholders (diluted)	\$295,119,049	\$2,956,739
Weighted average number of ordinary shares (diluted)	746,409,199	729,329,679
Effect of conversion of convertible notes	-	19,043
Weight average number of ordinary shares (diluted)	746,409,199	729,348,722
	\$0.40	\$0.00

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

Note 1: 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.

Note 2: M.H. Success Line S.A. has become our related party since current period.

(2) Significant transactions with related parties

A. Hire revenue

For the years ended 31 December 2021 and 2020, the Group entered into time chartering with other related parties as follows:

Related party	For the years ended 31 December	
	2021	2020
Other related parties	\$2,328,115	\$2,407,327

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

B. Chartering expenses

For the years ended 31 December 2021 and 2020, the Group entered into time chartering with other related parties as follows:

Related party	For the years ended 31 December	
	2021	2020
Other related parties	\$370,139	\$1,018,578

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

C. Services received / rendered

For the years ended 31 December 2021 and 2020, the Group received service from (or rendered service to) related parties as follows:

Related party	Item	Amount
For the year ended 31 December 2021		
Other related parties	Vessel management service income	\$(769,067)
"	Other income	(12,638)
"	Commissions	5,731,713
"	Other expenses (business travel expenses, agency fees, inspection fees, management consulting fees and etc.)	1,198,319
"	Operating expenses (business travel expenses and entertainment expenses)	5,216
"	Miscellaneous expenses	662,850

"	Ballast water management systems costs	1,287,000
Associates	Management revenue	(1,074)
Related party	Item	Amount
For the year ended 31 December 2020		
Other related parties	Vessel management service income	\$(2,466,706)
"	Other income	(71,904)
"	Commissions	3,135,636
"	Other expenses (business travel expenses, agency fees, inspection fees, management consulting fees and etc.)	727,641
"	Operating expenses (business travel expenses and entertainment expenses)	49,771
"	Ballast water management systems costs	3,095,000
Associates	Management revenue	(1,018)

D. Receivables and payables

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

Accounts receivable	31 December 2021	31 December 2020
Name of related party		
Asiaeuro Investment S.A.	\$375,573	\$412,739
Other receivables	31 December 2021	31 December 2020
Name of related party		
Other related parties	\$3,538	\$14,628
Prepayments	31 December 2021	31 December 2020
Name of related party		
Other related parties	\$56,951	\$34,153
Other current assets, other	31 December 2021	31 December 2020
Name of related party		
Other related parties	\$630,059	\$625,275
Accounts payable	31 December 2021	31 December 2020

Name of related party		
Genius Star Management Consulting Co., Ltd.	\$40,900	\$575,047
Other related parties	1,343	5,067
Total	<u>\$42,243</u>	<u>\$580,114</u>

Other accrued expenses	31 December 2021	31 December 2020
Name of related party		
Benefit Transport S.A.	\$2,566,761	\$1,417,903
Other related parties	842,714	297,601
Total	<u>\$3,409,475</u>	<u>\$1,715,504</u>

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):

31 December 2021		
Name of related party	Max balance	Ending balance
Benefit Transport S.A.	\$104,183,721	\$100,568,035
Samurai Investment S.A.	44,351,000	44,351,000
Other related parties	8,000,000	-
Total	<u>\$156,534,721</u>	<u>\$144,919,035</u>

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	For the years Ended 31 December	
Name of related party	2021	2020
Benefit Transport S.A.	\$2,139,405	\$2,114,242
Samurai Investment S.A.	944,776	1,166,323
Other related parties	74,338	-
Total	<u>\$3,158,519</u>	<u>\$3,280,565</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 years ended 31 December 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	31 December 2021	31 December 2020
Name of related party		
Key management	\$359,075	\$-
Other related parties	345,415	-
Total	<u>\$704,490</u>	<u>\$-</u>

Lease liabilities	31 December 2021	31 December 2020
Name of related party		
Key management	\$362,820	\$-
Other related parties	349,018	-
Total	<u>\$711,838</u>	<u>\$-</u>

Interest expense	For the years Ended 31 December	
Name of related party	2021	2020
Key management	\$9,517	\$2,192
Other related parties	9,156	2,083
Total	<u>\$18,673</u>	<u>\$4,275</u>

Rent expense	For the years Ended 31 December	
Name of related party	2021	2020
Other related parties	\$1,105	\$175,262

- (b) For the years ended 31 December 2021 and 2020, the Group entered into leases with other related parties as a lessor as follows:

Rent revenue	For the years Ended 31 December	
Name of related party	2021	2020
Other related parties	<u>\$111,926</u>	<u>\$32,518</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 31 December 2021 and 2020, key management had provided a time deposit guarantee for the Group's borrowings of \$12,052 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 at 31 December 2021.

H. Others

- (a) For the year ended 31 December 2021, the installments for sale and leaseback transactions paid to other related parties were ¥115,712 thousand, while interest expenses were ¥7,588,488. As at 31 December 2021, the unpaid amount of sale and leaseback transactions was ¥433,936 thousand (accounted for under long-term accounts payable to related parties, current and non-current portion, at \$3,769,751).
- (b) For the year ended 31 December 2020, the installments for sale and leaseback transactions paid to other related parties were ¥115,712 thousand, while interest expenses were ¥9,351,511. As at 31 December 2020, the unpaid amount of sale and leaseback transactions was ¥549,648 thousand (accounted for under long-term accounts payable to related parties, current and non-current portion, at \$5,330,695).
- (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 31 December 2021, the guarantee deposit for vessel management and for BBHP deducting lease receivables was both \$0. For the year ended 31 December 2021, the interest expense with regard to the guarantee deposits was \$36,569.

(3) Key management personnel compensation

For the years ended 31 December 2021 and 2020, key management personnel compensation was as follows:

	For the years ended 31 December	
	2021	2020
Salary and bonus	\$1,950,678	\$745,586
Post-employment benefits	17,589	16,607
	<u>\$1,968,267</u>	<u>\$762,193</u>

8. Pledged assets

The carrying values of pledged assets were as follows:

Pledge assets	Secured liabilities	31 December 2021	31 December 2020
Property, plant and equipment	Bank loans and long-term payables (including due to related parties)	\$2,417,079,000	\$2,599,980,000
Investment property	Bank loans	2,627,735	2,599,070
Financial assets at fair value through other comprehensive income	Bank loans	3,753,850	1,685,039
Other financial assets	Bank loans	48,896,218	58,438,469
		<u>\$2,472,356,803</u>	<u>\$2,662,702,578</u>

9. Significant commitments and contingencies

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

	31 December 2021
Vessels	12
Contract price	\$346,435 thousand
Prepaid	50,062 thousand
Financed ship building contracts	33,000 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 (USD thousand)	Number of vessels
2022	\$136,240	5
2023	176,695	6
2024	33,500	1
Total	<u>\$346,435</u>	<u>12</u>

(2) Financial guarantee

Guarantor	Name of relative party guarantee	31 December 2021	Ending date	Purpose
WML	Subsidiaries	\$718,891 thousand ¥56,056,783 thousand	2030.06	Borrowings
The Company	Subsidiaries	\$809,932 thousand	2030.04	Borrowings and

		¥70,694,811 thousand		operating fund
WML	The Company	\$48,808 thousand	2023.09	Operating fund
The Company	WII	NT\$327,140 thousand	2024.05	Borrowings
Poavosa Wisdom S.A.	WII	\$16,000 thousand	2022.05	Operating fund
Amis Integrity S.A.	Daiwan Glory S.A.	¥1,313,533 thousand	2022.07	Borrowings
Daiwan Glory S.A.	Amis Integrity S.A.	¥1,732,711 thousand	2022.07	Borrowings

Guarantor	Name of relative		Ending date	Purpose
	party guarantee	31 December 2020		
WML	Subsidiaries	\$708,892 thousand	2030.06	Borrowings
		¥60,045,597 thousand		
The Company	Subsidiaries	\$763,686 thousand	2030.04	Borrowings and
		¥71,561,337 thousand		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

10. Losses due to major disasters: None.

11. Significant subsequent events: None.

12. Others

(1) Categories of financial instruments

Financial assets

	31 December 2021	31 December 2020
Financial assets at fair value through other comprehensive income	\$3,753,850	\$1,685,039
Financial assets at amortized cost:		
Cash and cash equivalents (excluding cash on hand)	189,646,095	20,889,856
Accounts receivable and other receivables	9,471,184	8,576,179

	31 December 2021	31 December 2020
(including due from related parties)		
Subtotal	199,117,279	29,466,035
Other financial assets	48,896,218	58,438,469
Total	\$251,767,347	\$89,589,543

Financial liabilities

	31 December 2021	31 December 2020
Financial liabilities at amortized cost:		
Short-term borrowings	\$19,434,367	\$73,669,964
Accounts payable (including to related parties)	5,226,040	13,076,937
Bonds payable (including current portion)	49,655,475	48,778,634
Long-term borrowings (including current portion)	1,311,419,549	1,490,190,613
Long-term accounts payable (including due to related parties)	184,543,620	194,170,236
Lease liabilities (including current portion)	122,217,894	124,257,058
Total	\$1,692,496,945	\$1,944,143,442

(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.

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 variables; 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 years ended 31 December 2021 and 2020 increases/decreases by \$5,826,354 and \$7,000,984, respectively; the equity increases/decreases 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's 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.

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 years ended 31 December 2021 and 2020 to decreases/increases by \$4,093,565 and \$4,707,985, respectively; the equity decreases /increases 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:

	31 December 2021	31 December 2020
Cash and cash equivalents (excluding cash on hand)	\$189,646,095	\$20,889,856
Accounts receivables and other receivables (including due from related parties)	9,471,184	8,576,179
Financial assets at fair value through other comprehensive income	3,753,850	1,685,039
Other financial assets	48,896,218	58,438,469
	<u>\$251,767,347</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.

As at 31 December 2021:

	Carrying amount	Contractual cash flow	1 year	2 years	3 to 5 years	> 5 years
Non-derivative financial liabilities						
Short-term borrowings	\$19,434,367	\$19,616,868	\$19,616,868	\$-	\$-	\$-
Accounts payables (including due to related parties)	5,226,040	5,226,040	5,226,040	-	-	-
Bonds payable	49,655,475	51,308,522	430,155	430,155	50,448,212	-
Long-term borrowings	1,311,419,549	1,378,672,024	300,793,799	326,703,139	491,690,438	259,484,648
Long-term accounts payable (including due to related parties)	184,543,620	202,022,721	8,564,513	8,491,661	23,585,249	161,381,298
Lease liabilities	122,217,894	129,237,995	16,873,263	16,702,230	80,058,145	15,604,357
	<u>\$1,692,496,945</u>	<u>\$1,786,084,170</u>	<u>\$351,504,638</u>	<u>\$352,327,185</u>	<u>\$645,782,044</u>	<u>\$436,470,303</u>

As at 31 December 2020:

	Carrying amount	Contractual cash flow	1 year	2 years	3 to 5 years	> 5 years
Non-derivative financial liabilities						
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	-	-	-
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 year ended 31 December 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	(53,516,484)	(124,248,203)	(3,993,082)	(14,354,822)	-	(1,600,000)	(197,712,591)
Non-cash changes							
Foreign exchange movement	(719,113)	(54,906,458)	(5,633,534)	(11,333,165)	723,613	6	(71,868,651)
Other movements	-	383,597	-	23,648,823	153,228	(1,400,000)	22,785,648
As at 31 Dec. 2021	<u>\$19,434,367</u>	<u>\$1,311,419,549</u>	<u>\$184,543,620</u>	<u>\$122,217,894</u>	<u>\$49,655,475</u>	<u>\$390</u>	<u>\$1,687,271,295</u>

Reconciliation of liabilities for the year ended 31 December 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	14,853,642	(5,565,561)	48,035,487	(13,811,136)	(22,323,261)	2,967,844	24,157,015
Non-cash changes							
Foreign exchange movement	691,680	29,421,143	2,084,732	5,982,452	3,779,847	570	41,960,424
Other movements	-	-	-	(210,864)	459,206	-	248,342
As at 31 Dec. 2020	<u>\$73,669,964</u>	<u>\$1,490,190,613</u>	<u>\$194,170,236</u>	<u>\$124,257,058</u>	<u>\$48,778,634</u>	<u>\$3,000,384</u>	<u>\$1,934,066,889</u>

(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.

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 is as follows:

As at 31 December 2021

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	\$3,753,850	\$-	\$-	\$3,753,850

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

Transfers between Level 1 and Level 2 during the period

During the years ended 31 December 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 31 December 2021	Level 1	Level 2	Level 3	Total
Assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6.(7))	\$-	\$-	\$2,886,313	\$2,886,313
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 (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 31 December 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	\$12,904,960	115.11	¥1,485,489,946	\$20,734,960	103.11	¥2,137,981,726
JPY : USD	¥8,192,205,548	0.0087	\$71,168,496	¥9,356,696,827	0.0097	\$90,744,805
NTD : USD	NT\$1,374,960,109	0.0361	\$49,655,475	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 years ended 31 December 2021 and 2020, the Group had foreign exchange gains (losses) of \$6,027,448 and \$(8,307,008), respectively.

(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 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 31 December 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
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

No.	Name of Vessel	Construction year	D.W.T.	Vessel type
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
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

No.	Name of Vessel	Construction year	D.W.T.	Vessel type
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
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

No.	Name of Vessel	Construction year	D.W.T.	Vessel type
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	27.12 %
Pescadores Merchandise Co., Ltd.	52,464,814	7.02 %
Unicorn Maritime Agency Co., Ltd.	38,229,672	5.12 %

- (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:

	For the years ended 31 December			
	2021	Percentage (%)	2020	Percentage (%)
Revenue from external customers:				
Singapore	\$187,908,998	27	\$86,821,676	21
Japan	75,811,095	11	56,095,584	14
The Netherlands	73,755,116	11	46,752,762	12
Germany	73,087,881	11	25,921,227	6
Denmark	56,978,171	8	39,835,538	10
Others	218,623,919	32	149,711,766	37
Total	<u>\$686,165,180</u>	<u>100</u>	<u>\$405,138,553</u>	<u>100</u>

	2021.12.31	2020.12.31
Non-current assets:		
Panama	\$2,361,406,645	\$2,457,083,507
Cayman	8,837,969	11,000,075
Hong Kong	-	74,627,809
Taiwan	18,374,906	17,690,456
Liberia	309,465,761	227,421,876
Total	<u>\$2,698,085,281</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 for the years ended 31 December 2021 and 2020 were as follows:

	For the years ended 31 December	
	2021	2020
Customer A:	<u>\$84,249,689</u>	<u>\$11,909,793</u>
Customer B:	<u>\$73,292,079</u>	<u>\$46,421,231</u>
Customer C:	<u>\$73,087,881</u>	<u>\$25,751,559</u>