WISDOM MARINE LINES CO., LIMITED (CAYMAN)
AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT AUDITORS
30 JUNE 2017 AND 2016

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: 886-2-2755-6911

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安永聯合會計師事務所

11012 台北市基隆路一段333號9樓
9F, No. 333, Sec. 1, Keelung Road
Taipei City, Taiwan, R.O.C.

Tel: 886 2 2757 8888
Fax: 886 2 2757 6050
www.ey.com/taiwan

Review Report of Independent Auditors

English Translation of a Report Originally Issued in Chinese

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

We have reviewed the accompanying consolidated balance sheets of Wisdom Marine Lines Co., Limited (Cayman) (the "Company") and its subsidiaries (together the "Group") as at 30 June 2017 and the related consolidated statements of comprehensive income for the three-month periods ended 30 June 2017 and 2016 and the six-month periods ended 30 June 2017 and 2016, and the related consolidated statements of changes in equity, and cash flows for the six-month periods ended 30 June 2017 and 2016. The preparation of these consolidated financial statements is the responsibility of the Company's management. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

We conducted our reviews in accordance with Statement on Auditing Standards No. 36, "Review of Financial Statements" of the Republic of China. A review consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China, the objective of which is the expression of an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above in order for them to be in conformity with the International Accounting Standard 34, "Interim Financial Reporting" which is endorsed by Financial Supervisory Commission of the Republic of China.

Ernst & Young

28 July 2017
Taipei, Taiwan
Republic of China

Notice to Readers
The accompanying consolidated financial statements are intended only to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China on Taiwan 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.

A member firm of Ernst & Young Global Limited

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

CONSOLIDATED BALANCE SHEETS

30 June 2017 and 31 December 2016

(All Amounts Expressed in US Dollars)

(30 June 2017 Was Unaudited)

	Notes	30 June 2017	31 December 2016
ASSETS			
Cash and cash equivalents	6.1	$11,114,957	$32,603,818
Available-for-sale financial assets-current	6.3 & 8	3,076,769	5,368,010
Held to maturity financial assets-current	6.4 & 8	605,083	-
Accounts receivable, net	6.6	4,191,876	3,918,415
Accounts receivable-related parties	6.7 & 7	537,444	255,884
Other receivables	7	468,635	368,113
Inventories	6.7	4,273,855	3,544,442
Prepaid expenses		7,222,764	5,542,377
Other financial assets-current	6.1 & 8	35,327,119	25,347,361
Other current assets	7	9,493,902	10,200,635
Total current assets		76,312,404	87,149,055
Held to maturity financial assets-noncurrent	6.4 & 8	-	569,365
Hedge derivative financial assets-noncurrent	6.5	11,727	-
Investment accounted for using equity method	6.8	4,065,317	4,273,280
Property, plant and equipment	6.9 & 8	2,540,593,546	2,463,988,391
Deferred income tax assets	6.20	29,592	36,735
Other financial assets-noncurrent		8,414,484	8,049,468
Other noncurrent assets-other	6.10	77,119,202	91,797,735
Total noncurrent assets		2,630,233,868	2,568,714,974
TOTAL ASSETS		$2,706,546,272	$2,655,864,029

WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS(CONT'D)
30 June 2017 and 31 December 2016
(All Amounts Expressed in US Dollars)
(30 June 2017 Was Unaudited)

	Note	30 June 2017	31 December 2016
LIABILITIES			
Short-term borrowings	6.11	$33,783,777	$25,342,002
Financial liabilities at fair value through profit or loss -current	6.2 & 6.12	-	2,771,935
Hedge derivative financial liabilities-current	6.5	48,626	-
Accounts payable		6,538,192	4,112,541
Accounts payable-related parties	7	-	3,335
Accrued expenses	7	18,754,060	19,412,964
Dividend payable	6.15	18,332,983	-
Advance receipts		16,296,117	16,980,646
Other current liabilities-others		2,844,699	1,899,231
		96,598,454	70,522,654
Current portion of corporate bonds payable	6.12	-	74,568,868
Current portion of long-term borrowings	6.11	170,534,233	186,242,664
Current portion of long-term accounts payable	6.13	1,926,427	3,283,426
Current portion of lease payables	6.13	6,697,809	15,593,148
		179,158,469	279,688,106
Total current liabilities		275,756,923	350,210,760
Corporate bonds payable	6.12	15,333,638	11,951,781
Long-term borrowings	6.11	1,406,342,318	1,232,963,816
Deferred income tax liabilities	6.20	14,002	28,964
Long-term accounts payable	6.13	26,885,809	28,031,082
Long-term lease payables-noncurrent	6.13	55,574,136	46,577,216
Long-term accounts payable-related parties	7	91,016,398	90,932,264
Net defined benefit liabilities		134,914	127,258
Guarantee deposits received		261,375	-
Total non-current liabilities		1,595,562,590	1,410,612,381
TOTAL LIABILITIES		1,871,319,513	1,760,823,141
EQUITY	6.12 & 6.15		
Common stock		176,493,952	175,871,257
Stock dividends to be distributed		9,166,491	-
Capital surplus		38,304,900	64,554,101
Legal reserve		6,960	6,960
Unappropriated earnings		373,548,721	376,817,835
Cumulative translation adjustments		237,052,590	272,468,139
Unrealized gains or losses on available-for-sale financial assets		690,044	111,672
Effective portion of gains on hedging instrument in a cash flow hedge		(36,899)	1,626,743
Total equity attributable to equity holders of the Company		835,226,759	891,456,707
Non-controlling interest		-	3,584,181
TOTAL EQUITY		835,226,759	895,040,888
TOTAL EQUITY AND LIABILITIES		$2,706,546,272	$2,655,864,029

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

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

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 30 June 2017 and 2016

AND FOR THE SIX MONTHS ENDED 30 June 2017 and 2016

(All Amounts Expressed in US Dollars)

(Unaudited)

		For the Three Months Ended 30 June		For the Six Months Ended 30 June	
	Notes	2017	2016	2017	2016
Operating revenues	6.16 & 7	$86,524,093	$80,698,209	$170,411,124	$163,675,676
Operating costs	6.9, 6.17 & 7	73,954,529	68,101,918	145,501,018	134,862,186
Gross profit from operations		12,569,564	12,596,291	24,910,106	28,813,490
Operating expenses	6.9, 6.17 & 7	1,229,957	1,163,990	2,761,615	2,324,222
Profit from operating activities		11,339,607	11,432,301	22,148,491	26,489,268
Interest income	6.18	103,904	178,519	220,051	384,163
Others income and gains	6.13, 6.18 & 9	29,712	4,334,440	69,184	25,580,146
Gains on disposal of investment	6.3, 6.13, 6.18, 6.22 & 7	1,020,985	-	743,812	-
Foreign exchange gains (losses)	6.18	218,479	(5,101,300)	(517,896)	(7,673,485)
Gains (Losses) on valuation of financial instruments or liabilities at fair value through profit or loss	6.12 & 6.18	36,435	(337,877)	2,214,209	(292,690)
Interest expense	6.9, 6.12, 6.13 & 7	(10,610,119)	(8,768,793)	(20,235,940)	(17,035,979)
Other expenses and losses	6.18 & 7	(5,748,806)	(405,603)	(5,985,845)	(487,395)
Losses on disposal of property, plant and equipment	6.9 & 6.18	(762,266)	(1,049,777)	(1,430,022)	(1,049,777)
Share of Loss of associates and joint ventures accounted for using equity method	6.8	(239,231)	(85,212)	(461,168)	(85,212)
Total other income and losses		(15,950,907)	(11,235,603)	(25,383,615)	(660,229)
Profit before income tax		(4,611,300)	196,698	(3,235,124)	25,829,039
Income tax expense (income)	6.20	15,794	33,860	19,649	74,111
Profit for the year		(4,627,094)	162,838	(3,254,773)	25,754,928
Other comprehensive income:	6.19				
Cumulative translation adjustments		1,646,662	(84,503,338)	(35,415,549)	(141,363,690)
Unrealized Gains/(Losses) on Available-for-sale financial assets		91,663	-	578,372	-
Effective portion of gains (losses) on hedging instrument in a cash flow hedge		(1,663,642)	(2,025,845)	(1,663,642)	(14,855,958)
Other comprehensive income		74,683	(86,529,183)	(36,500,819)	(156,219,648)
Total comprehensive income		$(4,552,411)	$(86,366,345)	$(39,755,592)	$(130,464,720)
Profit for the year attributable to:					
－Owners of the Company		$(4,637,404)	$283,215	$(3,269,114)	$25,880,104
－Non-controlling interests		10,310	(120,377)	14,341	(125,176)
		$(4,627,094)	$162,838	$(3,254,773)	$25,754,928
Total Comprehensive income attributable to:					
－Owners of the Company		$(4,562,721)	$(86,245,968)	$(39,769,933)	$(130,339,544)
－Non-controlling interests		10,310	(120,377)	14,341	(125,176)
		$(4,552,411)	$(86,366,345)	$(39,755,592)	$(130,464,720)
Primary earnings per Share	6.21	($0.01)	$0.00	($0.01)	$0.05
Diluted earnings per Share	6.21	($0.01)	$0.00	($0.01)	$0.05

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

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

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 June 2017 and 2016

(All Amounts Expressed in US Dollars)

(Unaudited)

				Retained earnings		Other components of equity					
	Common stock	Stock dividend to be distributed	Capital surplus	Legal reserve	Unappropriated earnings	Cumulative translation adjustments	Unrealized gains or losses on available-for-sale financial assets	Effective portion of gains (losses) on hedging instrument in a cash flow hedge	Total equity attributable to equity holders of the Company	Non-controlling interest	Total
Balance, 1 January 2016	$163,009,336	$-	$80,911,063	$-	$333,468,917	$301,691,412	$-	$18,178,062	$897,258,790	$4,508,445	$901,767,235
Capitalization of capital surplus cash	-	-	(39,537,270)	-	-	-	-	-	(39,537,270)	-	(39,537,270)
Profit for the six months ended 30 June 2016	-	-	-	-	25,880,104	-	-	-	25,880,104	(125,176)	25,754,928
Other comprehensive income for the six months ended 30 June 2016	-	-	-	-	-	(141,363,690)	-	(14,855,958)	(156,219,648)	-	(156,219,648)
Comprehensive income for the six months ended 30 June 2016	-	-	-	-	25,880,104	(141,363,690)	-	(14,855,958)	(130,339,544)	(125,176)	(130,464,720)
Exercise of convertible bonds	66,685	-	173,024	-	-	-	-	-	239,709	-	239,709
Non-controlling interest	-	-	-	-	-	-	-	-	-	(360,000)	(360,000)
Balance, 30 June 2016	$163,076,021	$-	$41,546,817	$-	$359,349,021	$160,327,722	$-	$3,322,104	$727,621,685	$4,023,269	$731,644,954
Balance, 1 January 2017	$175,871,257	$-	$64,554,101	$6,960	$376,817,835	$272,468,139	$111,672	$1,626,743	$891,456,707	$3,584,181	$895,040,888
Capitalization of capital surplus cash	-	-	(18,332,983)	-	-	-	-	-	(18,332,983)	-	(18,332,983)
Capitalization of capital surplus stock	-	9,166,491	(9,166,491)	-	-	-	-	-	-	-	-
Profit for the six months ended 30 June 2017	-	-	-	-	(3,269,114)	-	-	-	(3,269,114)	14,341	(3,254,773)
Other comprehensive income for the six months ended 30 June 2017	-	-	-	-	-	(35,415,549)	578,372	(1,663,642)	(36,500,819)	-	(36,500,819)
Comprehensive income for the six months ended 30 June 2017	-	-	-	-	(3,269,114)	(35,415,549)	578,372	(1,663,642)	(39,769,933)	14,341	(39,755,592)
Exercise of convertible bonds	622,695	-	1,250,273	-	-	-	-	-	1,872,968	-	1,872,968
Non-controlling interest	-	-	-	-	-	-	-	-	-	(3,598,522)	(3,598,522)
Balance, 30 June 2017	$176,493,952	$9,166,491	$38,304,900	$6,960	$373,548,721	$237,052,590	$690,044	$(36,899)	$835,226,759	$-	$835,226,759

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

WISDOM MARINE LINES CO., LIMITED (CAYMAN) AND ITS SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 June 2017 and 2016
(All Amounts Expressed in US Dollars)
(Unaudited)

	For the Six Months Ended 30 June 2017	For the Six Months Ended 30 June 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from continuing operations before tax	$(3,235,124)	$25,829,039
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expenses	63,087,791	60,489,307
Amortization expenses	5,353	3,881
Bad debt expenses	61,310	-
Losses (Gains) on financial assets or liabilities at fair value through profit or loss	(2,214,209)	552,183
Interest expenses	20,235,940	17,035,979
Interest income	(220,051)	(384,163)
Losses (Gains) on foreign currency exchange on corporate bond payable	25,095	12,286
Losses (Gains) on reacquisition of bonds payable	4,462,107	-
Share of loss of associates and joint ventures accounted	461,168	85,212
Losses (Gains) on disposal of property and equipment	1,430,022	1,049,777
Unrealized losses (gains) on foreign exchange	-	(128,686)
Amortization of held to maturity financial assets	(35,718)	(8,419)
Amortization of convertible bonds payable issuance costs	118,458	181,667
Other income	(347,762)	(10,345,064)
Losses (Gains) on disposal of investments	(743,812)	-
Amortization of available-for-sale financial assets	(387)	-
Change in assets and liabilities		
Decrease (Increase) in accounts receivable	(396,631)	(2,105,671)
Decrease (Increase) in accounts receivable-related parties	(281,560)	(268,930)
Decrease (Increase) in other receivables	(124,386)	(229,971)
Decrease (Increase) in inventories	(876,478)	(1,556,319)
Decrease (Increase) in prepaid expenses	(1,758,982)	24,407
Decrease (Increase) in other current assets	616,759	(2,279,115)
Increase (Decrease) in accounts payable	2,425,651	760,980
Increase (Decrease) in accounts payable-related parties	(3,335)	1,070
Increase (Decrease) in accrued expenses	4,966,003	1,017,720
Increase (Decrease) in advance receipts	(336,767)	(1,665,127)
Increase (Decrease) in other current liabilities	1,068,758	1,531,002
Increase (Decrease) in net defined benefit liabilities	7,656	(145,890)
Cash generated from operating activities	88,396,869	89,457,155
Interest received	245,350	442,726
Interest paid	(22,164,687)	(15,148,935)
Income taxes paid	(3,871)	(1,276)
Net cash provided by operating activities	66,473,661	74,749,670
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets in available-for-sale	-	(994,780)
Proceeds from derecognition of held-to-maturity financial assets	-	3,000,000
Proceeds from disposal of hedge derivative financial assets	-	3,373,324
Acquisition of investment accounted for using equity method	-	(12,393,493)
Acquisition of property, plant and equipment	(7,699,884)	(5,777,668)
Proceeds from disposal of property, plant and equipment	4,332,250	19,110,176
Decrease (Increase) in long-term lease receivable	-	598,848
Decrease (Increase) in other financial assets	(9,980,109)	(641,998)
Decrease (Increase) in other noncurrent assets (prepaid expenses-vessel)	(132,485,568)	(125,733,762)
Proceeds from available-for-sale financial assets	2,592,827	-
Net cash used in investing activities	(143,240,484)	(119,459,353)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (Decrease) in short-term borrowings	8,441,775	7,665,370
Increase (Decrease) in long-term borrowings	126,696,769	20,229,383
Increase (Decrease) in lease payables	(2,681,431)	19,182,803
Increase (Decrease) in guarantee deposits received	261,375	-
Increase (Decrease) in other finance liabilities	3,344,926	2,573,075
Repayment of bonds	(78,173,840)	-
Changes in non-controlling interests	(180,000)	(180,000)
Net cash provided by financing activities	57,709,574	49,470,631
FOREIGN EXCHANGE RATE EFFECTS	(2,431,612)	(1,282,512)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(21,488,861)	3,478,436
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	32,603,818	58,248,462
CASH AND CASH EQUIVALENTS, END OF PERIOD	$11,114,957	$61,726,898

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

WISDOM MARINE LINES CO., LIMITED (CAYMAN)
AND ITS SUBSIDIARIES
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2017 AND 2016
(Unaudited)
(In US Dollars Unless Stated Otherwise)

1. History and organization

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

The Company's 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 28 July 2017.

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 2016. Shown below are the standards and interpretations effective for annual periods beginning on or after 1 January 2017.

A. *IAS 12"Income Taxes" — Recognition of Deferred Tax Assets for Unrealized Losses*

The amendments clarify how to account for deferred tax assets for unrealized losses. The amendments are effective for annual periods beginning on or after 1 January 2017.

B. *Disclosure Initiative — Amendment to IAS 7 "Statement of Cash Flows":*

The amendments relate to changes in liabilities arising from financing activities and to require a reconciliation of the carrying amount of liabilities at the beginning and end of the period. The amendments are effective for annual periods beginning on or after 1 January 2017.

C. *Improvements to International Financial Reporting Standards (2014-2016 cycle)*:

IFRS 12 "Disclosure of Interests in Other Entities"

The amendments clarify that the disclosure requirements in IFRS 12, other than those in paragraphs B10–B16, apply to an entity's interests that are classified as held for sale or discontinued operations. The amendments are effective for annual periods beginning on or after 1 January 2017.

In the current financial year, the Group has adopted all the new and revised standards and interpretations that are relevant to its operating. All standards and interpretations have no material impact on the Group.

(2) Standards or interpretations issued by IASB but not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue are listed below.

A. *IFRS 15 "Revenue from Contracts with Customers"*

The core principle of the new Standard is for companies to recognize revenue to depict the transfer of promised goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The new Standard includes a cohesive set of disclosure requirements that would result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The Standard is effective for annual periods beginning on or after 1 January 2018.

B. *IFRS 9"Financial Instruments"*

The IASB has issued the final version of IFRS 9, which combines classification and measurement, the expected credit loss impairment model and hedge accounting. The standard will replace IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9 *Financial Instruments* (which include standards issued on classification and measurement of financial assets and liabilities and hedge accounting).

Classification and measurement: Financial assets are measured at amortized cost, fair value through profit or loss, or fair value through other comprehensive income, based on both the entity's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial liabilities are measured at amortized cost or fair value through profit or loss. Furthermore there is requirement that 'own credit risk' adjustments are not recognized in profit or loss.

Impairment: Expected credit loss model is used to evaluate impairment. Entities are required to recognize either 12-month or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition.

Hedge accounting: Hedge accounting is more closely aligned with risk management activities and hedge effectiveness is measured based on the hedge ratio.

The new standard is effective for annual periods beginning on or after 1 January 2018. Consequential amendments on the related disclosures also become effective for annual periods beginning on or after 1 January 2018.

C. *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. The effective date of the amendments has been postponed indefinitely, but early adoption is allowed.

D. *IFRS 15 "Revenue from Contracts with Customers" — Clarifications to IFRS 15*

The amendments clarify how to identify a performance obligation in a contract, determine whether an entity is a principal or an agent, and determine whether the revenue from granting a licence should be recognized at a point in time or over time. The amendments are effective for annual periods beginning on or after 1 January 2018.

E. *IFRS 2 "Shared-Based Payment" — Amendments to IFRS 2*

The amendments contain (1) clarifying that vesting conditions (service and non-market performance conditions), upon which satisfaction of a cash-settled share-based payment transaction is conditional, are not taken into account when estimating the fair value of the cash-settled share-based payment at the measurement date. Instead, these are taken into account by adjusting the number of awards included in the measurement of the liability arising from the transaction, (2) clarifying if tax laws or regulations require the employer to withhold a certain amount in order to meet the employee's tax obligation associated with the share-based payment, such transactions will be classified in their entirety as equity-settled share-based payment transactions if they would have been so classified in the absence of the net share settlement feature, and (3) clarifying that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. The equity-settled share-based payment transaction is measured by reference to the fair value of the equity instruments granted at the modification date and is recognised in equity, on the modification date, to the extent to which goods or services have been received. The liability for the cash-settled share-based payment transaction as at the modification date is derecognised on that date. Any difference between the carrying amount of the liability derecognised and the amount recognised in equity on the modification date is recognised immediately in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2018.

F. *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts — Amendments to IFRS 4*

The amendments help to resolve issues arising from the different effective dates for IFRS 9 "Financial Instruments" (1 January 2018) and the new insurance contracts standard about to be issued by the IASB (still to be decided, but not before 1 January 2020). The amendments allow entities issuing insurance contracts within the scope of IFRS 4 to mitigate certain effects of applying IFRS 9 "Financial Instruments" before the IASB's new insurance contracts standard becomes effective. The amendments introduce two approaches: an overlay approach and a temporary exemption. The overlay approach allows an entity applying IFRS 9 to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before the new insurance contracts standard is applied. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9 until 2021 (these entities that defer the application of IFRS 9 will continue to apply IAS 39).

G. *Transfers of Investment Property — Amendments to IAS 40*

The amendments relate to the transfers of investment property. The amendments clarify that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use, the entity should transfer property into and out of investment property accordingly. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are effective for annual periods beginning on or after 1 January 2018.

H. *Improvements to International Financial Reporting Standards (2014-2016 cycle)*:

IFRS 1 "First-time Adoption of International Financial Reporting Standards"

The amendments revise and amend transition requirements relating to certain standards and delete short-term exemptions under Appendix E for first-time adopter. The amendments are effective for annual periods beginning on or after 1 January 2018.

IAS 28"Investments in Associates and Joint Ventures"

The amendments clarify that when an investment in an associate or a joint venture is held by, or is held indirectly through, an entity that is a venture capital organisation, or a mutual fund, unit trust and other qualifying entities including investment-linked insurance funds, the entity may elect to measure that investment at fair value through profit or loss in accordance with IFRS 9 "Financial Instruments" on an investment-by-investment basis. Besides, if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries on an investment-by-investment basis. The amendments are effective for annual periods beginning on or after 1 January 2018.

I. IFRIC 22 "*Foreign Currency Transactions and Advance Consideration*"

The interpretation clarifies that when applying paragraphs 21 and 22 of IAS 21 "The Effects of Changes in Foreign Exchange Rates", in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The interpretation is effective for annual periods beginning on or after 1 January 2018.

J. *IFRS 16"Leases"*

The new standard requires lessees to account for all leases under a single on-balance sheet model (subject to certain exemptions). Lessor accounting still uses the dual classification approach: operating lease and finance lease. The Standard is effective for annual periods beginning on or after 1 January 2019.

K. IFRIC 23 "*Uncertainty Over Income Tax Treatments*"

The Interpretation clarifies application of recognition and measurement requirements in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. The Interpretation is effective for annual periods beginning on or after 1 January 2019.

L. 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 fulfilment cash flows comprise of the following:

(1) estimates of future cash flows;
(2) Discount rate: an adjustment to reflect the time value of money and the financial risks related to the future cash flows, to the extent that the financial risks are not included in the estimates of the future cash flows; and
(3) a risk adjustment for non-financial risk.

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 is effective for annual periods beginning on or after 1 January 2021.

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, B, D~F, and J 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 interim financial report has been prepared in accordance with IAS 34"Interim Financial Reporting". Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2016. This consolidated interim financial report does not include all information or disclosures required for full annual financial statements prepared in accordance with International Financial Reporting Standards.

(2) Basis of preparation

A. Basis of measurement

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

B. Functional and presentation currency

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

(3) Basis of consolidation

A. Preparation principle of consolidated financial statements

The consolidated financial statements have been prepared on the same basis as the consolidated financial statements as at 31 December 2016. Please refer to the Note 4 to the consolidated financial statements as at 31 December 2016 for details.

B. The consolidated entities are listed as follows:

Investor	Investee Company Name	2017.06.30 Ownership Percentage	2016.12.31 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%
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%	-
WML	Amis Integrity S.A.	100%	-
WML	Amis International S.A.	100%	100%
WML	Amis Justice S.A.	100%	-
WML	Amis Mariner S.A.	100%	100%
WML	Amis Miracle S.A.	100%	-
WML	Amis Navigation S.A.	100%	100%
WML	Amis Star 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%

Investor	Investee Company Name	2017.06.30 Ownership Percentage	2016.12.31 Ownership Percentage
WML	Bunun Navigation S.A.	100%	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%	-
WML	Daiwan Miracle S.A.	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 Success S.A.	-	40%(Note a)
WML	Harmony Transport S.A.	100%	100%
WML	Hoanya Wisdom S.A.	100%	100%

Investor	Investee Company Name	2017.06.30 Ownership Percentage	2016.12.31 Ownership Percentage
WML	Infinite Wisdom S.A.	100%	100%
WML	Katagalan Carriers S.A.	100%	100%
WML	Katagalan Line S.A.	100%	100%
WML	Katagalan Marine S.A.	100%	100%
WML	Katagalan Navigation S.A.	100%	100%
WML	Katagalan Star S.A.	100%	100%
WML	Katagalan Wisdom S.A.	100%	100%
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%

Investor	Investee Company Name	2017.06.30 Ownership Percentage	2016.12.31 Ownership Percentage
WML	Sakizaya Line S.A.	100%	100%
WML	Sakizaya Marine S.A.	100%	100%
WML	Sakizaya Miracle S.A.	100%	-
WML	Sakizaya Navigation S.A.	100%	100%
WML	Sakizaya Orchid S.A.	100%	-
WML	Sakizaya Power S.A.	100%	-
WML	Sakizaya Queen S.A.	100%	-
WML	Sakizaya Respect S.A.	100%	-
WML	Sakizaya Wisdom S.A.	100%	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%

Note a : Although the percentage of ownership interests in Harmony Success S.A. is less than 50%, the Group determined that it has control over Harmony Success S.A. This is due to by virtue of an agreement with other investors, the Group has the ability to fully control the operation of Harmony Success S.A. and appoints or approves the key management personnel of Harmony Success S.A. who have the ability to direct the relevant activities. The Group also has rights to the variable returns of Harmony Success S.A. Based on the aforementioned facts and circumstances, management is of the view that the Group controls Harmony Success S.A. and therefore it has been consolidated.

The Group sold the shares account for 40% of Harmony Success S.A. on 31 May 2017, please refer to Note 6. (22) for further information.

b: Subsidiaries excluded from consolidation: None.

(4) Except for the following accounting policies, the same accounting policies have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended 31 December 2016. Please refer to Note 4 in the consolidated financial statements as at 31 December 2016 for the details of summary of significant accounting policy.

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

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

5. Significant accounting judgements, estimates and assumptions

The same significant accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Company's consolidated financial statements for the year ended 31 December 2016. Please refer to the Note 5 in the consolidated financial statements as at 31 December 2016 for details.

6. Contents of significant accounts

(1) Cash and cash equivalents

	30 June 2017	31 December 2016
Cash on hand	$3,115	$5,122
Check deposits	181	171
Demand deposits	9,542,856	9,882,745
Time deposits	1,568,805	22,715,780
Total	$11,114,957	$32,603,818

As at 30 June 2017 and 31 December 2016, cash and cash equivalents with carrying amounts of $35,327,119 and $25,347,361 respectively, were pledged to secure bank loans and were classified under other financial assets.

(2) Financial instruments at fair value through profit or loss

	30 June 2017	31 December 2016
Financial liabilities at fair value through profit or loss		
-Financial liabilities held for trading-current	$-	$(2,771,935)

A. As at 30 June 2017 and 31 December 2016, the amount of the Group's bonds payable, including embedded derivative instruments－put right were $0 and $2,771,935 respectively. The bonds payable, including embedded derivative instruments－put right was recognized as financial liabilities held for trading-current. Please refer 6.(12) for further details.

(3) Available- for-sale financial assets

	30 June 2017	31 December 2016
Available-for-sale financial assets		
Bonds	$1,027,443	$999,053
Stocks	2,049,326	4,368,957
Current	$3,076,769	$5,368,010

A. Due to amendment of hire contract between the Group and the leasee in October 2016, the Group received stocks of listed company as the payment of rent for two years, which had been transferred in 2016 and accounted for unearned revenue.

B. Due to early termination of contract by a lessee on 5 July 2016, the Group received the stocks of a non-listed company as early termination fee. The Group disposed the stocks on 28 March 2017 and recognized a loss at the amount of $277,173, accounted for losses on disposal of financial assets.

C. As at 30 June 2017 and 31 December 2016, financial assets with the carrying amounts of $1,027,443 and $999,053, respectively, were pledged for bank loans. Please refer to Note 8.

(4) Held-to-maturity financial assets

	30 June 2017	31 December 2016
Held-to-maturity financial assets		
Bonds		
Current	$605,083	$-
Non-current	$-	$569,365

A. As at 30 June 2017 and 31 December 2016, the held-to-maturity financial assets had maturities both in February 2018.

B. As at 30 June 2017 and 31 December 2016, financial assets with the carrying amounts of $605,083 and $569,365, respectively, were pledged for bank loans. Please refer to Note 8.

(5) Derivatives as hedging instruments

	30 June 2017	31 December 2016
Derivative financial assets(liabilities) for hedging		
Cash flow hedge - Interest rate swap		
Current	$(48,626)	$-
Non-current	$11,727	$-

The Group's risk control activities and hedging strategy relate primarily to the Group's operating activities. As the Group has variable interest rate loan with bank, its future cash flows are exposed to interest rate risks and subject to interest rate fluctuations. In order to manage interest rate risks, the Group engages in interest rate swap contract to hedge the interest risk for better control and measurement of such risks. These interest rate swap contracts are cash flow hedges.

Interest rate swap contracts are designed to match the hedged items. The unsettled Interest rate swap contracts at 30 June 2017 were as follows:

Hedginginstrument	Fair value of designated hedging instrument	Periods when the cash flows are expected to occur	Periods when the related profit or loss are expected to affect the statement of comprehensive income	Amount
Derivative financial assets(liabilities) for hedging –current				
Interest rate swap contracts	$(48,626)	2017/05~2018/06	2017/05~2018/06	$11,105,000
Derivative financial assets(liabilities) for hedging –non-current				
Interest rate swap contracts	$11,727	2018/07~2021/06	2018/07~2021/06	$9,855,000

(6) Accounts receivable, net

	30 June 2017	31 December 2016
Accounts receivable	$4,275,134	$4,001,673
Less: allowance for doubtful debts	(83,258)	(83,258)
Subtotal	4,191,876	3,918,415
Accounts receivable－related parties	537,444	255,884
Less: allowance for doubtful debts	-	-
Subtotal	537,444	255,884
Net accounts receivable	$4,729,320	$4,174,299

The aforementioned accounts receivable are generated by the operation and the Group does not hold any collateral for such trade receivables.

The movements in the provision for impairment and aging report of accounts receivables and accounts receivables – related parties are as follow (please refer to Note 12 for disclosure on credit risk exposure):

	30 June 2017	31 December 2016
Amount at beginning of period	$83,258	$83,258
Provision for impairment	61,310	36,949
Write off	(61,310)	(36,949)
Amount at end of period	$83,258	$83,258

Impairment loss that was individually determined at 30 June 2017 and 31 December 2016, arose due to the fact that the counterparty was in financial difficulties. The amount of impairment loss recognized was the difference between the carrying amount of the trade receivable and the present value of its expected recoverable amount. The Group does not hold any collateral for such accounts receivables.

Accounts receivable and accounts receivable from related parties, net－the aging analysis is as follow:

	Neither past due nor impaired	Past due but not impaired					
		Under 6 months	7~12 months	13~18 months	19~24 months	Over 24 months	Total
2017.6.30	$3,432,771	$666,472	$223,544	$18,177	$-	$388,356	$4,729,320
2016.12.31	$3,339,079	$134,984	$148,995	$11,834	$20,734	$518,673	$4,174,299

The Group's major revenue come from freight revenue and hire revenue. Freight revenue is recognized on the percentage of completion basis according to the sailing time of each trip. Hire revenue is recognized monthly on accrual basis. However, the main portion of accounts receivable include hire revenue as contracted, hire dispute, vessel delay, and the claim receivables of collisions.

(7) Inventories

	30 June 2017	31 December 2016
Fuel	$4,273,855	$3,544,442

As at 30 June 2017 and 31 December 2016, the aforesaid inventories were not pledged as collateral.

(8) Investments accounted for using the equity method

	30 June 2017		31 December 2016	
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in associates:				
Pescadores Investment and Development Inc.	$4,065,317	40%	$4,273,280	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., with a par value of NT$10 per share for 40,000,000 shares, and the Group paid at a price of NT$10 per share in the amount of NT$400 million in cash. As at 28 April 2016, the Group had fully paid the amount. And as at 8 June 2016, Pescadores Investment and Development Inc. had completed the alteration of the registered capital amount.

B. The summary financial information of the investment in associates was listed below:

	30 June 2017	31 December 2016
Current assets	$108,088	$302,539
Non-current assets	141,187,353	133,175,792
Current liabilities	(954,635)	(4,434)
Non-current liabilities	(130,177,515)	(122,790,698)
Equity	10,163,291	10,683,199
Percentage of ownership (%)	40%	40%
Group's carrying amount of the investment	$4,065,317	$4,273,280

	For the Three Months Ended 30 June		For the Six Months Ended 30 June	
	2017	2016	2017	2016
Revenue	$-	$-	$-	$-
Profit for the year (continuing operations)	(598,080)	(564,716)	(1,152,921)	(574,846)
Other comprehensive income for the year	-	-	-	-
Comprehensive income for the year	$ (598,080)	$ (564,716)	$ (1,152,921)	$ (574,846)

(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 guaranty

C. As at 30 June 2017 and 31 December 2016, the foreign exchage rate effect for investments accounted for using the equity method were as follows

	30 June 2017	31 December 2016
Pescadores Investment and Development Inc.	$(3,866)	$(3,024)

D. The aforementioned investments in associates had no contingent liabilities or capital commitments as at 30 June 2017 and 31 December 2016.

(9) Property, plant and equipment

30 June 2017	Beginning balance	Addition	Disposal	Re-classification	Foreign exchange rate effects	Ending balance
Cost						
Vessel	$2,900,034,948	$343,427	$9,153,048	$128,664,040	$149,528	$3,020,038,895
Vessel equipment	15,064,310	1,390,730	-	(72,500)	750	16,383,290
Dry-dock	20,999,113	5,965,727	318,858	671,988	18,332	27,336,302
Transportation equipment	170,543	-	-	-	10,259	180,802
Office equipment	232,900	-	-	-	14,010	246,910
Leased assets	93,516,827	-	-	-	-	93,516,827
Leasehold improvements	83,869	-	-	-	5,045	88,914
Total	3,030,102,510	7,699,884	9,471,906	129,263,528	197,924	3,157,791,940
Accumulated depreciation						
Vessel	532,386,291	54,898,719	3,497,530	(8,025,408)	16,181	575,778,253
Vessel equipment	7,898,630	1,517,381	-	(72,500)	447	9,343,958
Dry-dock	10,597,120	4,888,701	212,104	(240,994)	3,554	15,036,277
Transportation equipment	170,543	-	-	-	10,259	180,802
Office equipment	184,077	6,002	-	-	11,124	201,203
Leased assets	14,820,513	1,773,377	-	-	-	16,593,890
Leasehold improvements	56,945	3,611	-	-	3,455	64,011
Total	566,114,119	63,087,791	3,709,634	(8,338,902)	45,020	617,198,394
Net Balance	$2,463,988,391	$(55,387,907)	$5,762,272	$137,602,430	$152,904	$2,540,593,546

31 December 2016	Beginning balance	Addition	Disposal	Re-classification	Foreign exchange rate effects	Ending balance
Cost						
Vessel	$2,709,389,232	$637,717	$63,050,861	$253,015,321	$43,539	$2,900,034,948
Vessel equipment	13,946,964	2,452,769	1,335,423	-	-	15,064,310
Dry-dock	19,229,751	6,530,600	6,391,238	1,630,000	-	20,999,113
Transportation equipment	167,555	-	-	-	2,988	170,543
Office equipment	209,961	19,188	-	-	3,751	232,900
Leased assets	68,435,676	303,881	-	24,777,270	-	93,516,827
Leasehold improvements	82,399	-	-	-	1,470	83,869
Total	2,811,461,538	9,944,155	70,777,522	279,422,591	51,748	3,030,102,510
Accumulated depreciation						
Vessel	457,533,584	107,248,564	32,397,341	-	1,484	532,386,291
Vessel equipment	6,067,798	3,143,993	1,313,164	-	3	7,898,630
Dry-dock	7,395,086	8,956,730	5,754,714	-	18	10,597,120
Transportation equipment	166,074	1,507	-	-	2,962	170,543
Office equipment	165,113	16,014	-	-	2,950	184,077
Leased assets	11,343,015	3,477,498	-	-	-	14,820,513
Leasehold improvements	47,732	8,359	-	-	854	56,945
Total	482,718,402	122,852,665	39,465,219	-	8,271	566,114,119
Net Balance	$2,328,743,136	$(112,908,510)	$31,312,303	$279,422,591	$43,477	$2,463,988,391

A. For the three months and six months ended 30 June 2017 and 2016, the Group had depreciation expenses as follows:

	For the Three Months Ended 30 June		For the Six Months Ended 30 June	
	2017	2016	2017	2016
Operating Cost	$32,112,153	$30,457,282	$63,078,178	$60,473,401
Operating Expenses	4,808	7,124	9,613	15,906

B. As at 30 June 2017 and 31 December 2016, the residual value of the vessels amounted to $368,724 thousand and $350,723 thousand, respectively, and the estimated useful lives were ranging from 15 to 25 years and 4 to 25 years.

C. As at 30 June 2017 and 31 December 2016, the Group had agreed to assign the chartering income of some vessels as security for loan repayment.

D. As at 30 June 2017 and 31 December 2016, 108 and 105 vessels, respectively, were pledged to banks. The pledge of these vessels is required by the banks which granted the loans to finance the purchase of the vessels and to secure the timely repayment of the loans. The book value of these vessels was $2,511,402 thousand and $2,435,313 thousand, respectively.

E. As at 30 June 2017 and 31 December 2016, the Group has entered into certain shipbuilding contracts. Refer to Note 9.(a) for further details.

F. As at 30 June 2017 and 31 December 2016, the vessels of the Group were insured for $2,803,500 thousand and $2,618,000 thousand, respectively.

G. For the six months ended 30 June 2017 and 2016, the Group disposed of certain vessels for $4,332,250 and $19,110,176 which resulted in a loss on disposal of property and equipment of $1,430,022 and $1,049,777, respectively.

H. For the six months ended 30 June 2017 and 2016, the amounts of total interest expense before capitalization of borrowing costs were $20,307,881 and $17,076,667; the capitalization of interest were $71,941 and $40,688, and the capitalization of interest will be paid annually at a rate of 3~3.5% and 1.91~2.47%, respectively.

(10) Other noncurrent assets－Other

	30 June 2017	31 December 2016
Prepayment for vessels	$77,082,330	$91,772,500
Deferred expenses	36,872	25,235
Total	$77,119,202	$91,797,735

Prepayment for vessels is the amount prepaid for building new vessels.

(11) Interest-bearing loans and borrowings

The Group's interest-bearing loans and borrowings, which are measured at amortized cost, were as follows:

	30 June 2017	31 December 2016
Bank loans－Short-term borrowings	$33,783,777	$25,342,002
Long-term borrowings (including current portion)	$1,576,876,551	$1,419,206,480

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

Loans	Currency	Nominal interest rate	Year of maturity	Amount
30 June 2017				
Unsecured	USD	2.10%~2.85%	2016.06.30~2019.03.26	$30,000,000
	JPY	0.88%~1.13%	2016.07.18~2018.08.31	11,163,662
Secured	USD	1.97%~3.95%	2009.02.20~2026.06.30	825,681,483
	JPY	0.85%~2.11%	2005.12.12~2030.04.02	742,500,258
	TWD	1.86%	2016.03.28~2023.03.28	1,314,925
Total				$1,610,660,328

Loans	Currency	Nominal interest rate	Year of maturity	Amount
31 December 2016				
Unsecured	USD	1.35%~2.54%	2016.01.05~2018.12.26	$40,750,000
	JPY	0.88%~1.22%	2015.12.31~2018.08.31	10,684,089
Secured	USD	1.16%~3.82%	2009.02.20~2026.06.30	635,992,049
	JPY	0.75%~2.25%	2005.12.12~2030.04.02	755,782,809
	TWD	1.86%~1.89%	2016.03.28~2023.03.28	1,339,535
Total				$1,444,548,482

B. Future settlements of interest-bearing long-term loans and borrowings were as follows:

Maturity Period	30 June 2017	31 December 2016
Within one year	$170,534,233	$186,242,664
Beyond one year and up to five years	978,022,201	808,368,511
More than five years	428,320,117	424,595,305
Total	$1,576,876,551	$1,419,206,480

(a) As at 30 June 2017 and 31 December 2016, WML had provided financing guarantees for its subsidiaries of $1,283,053 thousand and $1,232,527 thousand, respectively.

(b) As at 30 June 2017 and 31 December 2016, the Group had unused credit facilities of $89,308 thousand and $72,054 thousand, respectively.

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

(i) Loan lenders shall be notified of any significant movement of the Group's shareholder's equity.

(ii) In certain circumstances, the Group retains the option to select the currency to be used for loan or debt settlement.

(iii) Some equity shares of the Company's subsidiaries were pledged to secure bank loans.

(d) As at 30 June 2017 and 31 December 2016, WML and the Company had provided financial guarantees for the Company's subsidiaries. Please refer to Note 9.(c) for further details.

(12) Bonds Payable

	30 June 2017	31 December 2016
Domestic convertible bonds	$15,333,638	$86,520,649
Less: current portion	-	74,568,868
Net	$15,333,638	$11,951,781

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

	30 June 2017	31 December 2016
First overseas unsecured convertible bonds issued in 2012		
Convertible bonds issued	$20,387,360	$20,387,360
Discounted on bonds payable	-	(57,598)
Accumulated converted amount	(11,676,075)	(11,361,140)
Accumulated redeemed amount	(7,811,807)	(7,682,967)
Valuation on bonds payable	(899,478)	(869,171)
Net	-	416,484
Less: Current portion of bonds payable	-	(416,484)
Subtotal	-	-
First overseas unsecured convertible bonds issued in 2013		
Convertible bonds issued	60,000,000	60,000,000
Discounted on bonds payable	(355,215)	(548,219)
Accumulated converted amount	(49,000,000)	(47,500,000)
Net	10,644,785	11,951,781
Less: Current portion of bonds payable	-	-
Subtotal	10,644,785	11,951,781
Second overseas unsecured convertible bonds issued in 2015		
Convertible bonds issued	80,000,000	80,000,000
Discounted on bonds payable	(311,147)	(5,847,616)
Accumulated converted amount	(75,000,000)	-
Net	4,688,853	74,152,384
Less: Current portion of bonds payable	-	(74,152,384)
Subtotal	4,688,853	-
Total	$15,333,638	$11,951,781
Embedded derivative instruments－put right, accounted under financial liabilities at fair value through profit or loss	$-	$2,771,935
Equity components－Capital surplus, accounted under capital surplus and other	$7,124,808	$7,242,446
Liability components－Financial liabilities reported at fair value through (profit) or loss	$(2,214,209)	$1,442,324
Interest expense	$1,174,919	$3,552,767

B. The offering information of the unsecured convertible bonds was as follows:

Item	First overseas unsecured convertible bonds issued in 2012
1. Offering amount	NT$600,000 thousand
2. Issue date	29 March 2012
3. Outstanding amount	NT$0 thousand
4. Interest	The bonds will not bear any interest.
5. Issue Period	From 29 March 2012 to the maturity date of 29 March 2017
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 (29 March 2014). The Company should send through registered mail the "Notification of bondholder's put option" 30 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 30 days after the OTC's announcement. The redemption value is the bonds face value plus interest. (Face value * 101% 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	(a) Conversion period The bondholders will have the right to convert their bonds at any time during the conversion period commencing 30 April 2012 (the 30th day following the closing date) and ending at the close of business on 19 March 2017 (the 10th day prior to 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. (b) Conversion price The conversion price had been adjusted from NT$46.00 per share to NT$40.36 per share effective 14 August 2012. The conversion price had been adjusted from NT$40.36 per share to NT$36.80 per share effective 20 August 2013. The conversion price had been adjusted from NT$36.80 per share to NT$33.70 per share effective 2 August 2014. The conversion price had been adjusted from NT$33.70 per share to NT$31.30 per share effective 4 July 2015. The conversion price had been adjusted from NT$31.30 per share to NT$29.20 per share effective 3 July 2016. The conversion price had been adjusted from NT$29.20 per share to NT$29.10 per share effective 28 October 2016.

Item	First overseas unsecured convertible bonds issued in 2013
1. Offering amount	US$60 million
2. Issue date	12 November 2013
3. Outstanding amount	US$11,000 thousands
4. Interest	The bonds will not bear any interest.
5. Issue Period	From 12 November 2013 to maturity date of 12 November 2018
6. Guarantee Institutions	Citicorp International Limited
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 12 November 2015 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 23 December 2013 (the 41st day following the closing Date) and ending at the close of business on 2 November 2018 (the 10thday prior to the maturity Date), to convert their bonds. (2) Conversion price The conversion price was NT$35.3369 per share which was100.1% of the closing price reported by the TWSE in respect of the common shares of the Company on 4 November 2013. The conversion price had been adjusted from NT$35.3369 per share to NT$32.6486 per share effective 2 August 2014. The conversion price had been adjusted from NT$32.6486 per share to NT$30.3524 per share effective 4 July 2015. The conversion price had been adjusted from NT$30.3524 per share to NT$28.3011 per share effective 3 July 2016. The conversion price had been adjusted from NT$28.3011 per share to NT$28.2794 per share effective 28 October 2016. The conversion price had been adjusted from NT$28.2794 per share to NT$26.0777 per share effective 29 July 2017. (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$29.4180 =US$1.00) divided by the conversion price on the conversion date.

Item	Second overseas unsecured convertible bonds issued in 2015
1. Offering amount	US$80 million
2. Issue date	10 April 2015
3. Outstanding amount	US$5,000 thousands
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	Citicorp International Limited
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 10thday 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 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. (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.

C. First overseas unsecured convertible bonds issued in 2012 has matured on 29 March 2017.

D. The bondholders exercised the right to repurchase within the period of repurchase (five business days prior to April 10, 2017) the second overseas unsecured convertible bonds issued by the Group in 2015 according to the issuance prospectus. The bondholders requested that the consolidated company redeem the convertible bonds at 104.06% face value. The Group recognized loss from the right to repurchase of corporate bonds in the amount of US$4,462 thousand (under other loss item) after deducting the book values of the corporate bond and the liabilities of the right to repurchase from the repurchase price. The Group reclassified expired conversion rights of US$5,871 thousand from Capital Surplus - Stock option from convertible bonds to Capital Surplus - Others. The book value of the second overseas unsecured convertible bonds issued by the Group in 2015, less the accumulated conversion has been reclassified to non-current liabilities after the expiration of resale period.

(13) Leases

A. Lessors

Chartering

(a) Future hiring receivables as at 30 June 2017 and 31 December 2016 were as follows:

	30 June 2017	31 December 2016
Within one year	$291,055,174	$243,555,891
Beyond one year and up to five years	609,336,606	609,441,100
More than five years	355,946,918	419,919,829
Total	$1,256,338,698	$1,272,916,820

(b) The Group recognized compensation of $13,800,000 due to early termination of contract by a lessee on 19 February 2016 and 30 March 2016. The compensations have been recovered in full, and accounted for other income.

B. Lessee

(a) Finance leases of vessels

(i) Future non-cancellable lease payments under financing lease as at 30 June 2017 and 31 December 2016:

	30 June 2017		31 December 2016	
	Minimum Lease Payment	Interest expense	Minimum Lease Payment	Interest expense
Within one year	$6,697,809	$951,354	$15,593,148	$805,511
Beyond one year and up to five years	21,513,265	2,045,118	12,387,396	2,032,083
More than five years	34,060,871	1,134,894	34,189,820	1,296,426
Total	$62,271,945	$4,131,366	$62,170,364	$4,134,020

(ii) The Group planned to exercise its right to acquire some vessels in October 2009 and August 2017, and pay for the purchase price of the vessels after delivery. However, the Group and the lessor had both agreed to extend the lease term to October 2017 and August 2018, and the other conditions of the lease remained unchanged.

(b) Bareboat Hire and Purchase (BBHP)

(i) As at 30 June 2017 and 31 December 2016, the Group engaged in vessels sale and lease back transactions based on the operating performance and the investment strategies. The sale and lease back transactions resulted in financial leases, and the related information of these transactions was as follows:

	Vessel	Lease term	Rent	Contract price	Interest rate
30 June 2017	A	7 years from 2012.12	$347,750/quarter	$14,980,000	Max (3m Libor+2.2%, Taifx+1.2%, 2.5%)

	Vessel	Lease term	Rent	Contract price	Interest rate
31 Decmebr 2016	A	7 years from 2012.12	$347,750/quarter	$14,980,000	Max (3m Libor+2.2%, Taifx+1.2%, 2.5%)
	B	5 years from 2013.05	$345,000/quarter	$6,900,000	Max (3m Libor+2.2%, Taifx+1.9%, 2.5%)

(ii) Future non-cancellable chartering payments as at 30 June 2017 and 31 December 2016 were as follows:

	30 June 2017	31 December 2016
Within one year	$1,391,000	$2,771,000
Beyond one year and up to five years	7,329,500	8,715,000
Total	$8,720,500	$11,486,000

(iii) Based on the BBHP contracts, the Group has the option to buy the vessels at maturity date in the third year of the lease agreements and can acquire the lease vessels when the Group makes the payment.

(iv) As at 30 June 2017 and 31 December 2016, the Group has issued promissory notes of $9,615,000 and $12,974,000, respectively, for these lease agreements.

(14) 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.

(15) 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 $10 per share.

As at 30 June 2017 and 31 December 2016, the total outstanding capital of the Company amounted to NT$5,568,644 thousand and NT$5,549,741 thousand, consisting of 556,864 thousand and 554,974 thousand shares with a par value of NT $10 per share.

(b) On 23 June 2017, the shareholders resolved at their meeting to distribute the 2016 capital surplus as cash at NT$1.00 per share and increase capital by capitalizing its capital surplus of NT$ 278,432 thousand, comprising 27,843 thousand shares with a par value of NT$10. The record date of this capital increase was 29 July 2017.

(c) As at 30 June 2017, convertible bonds were converted into common stock and capital surplus of $622,695 and $1,250,273, respectively.

B. Capital Surplus

The components of the capital surplus were as follows:

	30 June 2017	31 December 2016
From issuance of share capital	$31,060,746	$57,192,309
Employee share options	119,346	119,346
Stock option from convertible bonds	1,254,063	7,242,446
Others	5,870,745	-
Total	$38,304,900	$64,554,101

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 23 June 2017 and 27 May 2016, the Company's shareholders resolved at the shareholder's meeting to appropriate the 2016 and 2015 earnings, respectively. These earnings were distributed as dividends and remuneration to directors and supervisors as follows:

Unit: NTD

	For the Years Ended 31 December	
Item	2016	2015
Cash dividends distributed from Capital surplus -per share	$1.00	$2.50
Stock dividends distributed from Capital surplus -per share	$0.50	-

For the amount and estimate basis of Directors' and supervisors' remuneration please refer to Note 6.(17).E.

(16) Operating revenues

	For the Three Months Ended 30 June		For the Six Months Ended 30 June	
	2017	2016	2017	2016
Hire revenue	$79,844,350	$75,031,907	$156,142,022	$153,185,657
Freight revenue	4,289,758	2,595,728	9,512,935	5,056,295
Vessel management revenue	1,087,907	1,455,658	2,159,691	2,529,867
Other operating revenue	1,302,078	1,614,916	2,596,476	2,903,857
Total	$86,524,093	$80,698,209	$170,411,124	$163,675,676

(17) Operating costs

	For the Three Months Ended 30 June		For the Six Months Ended 30 June	
	2017	2016	2017	2016
Depreciation expense (Note 6. (9)(a))	$32,112,153	$30,457,282	$63,078,178	$60,473,401
Cost of materials	11,703,205	9,815,602	22,856,774	19,431,511
Expenses for chartering services	5,044,059	3,945,844	10,069,065	7,933,982
Wages and personnel expenses	22,480,802	21,130,485	44,232,433	41,427,485
Other operating costs	2,614,310	2,752,705	5,264,568	5,595,807
Total	$73,954,529	$68,101,918	$145,501,018	$134,862,186

A. Cost of materials

	For the Three Months Ended 30 June		For the Six Months Ended 30 June	
	2017	2016	2017	2016
Fuel oil	$2,101,084	$1,329,519	$4,644,838	$2,950,000
Lubricants	2,339,489	2,368,576	4,637,823	4,541,848
Materials	1,578,315	1,543,294	2,931,130	2,964,977
Spare parts	2,180,571	1,490,331	4,271,519	3,139,342
Survey fees	1,434,822	1,123,041	2,472,588	2,069,544
Repairs and maintenance	469,174	397,727	813,826	742,478
Postage and international communication	680,446	720,035	1,323,015	1,381,430
Paints	227,391	229,851	404,102	413,583
Other	691,913	613,228	1,357,933	1,228,309
Total	$11,703,205	$9,815,602	$22,856,774	$19,431,511

B. Expenses for chartering services

	For the Three Months Ended 30 June		For the Six Months Ended 30 June	
	2017	2016	2017	2016
Commissions	$2,885,184	$2,441,893	$5,541,537	$5,045,273
Expenses at ports	820,846	664,076	1,835,427	1,215,686
Agency costs	192,784	147,927	404,266	268,955
Chartering expenses	1,052,200	655,353	2,084,892	1,289,017
Dispatch expenses	93,045	36,595	202,943	115,051
Total	$5,044,059	$3,945,844	$10,069,065	$7,933,982

C. Wages and personnel expenses

	For the Three Months Ended 30 June		For the Six Months Ended 30 June	
	2017	2016	2017	2016
Crew wages	$17,005,579	$15,844,298	$33,371,102	$31,201,191
Insurance fees	1,969,181	2,066,565	4,150,974	4,266,312
Food and meals	1,506,293	1,418,823	2,983,732	2,813,062
Crew travel fees	1,370,930	1,312,256	2,533,151	2,202,525
Bonus	592,926	457,884	1,123,154	883,510
Pension cost	35,893	30,659	70,320	60,885
Total	$22,480,802	$21,130,485	$44,232,433	$41,427,485

D. Other operating costs

	For the Three Months Ended 30 June		For the Six Months Ended 30 June	
	2017	2016	2017	2016
Hull and machinery insurance	$2,182,380	$2,243,256	$4,394,624	$4,556,045
Compensation	193,100	195,047	369,177	497,855
Lease payments	77,535	83,524	149,282	165,766
Other	161,295	230,878	351,485	376,141
Total	$2,614,310	$2,752,705	$5,264,568	$5,595,807

E. Summary statement of employee benefits, depreciation and amortization expenses by function for the three months ended and six months ended 30 June 2017 and 2016:

	For the Three Months Ended 30 June					
	2017			2016		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	$17,598,505	$363,796	$17,962,301	$16,302,182	$362,572	$16,664,754
Insurance expenses	1,969,181	24,550	1,993,731	2,066,565	26,528	2,093,093
Pension	35,893	14,274	50,167	30,659	13,256	43,915
Other employee benefits expense	1,506,330	10,832	1,517,162	1,418,850	7,804	1,426,654
Depreciation	32,112,153	4,808	32,116,961	30,457,282	7,124	30,464,406
Amortization	-	2,955	2,955	-	2,242	2,242

	For the Six Months Ended 30 June					
	2017			2016		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	$34,494,256	$690,233	$35,184,489	$32,084,701	$651,079	$32,735,780
Insurance expenses	4,150,974	55,027	4,206,001	4,266,312	53,497	4,319,809
Pension	70,320	28,415	98,735	60,885	25,724	86,609
Other employee benefits expense	2,986,517	18,272	3,004,789	2,815,527	15,882	2,831,409
Depreciation	63,078,178	9,613	63,087,791	60,473,401	15,906	60,489,307
Amortization	-	5,353	5,353	-	3,881	3,881

	For the Years Ended 31 December	
Item	2016	2015
Directors' and supervisors' remuneration	$208,634	$308,270

The differences between the actual appropriations of 2016 and 2015 earnings for directors and supervisors' remunerations as approved at the shareholders' meeting and the amounts recognized in the financial statements were as follows:

	2016		
	The actual appropriation according to the shareholders meeting	The amount recognized in the financial report	Difference
Directors' and supervisors' remuneration	$208,634	$232,835	$(24,201)

	2015		
	The actual appropriation according to the shareholders meeting	The amount recognized in the financial report	Difference
Directors' and supervisors' remuneration	$308,270	$308,266	$4

The aforementioned difference for the years ended 31 December 2016 and 2015 was accounted for as a change in accounting estimates and was charged to profit or loss for the years ended 31 December, 2017 and 2016. Management is expecting that the difference for the year ended 31 December 2016 will be treated as a change in accounting estimates and will be charged to profit or loss for the years ended 31 December 2017 and 2016.

Directors' and supervisors' remuneration amounted to $65,746 and $76,165 for the six months ended 30 June 2017 and 2016, respectively. These amounts were calculated based on the Company's net profit for the six months ended 30 June 2017 and 2016, and were estimated according to the earnings allocation method, priority and factor for employee benefits and key management personnel compensation as stated under the Articles of Association. These benefits were expensed under salaries expense during the six months ended 30 June 2017 and 2016.

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.

(18) Other income and losses

A. Other income

	For the Three Months Ended 30 June		For the Six Months Ended 30 June	
	2017	2016	2017	2016
Interest income	$103,904	$178,519	$220,051	$384,163
Other income-others	29,712	4,334,440	69,184	25,580,146
Total	133,616	$4,512,959	$289,235	$25,964,309

The aforesaid other income-others, please refer to Note 6.(13).A.(b) and Note 9.(2) for more details.

B. Other gains and losses

	For the Three Months Ended 30 June	
	2017	2016
Gains (Losses) on derecognition of held to maturity financial assets	$1,020,985	$-
Foreign exchange gains (losses)	218,479	(5,101,300)
Gains (Losses) on valuation of financial instruments or liabilities at fair value through profit or loss	36,435	(337,877)
Gains (Losses) on disposal of property, plant and equipment	(762,266)	(1,049,777)
Other expenses and losses	(5,748,806)	(405,603)
Total	$(5,235,173)	$(6,894,557)

	For the Six Months Ended 30 June	
	2017	2016
Gains (Losses) on derecognition of held to maturity financial assets	$743,812	$-
Foreign exchange gains (losses)	(517,896)	(7,673,485)
Gains (Losses) on valuation of financial instruments or liabilities at fair value through profit or loss	2,214,209	(292,690)
Gains (Losses) on disposal of property, plant and equipment	(1,430,022)	(1,049,777)
Other expenses and losses	(5,985,845)	(487,395)
Total	$ (4,975,742)	$(9,503,347)

(19) Components of other comprehensive income

For the three months ended 30 June 2017

	Arising during the period	The original cost that was removed to hedged item	Other comprehensive income	Income tax benefits (expenses)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Defined benefit plan actuarial losses	$-	$-	$-	$-	$-
To be reclassified to profit or loss in subsequent periods:					
Cumulative translation adjustments	1,646,662	-	1,646,662	-	1,646,662
Unrealized gains or losses on available for-sale financial assets	91,663	-	91,663	-	91,663
Effective portion of gains (losses) on hedging instrument in a cash flow hedge	(36,899)	(1,626,743)	(1,663,642)	-	(1,663,642)
Total of other comprehensive income	$1,701,426	$(1,626,743)	$74,683	$-	$74,683

For the three months ended 30 June 2016

	Arising during the period	The original cost that was removed to hedged item	Other comprehensive income	Income tax benefits (expenses)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Defined benefit plan actuarial losses	$-	$-	$-	$-	$-
To be reclassified to profit or loss in subsequent periods:					
Cumulative translation adjustments	(84,503,338)	-	(84,503,338)	-	(84,503,338)
Effective portion of gains (losses) on hedging instrument in a cash flow hedge	(2,025,845)	-	(2,025,845)	-	(2,025,845)
Total of other comprehensive income	$(86,529,183)	$-	$(86,529,183)	$-	$(86,529,183)

For the six months ended 30 June 2017

	Arising during the period	The original cost that was removed to hedged item	Other comprehensive income	Income tax benefits (expenses)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Defined benefit plan actuarial losses	$-	$-	$-	$-	$-
To be reclassified to profit or loss in subsequent periods:					
Cumulative translation adjustments	(35,415,549)	-	(35,415,549)	-	(35,415,549)
Unrealized gains or losses on available for-sale financial assets	578,372	-	578,372	-	578,372
Effective portion of gains (losses) on hedging instrument in a cash flow hedge	(36,899)	(1,626,743)	(1,663,642)	-	(1,663,642)
Total of other comprehensive income	$(34,874,076)	$(1,626,743)	$(36,500,819)	$-	$(36,500,819)

For the six months ended 30 June 2016

	Arising during the period	The original cost that was removed to hedged item	Other comprehensive income	Income tax benefits (expenses)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Defined benefit plan actuarial losses	$-	$-	$-	$-	$-
To be reclassified to profit or loss in subsequent periods:					
Cumulative translation adjustments	(141,363,690)	-	(141,363,690)	-	(141,363,690)
Effective portion of gains (losses) on hedging instrument in a cash flow hedge	(5,112,593)	(9,743,365)	(14,855,958)	-	(14,855,958)
Total of other comprehensive income	$(146,476,283)	$(9,743,365)	$(156,219,648)	$-	$(156,219,648)

(20) Income tax

A. Pursuant to the rules and regulations of the Cayman Islands and the Republic of Panama, the Group is not subject to any income tax in the Cayman Islands and Panama, except for WELL and WII.

B. For the three months and six months ended 30 June 2017 and 2016, the components of income tax expenses (benefits) of WELL and WII were as follows:

	For the Three Months Ended 30 June		For the Six Months Ended 30 June	
	2017	2016	2017	2016
Current income tax expense (income)	$1,097	$37,002	$26,939	$61,462
Deferred tax expense (income)	14,697	(3,142)	(7,290)	12,649
Total income tax expense (income)	$15,794	$33,860	$19,649	$74,111

C. The assessment of income tax returns

As at 30 June 2017, 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 2015
Well Shipmanagement and Maritime Consultant Co., Ltd. (WELL)	Assessed and approved up to 2015

(21) 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 preference shares) 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 Three Months Ended 30 June	
	2017	2016
Basic earnings(losses) per share		
Profit(losses) attributable to ordinary shareholders	$(4,637,404)	$283,215
Weighted-average number of ordinary shares	556,864,349	514,342,334
	$(0.01)	$0.00
Diluted earnings(losses) per share		
Profit(losses) attributable to ordinary shareholders (diluted)	$(4,637,404)	$283,215
Interest expenses on convertible notes, net of tax	-	3,786
Foreign exchange (gains) losses	-	(2,071)
(Gains) Losses on valuation on convertible notes, net of tax	-	857
Profit(losses) attributable to ordinary shareholders (diluted)	$(4,637,404)	$285,787
Weighted-average number of ordinary shares (diluted)	556,864,349	514,342,334
Effect of conversion of convertible notes	-	834,189
Weighted-average number of ordinary shares (diluted)	556,864,349	515,176,523
	$(0.01)	$0.00

Note: For the three months ended 30 June 2017, all convertible bonds are excluded from calculation of earnings per share due to anti-dilution.

	For the Six Months Ended 30 June	
	2017	2016
Basic earnings(losses) per share		
Profit(losses) attributable to ordinary shareholders	$(3,269,114)	$25,880,104
Weighted-average number of ordinary shares	555,944,409	514,311,452
	$(0.01)	$0.05
Diluted earnings(losses) per share		
Profit(losses) attributable to ordinary shareholders (diluted)	$(3,269,114)	$25,880,104
Interest expenses on convertible notes, net of tax	936,944	1,771,262
Foreign exchange (gains) losses	25,095	12,286
Amortization of deferred issuance costs	95,566	181,667
(Gains) Losses on valuation on convertible notes, net of tax	(2,214,209)	(523,844)
Profit(losses) attributable to ordinary shareholders (diluted)	$(4,425,718)	$27,321,475
Weighted-average number of ordinary shares (diluted)	555,944,409	514,311,452
Effect of conversion of convertible notes	4,794,025	81,567,156
Weighted-average number of ordinary shares (diluted)	560,738,434	595,878,608
	$(0.01)	$0.05

As at 23 June 2017 the shareholders resolved at the shareholder's meeting to distribute share dividends to shareholders out of capital surplus and announced the record date of 29 July 2017. If the distribution of these shares occured before the report date of the consolidated financial statements, the earnings per share would be as follows:

	For the Three Months Ended 30 June	
	2017	2016
Earnings(losses) per share	$(0.01)	$0.00
Diluted Earnings(losses) per share	$(0.01)	$0.00

	For the Six Months Ended 30 June	
	2017	2016
Earnings(losses) per share	$(0.01)	$0.05
Diluted Earnings(losses) per share	$(0.01)	$0.04

(22) Deconsolidation of Subsidiary

The Group sold the shares acount for 40% of Harmony Success S.A. on 31 May 2017 for $3,300,000 as a repayment of other payables – related party. After decucting the carrying amount of the investment for $2,279,015, the Group recognized Gains on disposal of investments for $1,020,985.

As at 31 May 2017, Harmony Success S.A.'s assets and liabilities mainly consist of:

	31 May 2017
Accounts receivable	$61,860
Inventories	147,065
Prepaid expenses	78,596
Other current assets	89,974
Property, plant and equipment	7,931,176
Accounts payable – related parties	(2,463,064)
Other payables	(24,780)
Other current liabilities	(123,290)
Net assets	$5,697,537

7. Related parties

(1)

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
Directors, Supervisors, President and Vice President	Key Management

Note: 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.

(2) Significant transactions with related parties

A. Chartering expenses

	For the Three Months Ended 30 June	
Related party	2017	2016
Other related parties	$1,052,200	$655,353

	For the Six Months Ended 30 June	
Related party	2017	2016
Other related parties	$2,084,892	$1,289,017

The price of time chartering with other related parties was determined based on the normal market rate. There was no significant difference in the price and payment terms from those with third parties.

B. Services received / rendered

For the three months ended 30 June and the six months ended 30 June 2017 and 2016, the Group received service from (rendered service to) related parties as follows:

Related party	Item	Amount
For the Three Months Ended 30 June 2017		
Other related parties	Vessel management service	$(737,800)
〃	Commissions	300,505
〃	Other expenses	4,485
〃	Commission income	(6,429)
〃	Commissions and agency fees	347,096
〃	Business travel expenses, entertainment expenses and miscellaneous expenses	46,328
〃	Entertainment expenses and miscellaneous expenses	4,305
〃	Passenger Ticket revenue、Other revenue	(234,522)
〃	Port charges、Agency fees、Travel	5,733

Related party	Item	Amount
For the Three Months Ended 30 June 2016		
Other related parties	Vessel management service	$(733,075)
〃	Commissions	273,779
〃	Other expenses	4,485
〃	Commission income	(6,553)
〃	Commissions and agency fees	361,628
〃	Business travel expenses and entertainment exp.	33,894
〃	Entertainment expenses and miscellaneous expenses	2,565
〃	Management revenue	(372,476)
〃	Passenger Ticket revenue、Other revenue	(178,280)
〃	Port charges、Agency fees、Travel	4,875
〃	Other losses	100,500
〃	Losses on Disposal of Assets (Commissions)	75,315

Related party	Item	Amount
For the Six Months Ended 30 June 2017		
Other related parties	Vessel management service	$(1,463,050)
〃	Commissions	555,647
〃	Other expenses	8,985
〃	Commission income	(12,708)
〃	Commissions and agency fees	694,750
〃	Business travel expenses, entertainment expenses and miscellaneous expenses	70,435
〃	Entertainment expenses and miscellaneous expenses	6,815
〃	Passenger Ticket revenue、Other revenue	(336,468)
〃	Port charges、Agency fees、Travel	13,886

Related party	Item	Amount
For the Six Months Ended 30 June 2016		
Other related parties	Vessel management service	$(1,460,750)
〃	Commissions	620,219
〃	Other expenses	8,985
〃	Commission income	(12,890)
〃	Commissions and agency fees	732,494
〃	Business travel expenses and entertainment exp.	94,763
〃	Entertainment expenses and miscellaneous expenses	11,798
〃	Management revenue	(372,476)
〃	Passenger Ticket revenue、Other revenue	(323,107)
〃	Port charges、Agency fees、Travel	16,525
〃	Other losses	100,500
〃	Losses on Disposal of Assets (Commissions)	75,315

C. Receivables and payables

Other current assets / other receivables	30 June 2017	31 December 2016
Name of related party		
Other related parties	$70,425	$35,421

Accounts receivable	30 June 2017	31 December 2016
Name of related party		
Brave Line Co., Ltd.	$537,444	$255,884

Accounts payable	30 June 2017	31 December 2016
Name of related party		
Other related parties	$-	$3,335

Accrued expense	30 June 2017	31 December 2016
Name of related party		
Other related parties	$32,253	$11,408

D. Financing

The details of financing provided by a related party to the Group were as follows:

30 June 2017		
Name of related party	Max balance	Ending balance
Benefit Transport S.A.	$53,138,834	$47,319,120
Samurai Investment S.A.	43,697,278	43,697,278
Total	$96,836,112	91,016,398

31 December 2016		
Name of related party	Max balance	Ending balance
Benefit Transport S.A.	$58,770,112	$47,234,986
Samurai Investment S.A.	43,697,278	43,697,278
Other Related Parties	3,565,891	-
Total	$106,033,281	90,932,264

Interest Expenses	For the Three Months Ended 30 June	
Name of related party	2017	2016
Benefit Transport S.A.	$369,247	$289,547
Samurai Investment S.A.	333,036	191,443
Total	$702,283	$480,990

Interest Expenses	For the Six Months Ended 30 June	
Name of related party	2017	2016
Benefit Transport S.A.	$688,339	$575,174
Samurai Investment S.A.	636,418	381,373
Total	$1,324,757	$956,547

The financing interesting expenses were calculated based on the rate of LIBOR plus 2% per month commencing from 24 October 2011, and the rate of 2.5% per month from 29 July to 17 August 2016.

E. Leases

For the three months ended 30 June and for the six months ended 30 June 2017 and 2016, the Group incurred other related parties and key management transactions as follows:

	For the Three Months Ended 30 June		For the Six Months Ended 30 June	
	2017	2016	2017	2016
Key management	$45,873	$42,809	$90,523	$84,700
Other related parties	36,607	34,164	72,240	67,595
Total	$82,480	$76,973	$162,763	$152,295

The above leases are paid monthly, and do not involve rental deposits. Lease conditions are agreed by both parties. There was no significant difference in the price and payment terms from those with third parties.

F. Guarantee

As at 30 June 2017 and 31 December 2016, key management had provided a time deposit guarantee for the Group's financing loan of $32,505 thousand and $32,439 thousand, respectively.

G. Others

a. On 29 March 2017, the Group entered into a loan agreement with financial institutes with M.V. Jasmine Ace, M.V. Wisdom Grace and M.V.Golden Kiku as pledge, provided by Benefit Transport S.A. As at 30 June 2017, the fair values of aforementioned vessels were $3,713,586, $6,035,429 and $7,867,789, respectively.

b. On 31 May 2017, the Group sold the shares account for 40% of Harmony Success S.A. to Benefit Transport S.A. Please refer to Note 6.(22) for further information.

(3) Salaries and compensation for key management

The Group paid salaries to key management as follows:

	For the Three Months Ended 30 June	
	2017	2016
Salary and bonus (including BODS remunerations)	$166,284	$144,551
Post-employment benefits	3,732	1,989
	$170,016	$146,540

	For the Six Months Ended 30 June	
	2017	2016
Salary and bonus (including BODS remunerations)	$290,246	$279,990
Post-employment benefits	7,365	3,884
	$297,611	$283,874

8. Pledged assets

The carrying values of pledged assets were as follows:

Pledged assets	Object	30 June 2017	31 December 2016
Property, plant and equipment	Bank Loans	$2,511,402,000	$2,435,313,000
Available-for-sale financial assets	〃	1,027,443	999,053
Held-to-maturity investments	〃	605,083	569,365
Other financial assets	〃	35,327,119	25,347,361
		$2,548,361,645	$2,462,228,779

9. Significant commitments and contingencies

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

	30 June 2017		31 December 2016	
Vessels	16		21	
Contract price	¥2,270,000	thousand	¥2,270,000	thousand
	$388,440	thousand	$544,910	Thousand
Prepaid	$76,076	thousand	$91,773	Thousand
	¥113,500	thousand	¥-	thousand
Financed shipbuilding contracts	$31,430	thousand	$33,930	thousand

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

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

Year of delivery	Contract Price		Number of vessels
	Yen(thousand)	USD(thousand)	
2017	¥-	$203,840	7
2018	2,270,000	140,600	7
2019	-	22,500	1
2020	-	21,500	1
Total	¥2,270,000	$388,440	16

(2) As at 30 June 2016, the Group had confiscated the deposit of $10,500,000 from Arabian Gas & Oil Development Company for breaching the contract in the purchase of two undelivered vessels for $52,500,000. Aforementioned deposit was charged to profit or loss under other income after deducted commission $157,500.

(3) Financial Guarantee

Guarantee	Name of relative party guarantee	30 June 2017	Period	Purpose
The Company	WML	$22,650 thousand ¥ -	2014.07~2018.06	Operating fund
WML	Subsidiaries	$698,684 thousand ¥81,951,233 thousand	2005.12~2030.04	Borrowings
The Company	Subsidiaries	$713,891 thousand ¥84,635,113 thousand	2009.11~2030.04	Borrowings and Operating fund
WML	The Company	$6,000 thousand ¥ -	2016.12~2017.12	Operating fund

Guarantee	Name of relative party guarantee	31 December 2016	Period	Purpose
The Company	WML	$19,600 thousand ¥ -	2014.07~2018.06	Operating fund
WML	Subsidiaries	$589,041 thousand ¥85,481,650 thousand	2005.12~2030.04	Borrowings
The Company	Subsidiaries	$593,403 thousand ¥86,718,878 thousand	2009.11~2030.04	Borrowings and Operating fund
WML	The Company	$6,000 thousand ¥ -	2016.12~2017.12	Operating fund

10. Losses due to major disasters: None.

11. Significant subsequent events:

(1) In order to raise capital for the fleet expansion, the Group's board of directors resloved to issue up to NTD 400,000,000 worth of secured Taiwanese convertible bonds and NTD 800,000,000 worth of unsecured Taiwanese convertible bonds on 28 July 2017.

(2) The Group's board of directors resolved to issue up to 32,000,000 new ordinary shares, par value NTD10 each, against cash on 28 July 2017.

12. Others

(1) Categories of financial instruments

Financial assets

	30 June 2017	31 December 2016
Financial assets at fair value through profit or loss:		
Available-for-sale financial assets	$3,076,769	$5,368,010
Held-to-maturity investments	605,083	569,365
Loans and receivables:		
Cash and cash equivalents (exclude cash on hand)	11,111,842	32,598,696
Trade receivables and other receivables (include from related parties)	5,197,955	4,542,412
Subtotal	16,309,797	37,141,108
Derivative financial assets for hedging	11,727	-
Other financial assets	43,741,603	33,396,829
Total	$63,744,979	$76,475,312

Financial liabilities

	30 June 2017	31 December 2016
Financial liabilities at amortized cost:		
Short-term borrowings	$33,783,777	$25,342,002
Trade payables (include from related parties)	6,538,192	4,115,876
Bonds payable (include current portion)	15,333,638	86,520,649
Long-term borrowings (include current portion)	1,576,876,551	1,419,206,480
Long-term payable (include from related parties)	119,828,634	122,246,772
Lease payables (include current portion)	62,271,945	62,170,364
Subtotal	1,814,632,737	1,719,602,143
Financial liabilities at fair value through profit or loss:		
Embedded derivative instruments－put right	-	2,771,935
Derivative financial liabilities for hedging	48,626	-
Total	$1,814,681,363	$1,722,374,078

(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 variable, there is usually interdependencies between risk variables. However the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

<u>Foreign currency risk</u>

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 six months ended 30 June 2017 and 2016 decreases/increases by $3,924,121 and $6,854,660, respectively; the equity decreases/increases by $0 and $1,630,007, respectively.

Interest rate risk

Interest rate risk is managed by the Group on an ongoing basis with the primary objectiveof limiting the extent to which net interest expense could be affected by an adversemovement in interest rates. The Group's exposure to changes in interest rates relatesprimarily to the Group's cash and cash equivalents, bank deposits, and bank borrowings. 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 six months ended 30 June 2017 and 2016 to decrease/increase by $4,481,902 and $4,303,552, respectively; the equity to decrease/ increase by $87,208 and $0, respectively.

Equity price risk

The fair value of the Group's conversion rights of the Euro-convertible bonds issued are susceptible to market price risk arising from uncertainties about future values of the investment securities. The conversion rights of the Euro-convertible bonds issued are classified as financial liabilities at fair value through profit or loss as it does not satisfy the definition of an equity component. Please refer to Note 12.(8) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

A. Management has a credit policy in place, and exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the balance sheet date, management is not expecting significant concentrations of credit risk.

B. The risk exposure of credit risk

The book value of financial assets represents the maximum amount of credit risk exposure. On the reported date, the maximum amount of credit risk exposure is as follows:

	30 June 2017	31 December 2016
Cash and cash equivalents	$11,111,842	$32,598,696
Accounts receivables and other receivables (include from related parties)	5,197,955	4,542,412
Available-for-sale financial assets	3,076,769	5,368,010
Held to maturity financial assets	605,083	569,365
Derivative financial assets for hedging	11,727	-
Other financial assets	43,741,603	33,396,829
	$63,744,979	$76,475,312

(5) Liquidity risk management

The Group maintains financial flexibility by cash and cash equivalents, bank borrowings, Euro-convertible bonds and finance leases. The Group's liquidity risk did not change significantly from those disclosed in the 2016 annual consolidated financial statements. Please refer to the Note 12.(5) in the 2016 annual consolidated financial report for more information.

(6) 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 (including held-to-maturity investments, loans and receivables) and liabilities measured at amortized cost approximate their fair value.

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.

(7) Derivative financial instruments

The Group's derivative financial instruments include and embedded derivatives. The related information for derivative financial instruments not qualified for hedge accounting and not yet settled as at 30 June 2017 and 31 December 2016 is as follows:

Embedded derivatives

The embedded derivatives arising from issuing convertible bonds have been separated from the host contract and carried at fair value through profit or loss. Please refer to Note 6.(12) for further information on this transaction.

The counterparties for the aforementioned derivatives transactions are well known local or overseas banks, as they have sound credit ratings, the credit risk is insignificant.

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

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

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

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

Level 3 – Unobservable inputs for the asset or liability

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

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

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

As at 30 June 2017	Level 1	Level 2	Level 3	Total
Derivative financial assets	$-	$11,727	$-	$11,727
Derivative financial liabilities	$-	$48,626	$-	$48,626
Available-for-sale financial assets	$3,076,769	$-	$-	$3,076,769

As at 31 December 2016	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss	$-	$-	$2,771,935	$2,771,935
Available-for-sale financial assets	$2,498,010	$-	$2,870,000	$5,368,010

Transfers between Level 1 and Level 2 during the period

During the six months ended 30 June 2017 and 2016, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets	Liabilities
	Available-for-sale	At fair value through profit or loss
	Stock	Derivatives
Beginning balances as at 1 January 2017	$2,870,000	$2,771,935
Total gains and losses recognized for the six-month period ended 30 June 2017:		
Amount recognized in (profit) or loss (presented in "other profit or loss")	(277,173)	(2,214,209)
Acquisition/issues for the six-month period ended 30 June 2017	-	-
Disposal/settlements for the six-month period ended 30 June 2017	(2,592,827)	(557,726)
Transfer in/(out) of Level 3	-	-
Ending balances as at 30 June 2017	$-	$-

Total gains and losses recognized for the six-month period ended 30 June 2017 in the table above contain gains and losses related to derivatives on hand as at 30 June 2017 in the amount of $172,100.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As at 30 June 2017

None.

As at 31 December 2016

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial Assets:					
Available-for-sale financial assets					
Stock	Market method	Lack of liquidity discounts	0.3152	The higher the lack of liquidity discounts, the lower the fair value of the stock	5% increase in the volatility would result in decrease in the Group's equity by $377,785; 5% decrease in the volatility would result in increase in the Group's equity by $5,427
Financial liabilities:					
At fair value through profit or loss					
Embedded derivatives – Second overseas unsecured convertible bonds issued in 2015	Option pricing model	Volatility	14.07%	The higher the volatility, the lower the fair value of the embedded derivatives	5% increase in the volatility would result in increase in the Group's profit by $1,419,120;5% decrease in the volatility would result in decrease in the Group's profit by $1,981,440
Embedded derivatives – First overseas unsecured convertible bonds issued in 2012	Option pricing model	Volatility	15 .50%	The higher the volatility, the higher the fair value of the embedded derivatives	5% increase in the volatility would result in decrease in the Group's profit by $3,542;5% decrease in the volatility would result in increase in the Group's profit by $3,078

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The external evaluation institute ensures the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The group's accounting department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

(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:

	30 June 2017			31 December 2016		
	Foreign currency (Note1)	Exchange rate (Note2)	USD	Foreign currency (Note1)	Exchange rate (Note2)	USD
Financial liabilities						
Monetary item						
JPY：USD	￥8,433,983,986	0.0089	$75,263,109	￥8,658,388,382	0.0085	$73,946,438

Note 1 : The amounts under the derivatives financial assets and monetary items are the carrying amounts of forward foreign exchange contract and financial liabilities, respectively.

Note 2 : The exchange rates under the derivatives financial assets and monetary items are the forward exchange rate and spot rate, respectively.

For the six months ended 30 June 2017 and 2016, the Group had foreign exchange gains (losses) of $(517,896) and $(7,673,485), 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 Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, while maintaining an optimal capital structure to minimize the cost of capital. To meet these capital structure objectives, the Company will review annually with its board any proposed dividends as well as any needs to raise additional equity for future business opportunities or to reduce debt.

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

(12) List of the Group vessels as at 30 June 2017

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 Kalon	2010	58,107	Supramax
10	Amis Leader	2010	58,107	Supramax
11	Amis Wisdom I	2010	61,611	Supramax
12	Amis Wisdom II	2010	61,611	Supramax
13	Amis Wisdom III	2011	61,527	Supramax
14	Amis Wisdom VI	2011	61,456	Supramax
15	Arikun	2007	8,763	Small Handy
16	Atayal Ace	2013	16,805	Small Handy
17	Atayal Brave	2012	16,805	Small Handy
18	Atayal Mariner	2012	16,805	Small Handy
19	Atayal Star	2012	16,805	Small Handy
20	Babuza Wisdom	2009	18,969	Small Handy
21	Beagle II	2007	17,224	Small Handy
22	Beagle VI	2001	18,320	Small Handy
23	Beagle VII	2007	16,822	Small Handy
24	Bizen	2008	8,721	Small Handy
25	Blue Horizon	2012	207,867	Cape
26	Bunun Ace	2013	37,744	Handy
27	Bunun Brave	2014	45,556	Handy

No.	Name of Vessel	Construction year	D.W.T.	Vessel type
28	Bunun Champion	2014	45,556	Handy
29	Bunun Dynasty	2014	37,795	Handy
30	Bunun Elegance	2014	45,556	Handy
31	Bunun Fortune	2015	37,790	Handy
32	Bunun Glory	2015	37,046	Handy
33	Bunun Hero	2015	37,811	Handy
34	Bunun Infinity	2016	37,654	Handy
35	Bunun Justice	2017	37,748	Handy
36	Bunun Wisdom	2012	38,168	Handy
37	Clear Horizon	2012	207,947	Cape
38	Daiwan Ace	2014	34,358	Handy
39	Daiwan Brave	2014	34,358	Handy
40	Daiwan Champion	2015	34,393	Handy
41	Daiwan Dolphin	2015	34,393	Handy
42	Daiwan Elegance	2015	35,331	Handy
43	Daiwan Fortune	2015	34,893	Handy
44	Daiwan Glory	2015	35,531	Handy
45	Daiwan Hero	2016	34,376	Handy
46	Daiwan Infinity	2016	34,376	Handy
47	Daiwan Justice	2016	34,327	Handy
48	Daiwan Kalon	2016	34,327	Handy
49	Daiwan Wisdom	2010	31,967	Handy
50	Del Sol	1998	11,410	Small Handy
51	Frontier Bonanza	2010	179,435	Cape
52	Genius Star I	2004	10,977	Small Handy
53	Genius Star II	2005	10,977	Small Handy
54	Genius Star III	2006	13,567	Small Handy
55	Genius Star IX	2009	12,005	Small Handy
56	Genius Star VII	2007	12,005	Small Handy
57	Genius Star VIII	2007	12,005	Small Handy
58	Genius Star X	2010	12,005	Small Handy
59	Genius Star XI	2012	13,663	Small Handy
60	Genius Star XII	2013	13,077	Small Handy
61	Global Faith	2010	28,050	Handy
62	Hibiscus	2002	48,610	Handy
63	Hoanya Wisdom	2008	21,119	Handy
64	Izumo	2007	20,150	Handy
65	Jasmine Ace	1997	8,704	Small Handy
66	Katagalan Wisdom	2012	98,697	Panamax
67	Katagalan Wisdom III	2012	98,697	Panamax
68	LBC Energy	2011	71,066	Panamax
69	Ligulao	2010	5,296	Other-PCTC
70	Magnate	2004	18,828	Small Handy
71	Mimasaka	2010	14,062	Small Handy
72	Mino	2007	14,118	Small Handy

No.	Name of Vessel	Construction year	D.W.T.	Vessel type
73	Naluhu	2010	58,107	Supramax
74	Ocean Victory	2011	28,386	Handy
75	Pacific Venus	2001	18,712	Small Handy
76	Paiwan Wisdom	2010	31,967	Handy
77	Papora Wisdom	2009	28,050	Handy
78	Pazeh Wisdom	2009	18,969	Small Handy
79	Pescadores	1999	198	Other-Passenger
80	Poavosa Ace	2013	28,208	Handy
81	Poavosa Brave	2009	28,367	Handy
82	Poavosa Wisdom	2009	28,050	Handy
83	Poavosa Wisdom III	2011	28,232	Handy
84	Poavosa Wisdom VI	2011	28,050	Handy
85	Poavosa Wisdom VII	2012	28,208	Handy
86	Poavosa Wisdom VIII	2013	28,208	Handy
87	Sakizaya Ace	2013	74,936	Panamax
88	Sakizaya Brave	2013	74,940	Panamax
89	Sakizaya Champion	2014	78,080	Panamax
90	Sakizaya Diamond	2015	81,938	Panamax
91	Sakizaya Elegance	2015	81,938	Panamax
92	Sakizaya Future	2016	81,938	Panamax
93	Sakizaya Glory	2016	84,883	Panamax
94	Sakizaya Hero	2016	81,067	Panamax
95	Sakizaya Integrity	2016	81,010	Panamax
96	Sakizaya Justice	2017	81,691	Panamax
97	Sakizaya Kalon	2017	81,691	Panamax
98	Sakizaya Miracle	2017	81,668	Panamax
99	Sakizaya Wisdom	2011	76,457	Panamax
100	Scarlet Eagle	2014	81,842	Panamax
101	Scarlet Falcon	2014	82,260	Panamax
102	Scarlet Rosella	2015	82,235	Panamax
103	Siraya Wisdom	2007	21,119	Handy
104	Taikli	2011	13,139	Small Handy
105	Tao Ace	2013	25,037	Handy
106	Tao Brave	2011	25,065	Handy
107	Tao Mariner	2010	25,065	Handy
108	Tao Star	2010	25,065	Handy
109	Tao Treasure	2013	25,036	Handy
110	Taokas Wisdom	2008	31,943	Handy
111	Timu	2005	17,224	Small Handy
112	Unicorn Bravo	2007	8,759	Small Handy
113	Unicorn Logger	2008	8,700	Small Handy
114	Wisdom Grace	1998	18,193	Other-Container

13. 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 six months ended 30 June	
	2017	2016
Revenue from external customers:		
Japan	$40,104,596	$43,919,545
The Netherlands	29,272,022	23,324,240
Singapore	21,393,403	22,301,903
Denmark	18,089,435	11,992,925
Hong Kong	14,508,205	12,236,684
Others	47,043,463	49,900,379
Total	$170,411,124	$163,675,676

	30 June 2017	31 December 2016
Non-current assets:		
Panama	$2,507,676,905	$2,443,640,636
Hong Kong	107,299,453	109,555,360
Taiwan	2,699,518	2,564,895
Total	$2,617,675,876	$2,555,760,891

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

(3) Major customers

Individual customers accounting for at least 10% of net sales for the years ended 30 June 2017 and 2016 were as follows:

	For the six months ended 30 June	
	2017	2016
Customer A:	$28,515,235	$23,324,240
Customer B:	$16,271,004	$17,204,180