



2021 ANNUAL REPORT



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None.

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2021

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Attachment 1_Consolidated Financial Statements 2021

Attachment 2_Individual Consolidated Financial Statements 2021

YANG MING delivers GOOD for life

 YANG MING



Shipping is delivering happiness of life worldwide.

Professionalism is YANG MING's commitment to global customers.

Our energy-saving and smart fleets are sailing toward a beautiful future of sustainability.



I Letter to Shareholders

2021 was a turbulent year that saw the global container shipping market continuing to be disrupted by the COVID-19 pandemic. What with the restocking of retailers and surging consumer demand, as well as the scarcity of capacity and equipment caused by port congestion and bottlenecks, there was added pressure on the global supply chain due to operational constraints, leading to elevated freight rates and carriers' profitability. Against this backdrop, Yang Ming is cautiously optimistic about the shipping industry moving forward and will continue to provide the best service of the highest standard. Abiding by our company's motto "teamwork, innovation, integrity, and pragmatism," Yang Ming will continue its commitment to improving operating efficiency and upholding the mission of sustainable management and social responsibility, so as to garner the support and fulfill the promises made to every shareholder and member of the Yang Ming community.

1.1 The 2021 annual business report:

1.1.1 Operational Profile

Changing External environment

1. Overall Economic Prosperity

According to the Organization for Economic Cooperation and Development (OECD) and the International Monetary Fund (IMF), the growth rate of global GDP in 2021 was 5.6% and 5.9% respectively, and the trade volume in 2021 grew by 9.3%. This was mainly due to the COVID-19 pandemic wreaking havoc on global economic activities and supply chains. In addition, there is increasing uncertainty in the economic prospect. This is evidenced by the ongoing gridlock in the supply chain which in turn causes inflationary pressures, the spread of the Omicron variant, and the growing economic antagonism between the U.S. and China by way of the two economic and trade agreements, RCEP (Regional Comprehensive Economic Partnership) and CPTPP (Comprehensive and Progressive Agreement for Trans-Pacific Partnership). Because of the pandemic, moreover, the average international crude oil prices jumped by around 70%, standing at US\$ 68 to 71 per barrel in 2021.

2. Industry Supply and Demand

According to Alphaliner, a professional shipping consultancy, container shipping demand in 2021 grew by 6.7%, which was 7.8 percentage points higher than the 1.1% contraction in 2020. In terms of capacity supply, the 2021 growth rate was 4.5%, up by 1.6 percentage points from the 2.9% in 2020. The above figures all pointed to an undersupply in the shipping market. As the COVID-19 pandemic continues to rage globally, carriers are proactively arranging extra loaders and empty containers reposition to meet a surge in market demand. In the dry bulk market, the average BDI in 2021 was 2,943 points, registering a 176% uptick from 2020. According to Clarksons' latest report, market demand exceeds supply as the demand for bulk shipping grew by 4.2% in 2021 while the supply growth rate was 3.8%.

1.1.2 Results of Implementing Business Plans

Despite the ongoing pandemic situation in 2021, the Company managed to implement various business strategies and the overall results in 2021 were better than expected. The net profit after tax was NT\$165.269 billion and the earning per share was NT\$48.73.

1.1.3 Implementation Status of Operating Income and Expenses

1. Operating Revenue

The overall operating volume in 2021 decreased due to port congestion and vessel delays caused by the COVID-19 pandemic. Aided by a strong global demand, the higher average freight rate offset the impact of reduced operating volume. The consolidated operating income for 2021 was NT\$333.687 billion, an increase of NT\$182.41 billion or 120.58% from NT\$151.277 billion in 2020.

2. Operating Cost

Given the ongoing the COVID-19 pandemic situation, the international crude oil prices, empty reposition fee and storage costs saw an increase. However, overall operating volume dropped, resulting in a reduction in related transportation costs. The consolidated operating cost for 2021 was NT\$120.556 billion, a decrease of NT\$4.636 billion or 3.7% from NT\$125.192 billion in 2020.

1.1.4 Profitability Analysis

As the COVID-19 pandemic continued its negative sway in 2021, the Company managed to adjust its business strategies in response to market development. The operating result saw a net profit of NT\$165.269 billion after tax, an improvement of NT\$153.292 billion from 2020.

1.1.5 Research and Development Status

1. Digital Development Strategy

(1) Guided by the principle of Adapt, Agile and Achieve, the Company continued to optimize the existing e-service coverage. The achievements in 2021 were: participation in the "Global Trade Sharing Blockchain" constructed by domestic financial companies to facilitate document review by bank and accelerate the approval of customer trade financing applications; launch of a Street Turn platform in the U.S. to provide trailers with online applications for street turn (the imported containers will not be returned to the yard after unstuffing, but will be directly used for export) and automatic approval function; development of online customer inquiry platform to facilitate customer inquiry and online quotation and negotiation of freight rates, and after confirming the quotation, it is directly incorporated into the internal freight filing system to rationalize the entire quotation process; launch of a container dynamic tracking and query system that conforms to DCSA (Digital Container Shipping Association) standards; and improvement in various existing e-services to fulfill users' needs.

The Company's e-service expansion plan in 2022 will include: online intelligent customer service; new web-based booking interface for customers; mobile APP booking interface; e-Payment and RPA (Robotic Process Automation) for agents account receivable; active participation in DCSA discussions on data and interface standardization, and adjustment in related systems to align with various standards stipulated by DCSA.

(2) Technology application:

a. Information security protection : Security threat is a malicious act that aims to corrupt or steal data or disrupt an organization's systems or the entire organization. The methods employed are ever-changing, and there is admittedly no perfect solution for such protection. Even with the construction of multi-layer information security protection mechanisms, security could still be compromised. As such, enterprises must always keep alert. To this end, Our company are making improvements

on anti-hack capabilities by, for instance, simulating as an attacker and then adopting endpoint protection mechanism (MDR) and red team assessment using third-party services.

- b. E -Service : In response to changing severity of the COVID-19 situation, our colleagues are taking turns to work from home. The "E-Counter" service on the basis of the existing E-service has been launched. This is a convenient tool for export customers to operate through the "Export Booking Platform" and pay by remittance. For Sea Waybill, a link to the electronic bill of lading will be attached to e-mail via notification, which can then be downloaded or printed and retained as needed, and an electronic invoice file will also be attached; import customers should apply for the use of e-D/O (electronic bill of lading) service and go to the "Import Reservation Platform" to complete the payment by remittance; customer can obtain an electronic bill of lading and an electronic receipt, allowing them who need to stay at home or work from home during the pandemic to manage their business, thereby saving the cost of paperwork.
 - c. Fleet Collaboration Platform (Fleet Situation Room) : The management of big data is unneglectable for shipping companies. Development in the Fleet Situation Room can facilitate real-time database analysis and integration of relevant data in the mode of "data visualization," which could substantially improve decision-making process.
 - d. Application of DCSA standard : Through the introduction and establishment of APIM (API management platform), a unified external service window (i.e., the API portal) is created to establish a standardized technology sharing model to facilitate integration of technology exchange and information security.
- (3) In terms of popularizing professional knowledge, internal training of RPA tools for colleagues was conducted at the end of 2021. A process overview was conducted alongside the training to meet our goal of completing the freight reporting project (accounts receivable and voyage table automation process) in 2022.

2. Environmentally-friendly Fleet

(1) Environmentally-friendly fleet expansion plan

In 2021, six new 11,000 TEU-class vessels “YM Target”, “YM Tiptop”, “YM Travel”, “YM Topmost”, “YM Trust”, and “YM Together” along with four new 2,800 TEU-class vessels “YM Credibility”, “YM Constancy”, “YM Cooperation”, and “YM Continuity” joined the fleet. Under the fleet renewal plan, five 11,000 TEU-class vessels, which are energy-saving and environment-friendly, are scheduled for delivery in 2022. New ships with higher efficiency are expected to reduce NOx and CO2 emissions to meet the latest energy efficiency (EEDI) standards of the International Maritime Organization (IMO) and to reduce operating costs.

- (2) Systematic Phase: Yang Ming is determined to strengthen ship safety and environmental management system. It is our mission to safeguard our ships, crews, cargoes, and the environment.
- (3) Operational Phase: The Company promoted the implementation of the Ship Energy Efficiency Management Plan (SEEMP) and the Energy Efficiency Operational Indicator (EEOI) on operating fleet. We adopted the “best trim” green operation measure through inter-department cooperation by using the optimal sailing attitude, adjusting water ballast and draft of the ships in order to achieve energy-saving navigation. Also, energy efficiency is constantly monitored for large vessels. This is to observe the energy-saving effect for timely operation improvement. In addition, we partnered with WNI Company

to develop a fuel efficiency management system and establish a schedule monitoring module to reduce greenhouse gas emissions and waste.

(4) Carbon intensity reduced by 56.9%, fulfilling green promises

Since 2009, Yang Ming has been dedicated to planning and building an eco-friendly fleet to improve vessel efficiency and reduce greenhouse gas emissions. In 2020, the average carbon intensity (CO₂ emissions per transport work) of Yang Ming's fleet was significantly reduced by 56.9% compared with the level in 2008, from 99.4g/teu-km to 42.8g/teu-km, therefore achieving IMO's target of reducing carbon intensity by at least 40% by 2030, and moving far ahead of schedule. The Company is fulfilling the goal of energy-saving and carbon reduction through improving vessel design.

3. Awards & Performance

Yang Ming is committed to operational sustainability. We are constantly optimizing our service network and fleet management. We adhere to the excelsior and are always improving our services in local and global markets. Regarding environmental and social issues, we are in full compliance with international environmental laws and regulations to facilitate marine environmental protection and fulfill our corporate social responsibilities.

(1) Selected as the best shipping line for Trans-Pacific service

Yang Ming was selected as the "Best Shipping Line" by the readers of Asia Cargo News, a well-known shipping media company. The award was presented at the "2021 Asian Freight, Logistics & Supply Chain Awards" (AFLAS). Yang Ming was the recipient of the "Best Shipping Line –intra-Asia" award from 2016 to 2020. Receiving the award in Trans-Pacific service for the first time, Yang Ming will continue to improve its comprehensive service network.

(2) Awarded the Excellent in Taiwan Corporate Group of Sustainability Comprehensive Performance and Bronze (in Transportation industry) of Corporate Sustainability Report Awards by Taiwan Corporate Sustainability Awards (TCSA)

Yang Ming received two awards by TCSA for achieving excellent performance for ESG criteria and Corporate Social Responsibility (CSR) goals.

(3) Awarded the Marine Education Contribution Awards (Group Award) by the Ministry of Education

Marine Education Contribution Awards was held by the Ministry of Education. Nominated by National Taiwan Ocean University, Yang Ming was awarded Group Award for cooperating with several maritime schools to help cultivate talents.

(4) Awarded the Sapphire award of Blue Whales and Blue Skies program by the National Oceanic and Atmospheric Administration (NOAA) for protecting blue whales and reducing air pollution

Yang Ming was recognized with the Sapphire awards by NOAA for achieving ship-speed reduction to 10 knots or less in the Southern California and San Francisco Bay areas in 2020 to protect blue whales and reduce air pollution. Yang Ming garnered greater honor with the receipt of Sapphire (from silver) this year.

1.2 2022 Annual Business Plan

1. Overall economic environment

According to the latest forecasts of the Organization for Economic Cooperation and Development (OECD) and the International Monetary Fund (IMF), the two institutions predict that the global economic growth rate will grow moderately by 4.4-4.5%, and the global trade growth rate is expected to reach 4.9-6.0%. This is based on the fact the world economy is still being gripped by the pandemic, causing persistent supply chain bottlenecks and inflationary pressures. These factors will hinder the recovery of global economy and even cast a shadow on economic and trade prospects.

2. Industry environment

According to Alphaliner's latest forecast, the container shipping demand growth rate is projected as 5.9% for 2022, and 4.0% in the supply growth rate. Despite the uncertainty brought by the ongoing pandemic, and given the limited delivery of new tonnage, the persistent port and terminal congestion, as well as the labor shortage in transportation caused by a surge in Omicron cases, there is increasing strain on the supply chain, and a tight supply situation is expected to continue throughout 2022. In the dry bulk segment, the growing momentum is also expected to continue as the demand outpaces supply. Also, container shipping industry will be facing a more stringent challenge as the environmental issues are much concerned worldwide, and there is also stricter regulatory scrutiny over alliances' cooperation efforts by major governments such as the U.S. and the EU.

To increase overall corporate strength in an increasingly competitive industrial environment, Yang Ming is adjusting its business operations to improve profitability. The Company's main development plans are summarized as follows:

- (1) Stable and conservative principle for service planning regarding fleet renewal to enhance competitiveness
 - a. East-west network: Coordinate with THE Alliance strategies amid global terminal and logistics disruptions, and fine-tune service routes to maintain competitiveness of alliance products.
 - b. North-south network: Continue to seek expansion opportunities in South America, Australia and West India to maintain market position and increase market share.
 - c. Intra-Asia network: Focus on stable expansion and optimize synergy with global deep sea services.
- (2) Operational process improvement: Round out Yang Ming's website and integrate cloud-based operation information platform.
- (3) Information system integration and upgrade:
 - a. Proactively participate in DCSA projects and introduce digital standards for industry's operation.
 - b. Promote IT application and conduct business intelligence education considering the trend of digitalization.
- (4) Investment strategy and agent management
 - a. Increase proportion of owned assets, expand investment in terminals and warehousing, and carefully evaluate investment in container yards.
 - b. Reinforce our agent system and encourage agents to develop niche shipment.

Looking back on 2021, the container shipping market experienced a V-shaped market rebound and an unprecedented boom in the context of the COVID-19 pandemic across the globe and supply chain congestion. The harvest in 2021 has substantially prepared YM Group for sustainable operation against the abiding downward incline. In the face of an increasingly competitive market, the ongoing pandemic situation, and uncertainties in the global political and economic scenes, Yang Ming will continue to exert efforts in regulatory compliance and environmental regulations by achieving the transformation of low carbon emissions. Blessed with the extraordinary performance in 2021, our colleagues will continue to move Yang Ming Group forward and to consolidate the trust of our valued shareholders.

Yours truly,

Cheng-Mount Cheng

Chairman

Company Profile

2.1 Date of Incorporation: December 29, 1972

2.2 Major Events:

1972 ~ 1981

- Established on Dec. 29, 1972, with a capital of NT\$100,000,000.
- Completed and puts in service four multiple-purpose ships, namely Ming Spring, Ming Summer, Ming Autumn, and Ming Winter, and deployed seven 2,054 TEU full-container vessels, Ming Sun, Ming Moon, Ming Star, Ming Galaxy, Ming Glory, Ming Ocean, and Ming Universe.
- Left Dock No.70 at Kaohsiung Harbor for exclusive use.

1982 ~ 1991

- Completed and put in service four 2,054 TEU full-container vessels, Ming Comfort, Ming Energy, Ming Fortune, Ming Longevity, and eight 3,266 TEU full-container vessels, including Ming Propitious and Ming Peace.
- Completed and puts in service three 66,000 D.W.T. Panamax-class bulk carriers, Ming Wisdom, Ming Mercy and Ming Courage.
- Named as one of the world's "most satisfactory marine transporters in service and reliability" and cited by the American press as one of the Top Ten liner services in the world.
- Cited by the London-based British Shipper Consultation (part of the Freight Transport Association Ltd.) as the world's "Second Most Acclaimed Shipping Company" in customer service.

1992 ~ 2001

- Listed on the Taiwan Stock Exchange (1992).
- Completed and put in service three 3,604 TEU full-container vessels (Ming Asia, Ming America, Ming Europe), and five 3,725 TEU full-container vessels (Ming East, Ming West, Ming South, Ming North, Ming Zenith), as well as seven 5,500 TEU full-container vessels (Ming Plum, Ming Orchid, Ming Bamboo, and so on).
- Merged with the China Merchants Steam Navigation Co., Ltd. (1995).
- Obtained ISO 9002/ISM CODE accreditation and received the ROC National Outstanding Quality Case Award (1996).
- Entered into agreement with COSCO Container Lines Ltd., Kawasaki Kisen Kaisha, Ltd., and Hanjin Shipping Co., Ltd. to establish CKYH consortium in order to provide best services to customers.

2002 ~ 2011

- Established Yang Ming Cultural Foundation, YM Oceanic Culture & Art Museum (OCAM) in Keelung and YM Museum of Marine Exploration in Kaohsiung (MOME) on November 19th, 2003 to promote maritime culture.
- Transferred bulk business to subsidiary Kuang Ming Shipping Corp. in 2008 and began over-the-counter stock transaction (2010).
- After Straits Exchange Foundation and Association for Relations Across the Taiwan Straits signed an agreement on cross- Strait direct shipping link, a 1,500 TEU full-container vessel, YM Heights was assigned to sail from Keelung in Northern Taiwan to Shanghai on December 15, 2008, opening a new era of bi-coastal shipping.
- Inaugurated Kao Ming Container Terminal (KMCT), a subsidiary of Yang Ming on Jan. 1, 2011.
- Completed and puts in service two 6,500 TEU full-container vessels, three 6,600 TEU full-container vessels, four 1,500 TEU full-container vessels, five 4,250 TEU full-container vessels, nine 8,200 TEU full-container vessels and thirteen 1,805 TEU full-container vessels.

- Certified by U.S. Customs as a member of the Customs-Trade Partnership Against Terrorism (C-TPAT).
- Acquired the Certification of the OHSAS 18001 (Occupational Health and Safety Assessment Serial), ISO 14001:2004 Environmental Management System and ISO 9001:2008 and to obtained ISPS Code Certificate for all selfowned vessels, putting Yang Ming at the forefront among domestic and foreign competitors.
- Obtained ISO27001 Certificate for Information Security Management System.
- Received the 7th–10th Art & Business Award from the Council for Cultural Affairs.
- Received governance model in the emerging market, cited by the EURO Money magazine, obtained the 2007 Quest for Quality Award from Logistics Management magazine and ranked 2nd in World Trade Magazine’s Liner Service evaluation and as one of the 50 Outstanding Businesses by Global View magazine (2008).
- Credited as one of the most reputable enterprises in the marine industry and one of the best corporate citizens, making Yang Ming was the only one among domestic shipping-related competitors to receive such honor (2006), and ranked 15th in the Corporate Social Responsibility Evaluation conducted in 2007 and 15th place in the Corporate Citizen in 2009, the only domestic shipping company receiving this honor from the Common Wealth magazine.

2012

- Acquired the AEO certificate issued by Directorate General of Customs, Ministry of Finance, making Yang Ming the first shipping company to receive this honor.
- Kao Ming Container Terminal (KMCT) acquired the investment from Cheer Dragon Investment Limited.
- Completed and puts in service a 6,600 TEU full-container vessel, YM Masculinity.
- Completed and puts in service four 8,626 TEU full-container vessels, YM Uniformity, YM Ubiquity, YM Unanimity and YM Upsurgence.
- Chartered ten 14,000 TEU full-container vessels in 2015 from Seaspan Corp.
- YM Unanimity, an 8,626 TEU full-container vessel, won the Green Passport (GP) issued by ABS.
- Launched the Mobile E-service on its iOS and Android operating systems.
- Earned the “CO2 Reduction Label” from the Environmental Protection Administration (EPA).
- Won the Best Shipping Line Intra-Asia Award of Asian Freight and Supply Chain Awards (AFSCAs).
- Won the LOG-NET Outstanding E-commerce Award from 2008-2012.

2013

- Established Yang Ming (Australia) Pty Ltd.
- Chartered five full-container vessels from Seaspan Corp., following their delivery by China Shipbuilding Corp., Taiwan. (CSBC).
- Completed and puts in service an 8,626 TEU full-container vessel, YM Unicorn.
- Kao Ming Container Terminal (KMCT) acquired the investment from NYK Line and Nippon Container Terminal Co. Ltd., a subsidiary of NYK Line. The Company’s shareholders also include Ports America, Cheer Dragon Investment Limited, which is a joint venture of Cosco Pacific, CS Terminal and CMHI.
- Won the leading pack title in North American Shipper Sentiment Survey conducted by Containerisation International magazine (CI) from 2012-2013.
- Received the 11th Arts & Business Award from the Ministry of Culture.

2014

- CKYH and Evergreen established CKYHE alliance to provide the best service between Asia and Europe, including the Mediterranean.
- Opened with Orient Express Lines the Southeast Asia Service II (SEA2).
- Upgraded Intra-Asia Service (PA2 / JTS / TMI).
- Opened feeder service to Myanmar (SE3).
- Completed and puts in service two 4,662 TEU full-container vessels, YM Evolution and YM Essence.
- Named Carrier of the Year in 2013 by Target Store.
- Received the 2014 Work-Life Balance Award.
- Received the Best Shipping Line Asia-Europe Award of Asian Freight and Supply Chain Awards (AFSCAs).
- Rated A+ in the 11th Information Transparency and Disclosure Ranking System Award.
- Received the Logistics Management 2014 Quest for Quality Award.
- YES Logistics Corporation, a subsidiary of Yang Ming group, obtained the AEO certificate.

2015

- Launched Japan-Taiwan-Thailand, Far East-Latin America, China Gulf Express II, Asia-ECSA, feeder service to Belawan, East Mediterranean and North Europe service.
- CKYHE Alliance reorganized European service network.
- Completed and puts in service three 4,662 TEU full-container vessels, YM Enlightenment, YM Excellence and YM Express.
- Held maiden voyage ceremony for YM WISH, a 14,000-TEU full container vessel, at Kao Ming container terminal, Kaohsiung.
- Signed a memorandum of understanding with China Airlines Company and Chunghwa Post Co., Ltd.
- Ranked the top 20% of the best TWSE/TPEX listed companies in the 1st Corporate Governance Evaluation.
- Received the 11th China Transport award.
- Received A++ in the 12th Information Transparency and Disclosure Ranking System Award.
- Received 2014 Blue Circle Awards, GP Carrier of the Year and Carrier of Year from Target Corporation.
- YES Logistics Corporation, a subsidiary of Yang Ming group, acquired ECU-Line Bulgaria EOOD.

2016

- Opened South East Asia feeder network loop 7.
- Established Yang Ming (Russia) LLC and Yang Ming (Spain), S.L.
- Signed a letter of intent with Regional Container Lines.
- Hapag-Lloyd, Hanjin, “K”Line, Mitsui O.S.K. Lines, Nippon Yusen Kaisha and Yang Ming formed a new partnership “THE Alliance”.
- Signs letter of cooperation with National Tung Kang Maritime & Fishery Vocational High School to cultivate maritime professionals.
- Received the Best Shipping Line Intra-Asia Award of Asian Freight, Logistics & Supply Chain Awards (AFLAS).
- Started financial recovery plan.

2017

- Implements organization transformation plan including organizational restructuring and personnel adjustment, to minimize operating cost and maximize group efficiency.
- Strengthens global network by upgrading the Philippine service, Transpacific northwest service, Far East-Red Sea service, and Taiwan-Hong Kong-Indonesia Service. Launched new services including China-East India service, Southeast Asia-Australia service, North Europe-East Med Express, China-Singapore/Malaysia service, Singapore/Malaysia- Haiphong service, Fuzhou (Jiangying)- Kaohsiung service, Korea-Taiwan/Hong Kong service, China-Vietnam Express, and Asia Subcontinent Express service.
- THE Alliance announced the completed product and unveiled a contingency plan.
- Set up the Central and South America Regional Center in Panama to expand business in the area.
- Established subsidiaries in the Philippines and Thailand to provide a more comprehensive Southeast Asian network.
- Received the 2016 Blue Circle Awards from Port of Vancouver, Australia-North East Asia Liner Trade Award, selected the Best Shipping Line-Intra-Asia by Asia Cargo News readers at the 2017 Asian Freight, Logistics and Supply Chain Awards (AFLAS).
- Obtained the Automated Mutual Assistance Vessel Rescue System (AMVER) certificate and Blue Pennant issued by the U.S.Coast Guard for YM MILESTONE.
- Signed a Memorandum of Understanding (MOU) with National Taiwan Ocean University.
- Completed private and public offerings and raised NT\$ 10.3 billion.

2018

- THE Alliance announced further network enhancements for 2018.
- Launched Korea-Vietnam/Thailand and Japan-Malaysia-Vietnam services to provide more convenient and reliable services in Intra-Asia.
- Profitability returned for the year 2017.
- Set up regional center in the Mediterranean.
- Launched a joint venture (PT Formosa Sejati Logistics) between Yang Ming and Taiwan International Ports Corporation, Ltd. (TIPC) and Indonesian investors in Indonesia.
- Received the following recognition: Best Shipping Line-Intra-Asia Award, 2017 Blue Circle Award, Provider of the Year, 2017 Environmental Ship Index Award, and 2018 Quest for Quality Award presented by Logistics Management magazine.
- Began cooperation with CTBC Bank Co., Ltd. to optimize its block chain technology and process for international trade.
- Signed an agreement with Shoei Kisen Kaisha, Ltd. and Costamare Inc. to charter ten 11,000 TEU full-container vessels.
- Signed a contract with CSBC Corporation, Taiwan, for the construction of a total of ten 2,800 TEU class full container vessels.
- Three 14,000 TEU full-container vessels, YM Wellbeing, YM Wonderland and YM Wisdom were delivered and put in services.
- Signed declaration on the establishment of blockchain collaboration.
- THE Alliance announced further network enhancements for 2019.

2019

- THE Alliance unveiled the enhanced service network for 2019 and announced Hyundai Merchant Marine (HMM) would join THE Alliance as a full member.
- Held the naming ceremony for two 14,000 TEU full-container vessels, YM Warranty and YM Wellspring.
- Launched new intra-Asia services, i.e., China-Malaysia service, Korea-Vietnam and Malaysia service, China-Thailand direct service, Thailand-Indonesia express service, Japan-Thailand service, China-Vietnam-Cambodia service, Indonesia-Singapore/Malaysia-Thailand service, Singapore-Philippines express service and Malaysia-Yangon express service.
- Launched India-Europe direct service to enhance Europe service network.
- Signed charter agreements for four 11,000 TEU containerships with Shoen Kisen Kaisha Ltd.
- Formed a new subsidiary in Indonesia to strengthen Southeast Asia services.
- Joined DCSA(Digital Container Shipping Alliance) to advance digitalization in shipping industry.
- Established new subsidiary Huan Ming (Shanghai) International Shipping Agency Co. to act as Yang Ming's general agent in China.
- Received recognition plaques from Liberian Registry to YM EXCELLENCE and Yang Ming for successful rescue operation.
- Received Automated Mutual Assistance Vessel Rescue System (AMVER) award from the U.S.Coast Guard to YM MANDATE & YM MILESTONE.
- Received the Best Shipping Line - Intra-Asia Award by Asia Cargo News readers.

2020

- Launched the Taiwan-Japan service to enhance Intra-Asia service network.
- THE Alliance unveiled expanded service network for 2020.
- Successfully delivered the first container of Taiwan guavas to the United States.
- Launched new East Mediterranean - America Service to deliver more efficient and comprehensive service in the Mediterranean region.
- Ten new 2,800 TEU container ships to received the Smart Ship notations from American Bureau of Shipping(ABS), DNV GL, Bureau Veritas and CR Classification Society.
- Held naming ceremonies for 2,800 TEU full-container vessels, YM Celebrity, YM Continent, YM Credential, YM Centennial, YM Capacity and YM Certainty.
- Yang Ming fleet's 2020 average carbon intensity per TEU/KM significantly was reduced by 56.9% compared to that in 2008. This is fulfilling green promise and accomplishing ahead of time the IMO target of reducing carbon intensity by at least 40% by 2030.
- Three new 11,000 TEU full-container vessels, YM Triumph, YM Truth and YM Totality were delivered and put in THE Alliance service to provide efficient service between Asia and the U.S.
- Expanded Intra-Asia service network by extending Japan – Taiwan – South China Express (JTS) to Malaysia, Singapore, and the Philippines.
- Worked with TAIWAN FOUNDATION INTERNATIONAL PTE. LTD. and Malaysian investors to set up a joint venture depot company named Jambatan Merah Formosa Depot Sdn. Bhd at Port Klang, Malaysia to provide container maintenance and repair services.

- Voted for the “Best Shipping Line – Intra-Asia” category in the 2020 Asian Freight, Logistics and Supply Chain Awards (AFLAS) by Asia Cargo News readers.
- Renewed Memorandum of Understanding (MOU) with National Taiwan Ocean University to cultivate marine professionals.

2021

- Set up a new subsidiary in France named Yang Ming (France) S.A.S. to step up regional development strategy and proactively expand local market.
- Held naming ceremonies for three 2,800 TEU full-container vessels, YM Credibility, YM Constancy, YM Cooperation, and a virtual naming ceremony for YM Continuity.
- THE Alliance announced Transatlantic service network adjustments.
- Yang Ming’s six 11,000 TEU ships, YM Target, YM Tiptop, YM Travel, YM Topmost, YM Trust, YM Together were delivered to upgrade global service.
- Introduced Let’s Go Sport! Program to sponsor outstanding athletes and cultivate sports talents.
- Extended the Employee Assistance Programs (EAPs) to seafarers to improve employees’ well-being.
- Worked with National Taiwan Ocean University to launch postgraduate programs.
- Worked with First Commercial Bank and launched the Employee Well-being Program comprising multiple investment options to help build up employees’ financial strength.
- Strengthened industry-academy cooperation with maritime training schools by launching maritime professional training projects and donating equipment to nurture industry professionals.
- Signed a Memorandum of Understanding (MOU) with Taipei University of Marine Technology to cultivate marine professionals.
- Received the Taiwan i-Sports Enterprise award by the Sports Administration, Ministry of Education for promoting sports and employee well-being.
- Received Excellent in Taiwan Corporate Group of Sustainability Comprehensive Performance and Bronze (in Transportation industry) of Corporate Sustainability Report Awards from Taiwan Corporate Sustainability Awards (TCSA) for achieving ESG goals.
- Voted for the “Best Shipping Line – Transpacific” award of 2021 Asian Freight, Logistics and Supply Chain Awards (AFLAS) by Asia Cargo News readers.
- Received the Sapphire award of Projecting Blue Whales and Blue Skies program from National Oceanic and Atmospheric Administration’s (NOAA), for reducing vessel speed to protect endangered whales.
- Received the Marine Education Contribution Award from the Ministry of Education.
- Yang Ming Marine Transport Corporation Merge Ching Ming Investment Corporation which is wholly-owned subsidiary of Yang Ming.

2022

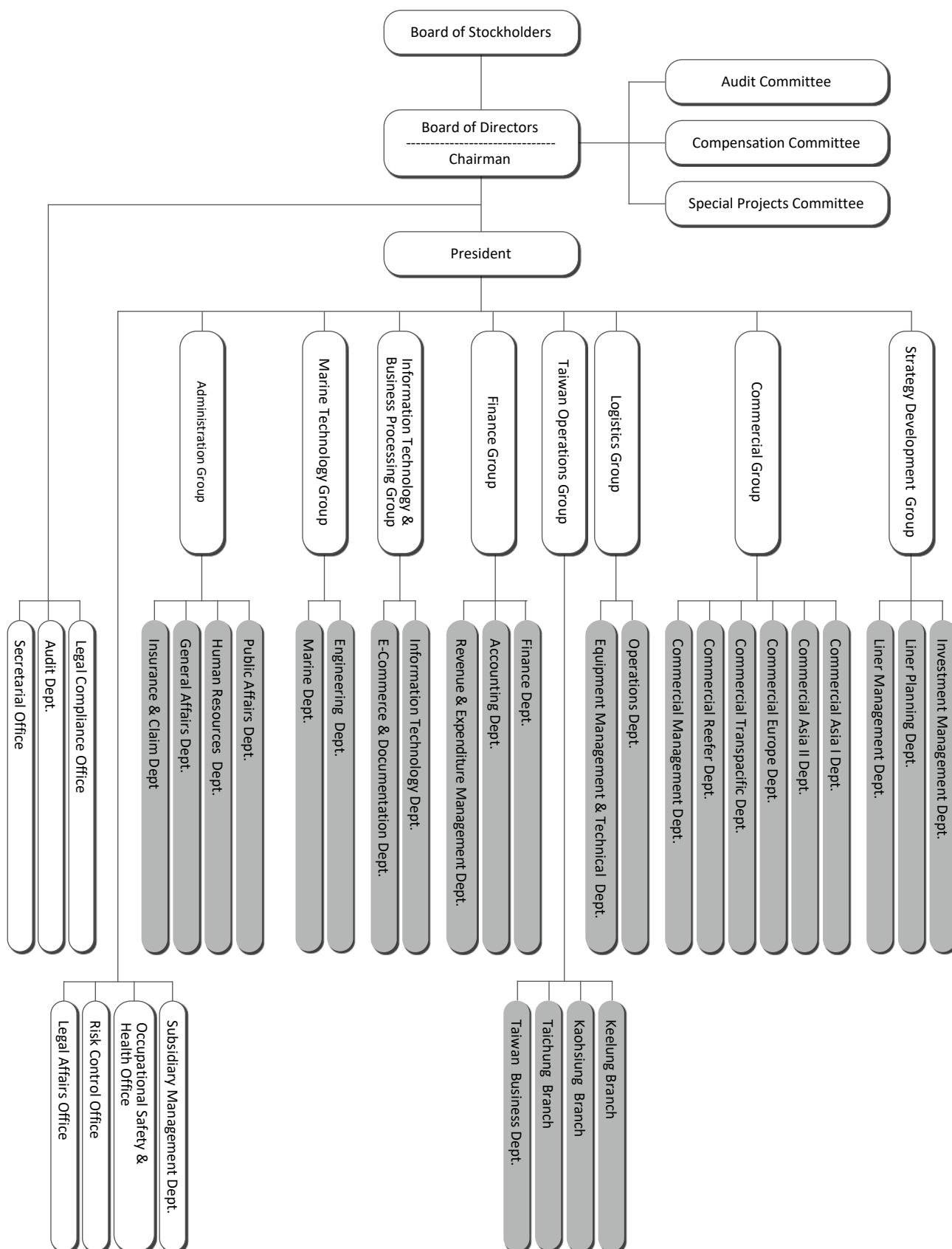
- THE Alliance announces service network adjustments for 2022.



Corporate Governance Report

3.1 Organizational Structure

3.1.1 Organization Chart



3.1.2 Departments

Department		Areas of responsibility
Legal Compliance Office		- Develop, manage, and implement compliance policies related to competition laws. - Reviews group's existing regulations and procedures to ensure compliance, and provides compliance advices
Audit Dept.		- Internal audits of departments' implementation performances - Quality audits - Subsidiaries and agencies audits
Secretarial Office		- Preparing the agenda of the Board of Directors' and shareholder' meetings - Proceedings - Disclosure of resolutions etc.
Legal Affairs Office		- Process and assist group's legal affairs - Review of company's regulations and internal protocols, and those of external contracts - Collection, analysis, and application of the group's legal cases.
Occupational Safety & Health Office		Establishment and maintenance of occupational safety & health system
Risk Control Office		Risk management and assessment
Subsidiary Management Dept.		- Business performance review of the group's reinvestment company - Building, management, assessment of agencies
Strategy Development Group	Investment & Development Dept.	Investment, planning, promotion and establishment of real estate for group reinvestment business
	Liner Planning Dept.	- Negotiations with strategic alliances - Lines designing and planning - Vessels' lease and replacement
	Liner Management Dept.	- Establishment and maintenance of operational rules and procedure - Promotion of group vision and departmental assessment, process digitalization, digital services
Commercial Group	Commercial Asia I Dept.	North-East Asia, South-East Asia, China, Hong Kong, and Taiwan - Formulation and execution of marketing plan - Market development - Customer service
	Commercial Asia II Dept.	Indian Ocean, Oceania, Central and South America, Middle East, and Red Sea Market - Formulation and execution of marketing plan - Market development - Customer service
	Commercial Europe Dept.	Europe and Atlantic - Formulation and execution of marketing plan - Market development - Customer service
	Commercial Transpacific Dept.	North America - Formulation and execution of marketing plan - Market development - Customer service
	Commercial Special Dept.	Special Sales - Formulation and execution of marketing plan - Market development - Customer service
	Commercial Management Dept.	- Management of space control - Cargo contribution margin - Others commercial affairs

Logistics Group	Operations Dept.	Arrangement and management of shipment, cargo stowage, dock terminal, and domestic distribution
	Equipment Management & Technical Dept.	- Dispatch, maintaining, construction of container and chassis - Management of dynamic data
Taiwan Operations Group	Taiwan Business Dept.	Customer development and cargo canvassing in Taiwan area
	Keelung Branch	- Ship's arrivals and departures affairs - Shipment clearance for import and export - Transshipment
	Taichung Branch	- Ship's arrivals and departures affairs - Shipment clearance for import and export - Transshipment
	Kaohsiung Branch	- Ship's arrivals and departures affairs - Shipment clearance for import and export - Transshipment
Finance Group	Finance Dept.	- Fund dispatch - Financial investment and management
	Accounting Dept.	- Accounting handling - Budget planning, settlement, and financial statement
	Revenue & Expenditure Management Dept.	- Lines freight - Invoices audits - Assurance and demand the receivable freight and fees payable
Information Technology & Business Processing Group	Information Technology Dept.	Arrangement, organizing, and propagation of computer soft and hardware, and network
	E-Commerce & Documentation Dept.	- Operation and promotion of e-commerce - Shipping files documentation and transmitting.
Marine Technology Group	Engineering Dept.	Construction and repair of vessels
	Marine Dept.	- Vessel manipulation guidance - Management of marine stores and seafarers
Administration Group	Public Affairs Dept.	- Corporate social responsibility - CIS ·QMS ·EMS - Hold and follow the group management meetings - PR management - Facilitate internal and external communication
	Human Resources Dept.	- Development of organization - Management of recruitment, employment, training, compensation, and welfare
	General Affairs Dept.	Management of pepperwork, purchase, administrative affairs, and office affairs
	Insurance & Claim Dept.	Insurance and claim for vessels, containers, chassis, and terminal station affairs

3.2 Information on the Company's Directors, Supervisors, President, Vice President, Assistant Vice President, and all the Supervisors of the Company's divisions and department heads

3.2.1 Directors (Including Independent Directors.)

Title	Nationality or Place of Registration	Name	Gender /Age	Date Elected	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		
							Shares	%	Shares	%	
Chairman (Corporate Representative of the MOTC)	R.O.C.	Cheng-Mount Cheng	Male/ Age:51~60	2021.05.14	May be eligible for re-election and consecutive appointment within 3 years.	2018.08.17, and as the Chairman of Yang Ming since 2020.10.01	Directors herein as the corporate representatives of the MOTC, holding a total of 467,682,372 shares	14.04% of the Company's shares	Directors herein as the corporate representatives of the MOTC, holding a total of 467,682,372 shares	13.39% of the Company's shares	
Director (Corporate Representative of the MOTC)	R.O.C.	Jiang-Ren Chang	Male/ Age:51~60	2021.05.14		2021.05.14					
Director (Corporate Representative of the MOTC)	R.O.C.	An-Chung Ku	Male/ Age:41~50	2021.05.14		2021.05.14					

2022.03.29

	Shares Currently Held by Spouse & Minors		Shares Held in the Name of Others		Selected Education, Past Positions & Current Position	Other Concurrent Positions in the Company or Other Companies	Managers, Directors or Supervisors who are Spouses or Relatives within the second degree of kinship			Remarks
	Shares	%	Shares	%			Position	Name	Relation	
	0	0	0	0	Current Position: · Chairman, Yang Ming Past Positions: · Deputy Minister, National Development Council · Vice Chairman, Financial Supervisory Commission R.O.C. · General Manager, Agriculture Bank of Taiwan · President, Taiwan Academy of Banking and Finance · Adjunct Associate Professor, Department of Finance, National Chengchi University · Chief Economist, CITIBANK Taiwan · Assistant Researcher, Taiwan Institute of Economy Research Education: · Master's Degree in Economics, University of Wisconsin-Madison · Bachelor's Degree in Economics, National Taiwan University	· Director, Young-Carrier Company Ltd., Yang Ming Line Holding Co., Yang Ming Line (Singapore) Pte. Ltd., Yang Ming Line (B.V.I.) Holding Co., Ltd., Yang Ming Line B.V. · Chairman, Kao Ming Container Terminal Corp.	-	-	-	
	0	0	0	0	Current Position: · Professor, Department of Systems Engineering and Naval Architecture, National Taiwan Ocean University Past Positions: · Chairman, Department of Systems Engineering and Naval Architecture, National Taiwan Ocean University · Visiting Professor, University of Texas at Arlington · Special Assistant to the Principal, National Taiwan Ocean University · Group leader, Office of Research and Development, National Taiwan Ocean University · Associate Professor, Department of Systems Engineering and Naval Architecture, National Taiwan Ocean University · Lecturer, Department of Systems Engineering and Naval Architecture, National Taiwan Ocean University · Teaching Assistant, Department of Naval Architecture, National Taiwan Ocean University Selected Education: · Ph.D. in Harbor and River Engineering, National Taiwan Ocean University · Master's Degree in Harbor and River Engineering, National Taiwan Ocean University · Bachelor's Degree in Naval Architecture, National Taiwan Ocean University	-	-	-	-	Note1
	0	0	0	0	Current Position: · Vice President, Yang Ming Past Positions: · Vice President, Yang Ming Education: · Bachelor's Degree in Economics, Chinese Culture University	· Director, Yang Ming Line (Hong Kong) Ltd., Yang Ming Shipping (B.V.I.) Inc., Yangming (Japan) Co., Ltd., Yang Ming Shipping (Vietnam) Co., Ltd., Yang Ming Shipping Philippines, Inc., Yang Ming Line (Thailand) Co., Ltd., Yang Ming Line Shipping (Thailand) Co., Ltd., PT. Yang Ming Shipping Indonesia, Yang Ming (Korea) Co. Ltd.	-	-	-	Note1

Title	Nationality or Place of Registration	Name	Gender /Age	Date Elected	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		
							Shares	%	Shares	%	
Director (Corporate Representative of the NDF)	R.O.C.	Keh-Her Shih	Male/ Age:41~50	2021.05.14	May be eligible for re-election and consecutive appointment within 3 years.	2020.12.21	Directors herein as the corporate representatives of the NDF, holding a total of 460,000,000 shares	13.81% of the Company's shares	Directors herein as the corporate representatives of the NDF, holding a total of 460,000,000 shares	13.17% of the Company's shares	
Director (Corporate Representative of the NDF)	R.O.C.	Chien-Yi Chang	Male/ Age:51~60	2021.05.14		2018.06.22					
Director (Corporate Representative of the NDF)	R.O.C.	Chih-Li Chen	Male/ Age:61~70	2021.05.14		2021.05.14					

	Shares Currently Held by Spouse & Minors		Shares Held in the Name of Others		Selected Education, Past Positions & Current Position	Other Concurrent Positions in the Company or Other Companies	Managers, Directors or Supervisors who are Spouses or Relatives within the second degree of kinship			Remarks
	Shares	%	Shares	%			Position	Name	Relation	
	0	0	0	0	Current Position: · Deputy Minister, National Development Council Past Positions: · Senior Secretary, Office of the President · Deputy Secretary-General, Office of the President · Political Deputy Minister, Ministry of Labor · Consultant, Executive Yuan · Deputy Secretary-General, Executive Yuan · Deputy Magistrate, Yunlin County Government · Director, Yunlin County Government · Director-General, Yunlin County Government Education: · Master's Degree in MSc Management, Imperial College, University of London (now Imperial College London) · Master's Degree in MSc Regional and Urban Planning Studies, The London School of Economics and Political Science · Bachelor's Degree in Political Science, National Taiwan University	· Director, Mega Financial Holding Company Ltd.	-	-	-	
	0	0	0	0	Current Position: · President, Taiwan Institute of Economic Research Past Positions: · Director, Taiwan Institute of Economic Research's Research Division II · Vice Executive Secretary, Industrial Development Advisory Council of Ministry of Economic Affairs ROC · Vice Executive Secretary, Commercial Development Advisory Council of Ministry of Economic Affairs ROC · Vice Chairman, Policy Research Commission of the Economic and Trade in ROCCOC · Adjunct Associate Professor, Department of National Business, Soochow University Education: · Ph.D. in Economics, National Taipei University	· Director, Chang Hwa Bank, Asia Global Venture Capital II Co., Taipei Exchange · Independent Director, United Renewable Energy Co., Ltd. · Member, Wholesaler & Retailer Committee in TWCSI · Director, Central Bank	-	-	-	
	0	0	0	0	Current Position: · Professor, Department of Merchant Marine · National Taiwan Ocean University Past Positions: · Full-time Teacher, Department of Merchant Marine, National Taiwan Ocean University (TA, Lecturer, Assistant Professor, Associate Professor.) · Chairman, Department of Merchant Marine, National Taiwan Ocean University · Executive Secretary, Training Center for Seafarers, National Taiwan Ocean University · Members of the Board of Examiners, Civic Service Examinations or Professional and Technical Examinations, Ministry of Examination, Examination Yuan · Host of Research Projects, the Ministry of Science and Technology, the Ministry of Transportation and Communication, the Ministry of Examination · Deck Officer of merchant ship, De-Tong Shipping Company Education: · Ph.D. in Civil engineering, National Taiwan University · Master's Degree in Maritime Technology, National Taiwan Ocean University · Bachelor's Degree in Navigation, National Taiwan Ocean University	-	-	-	-	Note1

Title	Nationality or Place of Registration	Name	Gender /Age	Date Elected	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		
							Shares	%	Shares	%	
Director (Corporate Representative of the TIPC)	R.O.C.	Shao-Liang Chen	Male/ Age:61~70	2021.05.14	May be eligible for re-election and consecutive appointment within 3 years.	2018.06.22	Directors herein as the corporate representatives of the TIPC, holding a total of 251,453,287 shares	7.55% of the Company's shares	Directors herein as the corporate representatives of the TIPC, holding a total of 191,938,579 shares	5.50% of the Company's shares	
Director (Corporate Representative of the TNC)	R.O.C.	Wen-Ching Liu	Male/ Age:61~70	2021.05.14		2018.06.22	Directors herein as the corporate representatives of the TNC, holding a total of 41,889,858 shares	1.26% of the Company's shares	Directors herein as the corporate representatives of the TNC, holding a total of 38,560,858 shares	1.10% of the Company's shares	
Independent Director	R.O.C.	Tar-Shing Tang	Male/ Age:61~70	2021.05.14		2018.06.22	0	0	0	0	
Independent Director	R.O.C.	Tze-Chun Wang	Male/ Age:61~70	2021.05.14		2018.06.22	0	0	0	0	

	Shares Currently Held by Spouse & Minors		Shares Held in the Name of Others		Selected Education, Past Positions & Current Position	Other Concurrent Positions in the Company or Other Companies	Managers, Directors or Supervisors who are Spouses or Relatives within the second degree of kinship			Remarks
	Shares	%	Shares	%			Position	Name	Relation	
	0	0	0	0	Current Position: · President, TIPC Past Positions: · Exclusive Vice President, TIPC and President of Port of Kaohsiung · Vice President of Business, TIPC · Vice President, TIPC and President, Port of Taichung · Deputy Director-General, Hualien Harbor Bureau of MOTC · Chief Secretary, Hualien Harbor Bureau of MOTC Education: · Master's Degree in Business Administration Program, Department of Business Administration of National Dong Hwa University	-	-	-	-	
	0	0	0	0	Current Position: · Chairman, Taiwan Navigation Company Past Positions: · Chairman, Kaohsiung Ammonium Sulfate Co., Ltd. · Chairman, the CSLC · Senior Consultant, CPC Corporation, Taiwan Education: · Master's Degree in Applied Biology and Chemical Technology, The Hong Kong Polytechnic University · Bachelor's Degree in Chemistry, National Chung Hsing University	· Chairman, Taishing Maritime Co.S.A, Shinwang Maritime Inc. · Independent Director, Transart Graphics Co.,Ltd	-	-	-	
	0	0	0	0	Current Position: · Attorney-in-Charge, Tar-Shing Tang Law Office · Qualification in Bar Examination · Completion in The Training Institute of Ministry of Finance · Qualification in Senior Examination of Finance Education: · Bachelor's Degree in Economics(Minor in Law), National Taiwan University	-	-	-	-	
	0	0	0	0	Current Position: · Chairman, Sirtec International Co., Ltd Past Positions: · Representative, Navigator Investment Co., Ltd. · CPA, Deloitte · Teaching Assistant, National Taiwan University Education: · Bachelor's Degree in Agriculture Economics, National Taiwan University	· Independent Director, Huaku Development Co., Ltd. · Chairman, Sirtec (Dong Guan) Plastics & Electronics Co., Ltd, Dongguan Shey Sun Plastics & Electronics Co.,Ltd, Dongguan Sirtec Image Co., Ltd., Zhuhai Xielong Plastics & Electronics Co., Ltd, ZhuHai Sirtec Image & Technology Co., Ltd. · Supervisor, · Duen-Mou Committee of Taiwan, Mercy Social Welfare Fund, Christian Faith/Hope/Love Trust Fund, Love of God Social Welfare Fund, Boyo Social Welfare Foundation · Director, Sirtec International (BVI) Co., Ltd,Sirfa (B.V.I.) Co., Ltd,Sirlight Trading Co., Ltd., Sirtec International (Vietnam)Company Limited, Sirtec International (Suzhou) Co.,Ltd, Forland Auto Inc, Forland Trading Co., Ltd, Nanjing F.L. Trading Co., Ltd, Navigator Financial Leasing Co., Ltd., · Navigator Financial Leasing Co., Ltd. (China), · The NFLC, Forland Auto(China) Trade Holding Co., Ltd., Forland Auto(Nanking) Trade Co., Ltd., Forland Auto(Nanking) Sales Service Co., Ltd., Heyun International Logistics Corp.	-	-	-	

Title	Nationality or Place of Registration	Name	Gender /Age	Date Elected	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		
							Shares	%	Shares	%	
Independent Director	R.O.C.	Jei-Fuu Chen	Male/ Age:51~60	2021.05.14	May be eligible for re-election and consecutive appointment within 3 years.	2020.06.17	0	0	0	0	

Note1: Kun-Ching Liao, Ping-Jen Tseng and Shao-Yuan Chang stepped down as directors on 2021.05.14. Jiang-Ren Chang, An-Chung Ku assumed new office as corporate representatives of the MOTC and Chih-Li Chen assumed new office as corporate representative of the NDF on 2021.05.14.



	Shares Currently Held by Spouse & Minors		Shares Held in the Name of Others		Selected Education, Past Positions & Current Position	Other Concurrent Positions in the Company or Other Companies	Managers, Directors or Supervisors who are Spouses or Relatives within the second degree of kinship			Remarks
	Shares	%	Shares	%			Position	Name	Relation	
	0	0	0	0	Current Position: - Adjunct Professor, Department and Graduate Institute of Business Administration, National Taiwan University(NTU) - Visiting Professor & Deputy Director of Taiwan Office, Kyoto University Institute for Advanced Study (KUIAS), Institute for Integrated Cell-Material Sciences (iCeMS), Kyoto University, Japan - Visiting Professor & Advisor, Biomedical Translation Research Center, Academia Sinica - Adjunct Professor, Department of Information Management and Finance, National Yang Ming Chiao Tung University(NYCU) - Adjunct Professor, Graduate Institute of Global Business and Strategy, National Taiwan Normal University (NTNU) - Advisor to the Superintendent, China Medical University Hospital (CMUH) - President of NTNU Innovation Investment Holding Company Past Positions: - Research Consultant, Industrial Technology Research Institute (ITRI) - Chief Investment Officer, Acer Inc. - President, Acer Digital Service Co. - Associate Vice President, Strategic Investment at ASUS Computer - Assistant Vice President, JAFCO Investment (Japan Nomura Group's Venture Capital Arm) - Senior Consultant, HP Consulting, Hewlett Packard Taiwan Ltd. Taiwan - Product Marketing Manager, Acer Japan Corporation, (Tokyo, Japan) - Multimedia R&D Engineer, Acer Advanced Lab., (San Jose, California, U.S.A) Selected Education: - Ph.D. in Information Management, National Taiwan University - MBA, National Taiwan University - Master's Degree in Electrical Engineering, University of Southern California - Bachelor's Degree in Electronic Engineering, College of Engineering, Chung Yuan Christian University	-	-	-	-	

1. Major corporate shareholders

2022.03.29

Name of corporate shareholders	Major corporate shareholders
The MOTC	Government of the R.O.C(100%)
The NDF	Government of the R.O.C(100%)
The TIPC	The MOTC(100%)
The TNC	The MOTC (26.46%), Yang Ming (16.96%), Yunn Wang Investment(2.94%), Central Taiwan Science Park Logistics(2.42%), Global Growing International(2.29%), CTBC Bank Employee Stock Ownership Trust Account of Taiwan Navigation (1.57%), JPMorgan Chase Bank N.A., Taipei Branch in custody for J.P. Morgan Securities(0.93%), Yu-Lian Zeng Li (0.81%), Yi-Sheng Investment(0.63%), Siou-Hong Shuai(0.61%)

2. Major shareholders of the juridical person

As of the date of publication, the last time to stop the transfer: 2022.03.29

Name of the juridical persons	Major juridical person shareholders (Note1)
Government of the R.O.C	Inapplicable
The MOTC	Government of the R.O.C(100%)
Yang Ming Marine Transport Corp.	The MOTC (13.39%), The NDF (13.17%), The TIPC (5.50%),The TNC (1.10%), Fubon Life Assurance Co.,LTD (0.79%), Norges Bank (0.73%), VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS (0.67%), Central Reinsurance Corporation (0.54%), JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund (0.44%), T3EX Global Holdings Corp.(0.43%)
Yunn Wang Investment Co. Ltd.	Yang Ming (49.75%), The TNC (49.75%), Fulirong Investment (0.50%)
Central Taiwan Science Park Logistics Co. Ltd.	Chien Shing Harbour Service CO., LTD.(64.6%), HCT Logistics Co., Ltd. (13.8%), Taiwan Express CO., LTD.(12.93%), Wen-Yan Yan(1.00%)
Global Growing International Co., Ltd.	Yu-Qin Lin (100%), Jia Yongfeng Investment (25.64%), Jiong-Qiao Li(14.87%)
CTBC Bank Employee Stock Ownership Trust Account of Taiwan Navigation Co., Ltd.	Inapplicable
JPMorgan Chase Bank N.A., Taipei Branch in custody for J.P. Morgan Securities	Inapplicable
Yi-Sheng Investment	(Note2)

Note1: Names of major juridical person shareholders (Top 10 shareholders).

Note2: Due to confidentiality, the detailed shareholding ratio of all the major shareholders cannot be revealed.

3. Information of Director (Including Independent Directors)

2022.03.29

Name Criteria	Professional criteria and experience	Independence criteria	Number of other Taiwanese public companies concurrently serving as an independent director
Cheng-Mount Cheng	Cheng-Mount Cheng is the Chairman of Yang Ming. He is the former Deputy Minister of National Development Council, the former Vice Chairman of Financial Supervisory Commission, the former General Manager of Agriculture Bank of Taiwan, and was the Adjunct Associate Professor of Department of Finance of National Chengchi University. He is a qualified Associate Professor and possesses extensive experience in the financial field. He does not violate the circumstances listed in Article 30 of the Company Act.	N.A.	0
Jiang-Ren Chang	Jiang-Ren Chang is the Professor of Systems Engineering and Naval Architecture Department of National Taiwan Ocean University. He is a qualified Professor and possesses knowledge in marine industry. He does not violate the circumstances listed in Article 30 of the Company Act.	N.A.	0
An-Chung Ku	An-Chung Ku is the Vice President of Yang Ming. He possesses a great deal of experience and knowledge in marine industry. He does not violate the circumstances listed in Article 30 of the Company Act.	N.A.	0
Keh-Her Shih	Keh-Her Shih is the Deputy Minister of National Development Council. He is the former Senior Secretary of the President Office, the former Deputy Secretary-General of the President Office, and the former Political Deputy Minister of Ministry of Labor Consultant. He is professional in business management and decision-making. He does not violate the circumstances listed in Article 30 of the Company Act.	N.A.	0
Chien-Yi Chang	Chien-Yi Chang is the President of Taiwan Institute of Economic Research. He was the Adjunct Associate Professor of National Business Department of Soochow University. He is a qualified Associate Professor and is professional in international trade, industrial development and relevant policy research. He does not violate the circumstances listed in Article 30 of the Company Act.	N.A.	1

Criteria	Name	Professional criteria and experience	Independence criteria	Number of other Taiwanese public companies concurrently serving as an independent director
Chih-Li Chen		Chih-Li Chen is the Professor of Merchant Marine Department of National Taiwan Ocean University. He is a qualified Professor and possesses knowledge in marine industry. He does not violate the circumstances listed in Article 30 of the Company Act.	N.A.	0
Shao-Liang Chen		Shao-Liang Chen is the President of TIPC. He possesses a great deal of knowledge and experience in marine industry. He does not violate the circumstances listed in Article 30 of the Company Act.	N.A.	0
Wen-Ching Liu		Wen-Ching Liu is the Chairman of Taiwan Navigation Company. He possesses a great deal of knowledge and experience in marine industry. He does not violate the circumstances listed in Article 30 of the Company Act.	N.A.	1
Tar-Shing Tang		Tar-Shing Tang is an independent director and also the Convener of the Audit Committee. He is the Attorney-in-Charge of Tar-Shing Tang Law Office and possesses extensive legal experience. He does not violate the circumstances listed in Article 30 of the Company Act.	Have met the independent criteria regulated in Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	0
Tze-Chun Wang		Tze-Chun Wang is an independent director and also a member of the Audit Committee. He is the Chairman of Sirtec and a certified public accountant (CPA). He is the former CPA of Deloitte and possesses a great deal of experience in accounting field. He does not violate the circumstances stipulated in Article 30 of the Company Act.	Have met the independent criteria regulated in Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	1
Jei-Fuu Chen		Jei-Fuu Chen is an Independent director and also a member of the Audit Committee. He is the Adjunct Professor of several universities and is the former President of Acer Digital Service Co., the former Vice President of Strategic Investment at ASUS, the former Vice President of JAFCO Investment. He is a qualified Adjunct Associate Professor and specialized in finance and investment field. He does not violate the circumstances listed in Article 30 of the Company Act.	Have met the independent criteria regulated in Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	0

4. The Board Diversity and Independence

Yang Ming's "Corporate Governance Best Practice Principles" stipulate the Board diversity policy. The Board diversity and independence is published in the annual report and on the Company's official website.

(1) The Board Diversity

i. The Board Diversity Policy

The Board of Yang Ming shall govern the Company's strategies, supervise the management, and is responsible to Yang Ming and the shareholders. The various procedures and arrangements of Yang Ming's corporate governance system shall ensure that the Board of Directors complies with relevant laws, regulations, Yang Ming's articles of incorporation, and the resolutions of Yang Ming's shareholder meetings.

The structure of Yang Ming's Board of Directors shall be composed of 7 to 15 members. This is in consideration of Yang Ming's business scale, the shareholdings of Yang Ming's major shareholders, and practical operational needs.

The composition of the Board of Directors shall be determined by considering diversity. It is advisable that the number of directors concurrently serving as company officers does not exceed one-third of the total. Also, an appropriate policy on diversity based on Yang Ming's business operations, operating dynamics, and development needs to be formulated and should include, without being limited to, the following two general standards:

- (i) Basic composition and values: gender, age, nationality and culture.
- (ii) Professional knowledge (such as law, accounting, industry, finance, marketing or technology), professional skills and a wealth of industrial experiences.

Board members should possess the knowledge, skills, and experiences necessary for optimal execution of duties. To facilitate corporate governance, the Board of Directors shall possess the following abilities:

- (i) Make operational judgment
- (ii) Perform accounting and financial analysis
- (iii) Conduct management administration
- (iv) Handle crisis management
- (v) Knowledge of the industry
- (vi) International market perspective
- (vii) Leadership
- (viii) Make reasonable policy decisions
- (ix) Knowledge and abilities of risk management

ii. Specific Objectives and Implementation of the Board Diversity Policy

Yang Ming's Board consists of 11 directors and includes 3 independent directors. All of the Board members possess extensive experiences and expertise in marine industry, world economy, finance, accounting, laws, and management. Yang Ming's directors with employee status account for 9%, and independent directors account for 27%. The term of 1 independent directors is less than 3 years and 2 directors is 3-9 years. The age of 5 directors ranges between 61-70 years old and 6 directors are less than 60 years old. The implementation of Board diversity policy is as follows:

Director	Basic Composition						Capabilities			Professional Background				
	Gender	Nationality	Concurrent Positions in Yang Ming	Age			Tenure of Independent Director	Management	Leadership	Industry Experience	World Economy	Accounting and Finance	Marketing	Legal Practice
				Less Than 50	51-60	61-70								
Cheng-Mount Cheng	Male	R.O.C.			✓			✓	✓		✓	✓		
Jiang-Ren Chang	Male	R.O.C.			✓			✓	✓	✓				
An-Chung Ku	Male	R.O.C.	✓	✓				✓	✓	✓			✓	
Keh-Her Shih	Male	R.O.C.		✓				✓	✓					
Chien-Yi Chang	Male	R.O.C.			✓			✓	✓		✓			
Chih-Li Chen	Male	R.O.C.				✓		✓	✓	✓				
Shao-Liang Chen	Male	R.O.C.				✓		✓	✓	✓			✓	
Wen-Ching Liu	Male	R.O.C.				✓		✓	✓	✓			✓	
Tar-Shing Tang	Male	R.O.C.				✓	3-9 years	✓	✓					✓
Tze-Chun Wang	Male	R.O.C.				✓	3-9 years	✓	✓			✓		
Jeii-Fuu Chen	Male	R.O.C.			✓		Less than 3 years	✓	✓		✓	✓	✓	

All of the Board members are male. To achieve gender equality, our goal is to increase the ratio of female directors to 15% and add one female director to each of the 21st and 22nd Board of Directors.

(2) The Board Independence

The Board of Directors execute the independence, provide objective opinions on business affair and supervise the operation of Yang Ming. The directors (include independent directors) shall not violate the provisions stipulated in Article 26-3 of the Securities and Exchange Act.

The three independent directors take up 27% of the Board and maintain independence in their execution of duties. They do not have direct or indirect interests to Yang Ming and they shall abide by the requirements stipulated in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

5. Succession Plan for Board Members

Except as otherwise provided by acts or regulations, Yang Ming's directors are elected in accordance with its "Procedures for Election of Directors." The candidates are selected according to business scale, major shareholders' shareholding ratio, practices, the Board diversity policy, relevant capabilities, and the result of Board performance assessments. Yang Ming conducts annual training courses for each director at least 6 hours per year that prepare them in terms of external and internal corporate development and professional knowledge.

Yang Ming's executives should attend Board meetings and functional committee meetings. To make sure the executives could meet the directors' requirements or take over as future directors, Yang Ming would assign them different jobs through job rotation, going abroad and being directors of subsidiaries to expand their participation and familiarity in each group unit and improve their ability to formulate company policies, supervise and execute internal control and legal compliance, as well as risk management.

To maintain professionalism and transition of knowledge of Board members, Yang Ming's succession for the Board of Directors adopts the following methods:

- (1) Consider director candidates recommended by shareholders
- (2) Invite current directors to recommend suitable candidates
- (3) Use the result of Board performance assessments as a reference when nominating directors for reappointment
- (4) Yang Ming's executives

Candidates are selected according to the above methods and a list thereof shall be submitted to the Board for review and serve as a reference when planning succession candidates for directors.

In addition to recruiting suitable professional persons as director candidates, Yang Ming will also train their executives as director candidates to comprehensively achieve the Board of Directors' decision-making and supervisory functions.

3.2.2 Information of President, Executive Vice Presidents, Vice President, Officers of Departments and Branches

Title	Nationality	Name	Gender	Inauguration Date	Shareholdings		Spouse & Minor Shareholding		Current Shareholding in the name of others		
					Shares	%	Shares	%	Shares	%	
President	ROC	Shu-Chin Tu	Male	2020.11.12	0	0	0	0	0	0	
Chief Information Officer & Executive Vice President	ROC	Der-Shi Tsao	Male	2014.11.12	197,893	0.01	0	0	0	0	
Chief Taiwan Operations Officer & Executive Vice President	ROC	Shih-Fang Hsu	Male	2019.10.01	47,823	0	0	0	0	0	
Chief Auditor & Executive Vice President	ROC	Li-Chuan Wang	Female	2021.03.29	2,000	0	0	0	0	0	
Chief Marine Technology Officer & Senior Vice President	ROC	Yeoung- Shuenn Ho	Male	2018.06.01	11,754	0	0	0	0	0	
Chief Commercial Officer & Senior Vice President	ROC	Chao-Feng Chang	Male	2020.02.03	70,486	0	0	0	0	0	
Chief Strategy Officer & Senior Vice President	ROC	Jeng-Shong Jeng	Male	2020.11.12	123,382	0	0	0	0	0	
Chief Administrative Officer & Senior Vice President	ROC	Hsiu- Chi Ho	Female	2021.02.16	76,162	0	2,569	0	0	0	
Chief Logistics Officer & Senior Vice President	ROC	Kou-Liang Huang	Male	2020.11.12	0	0	0	0	0	0	
Chief Financial Officer & Senior Vice President	ROC	Yu-Wen Su	Male	2021.02.16	0	0	0	0	0	0	

2022.03.29

	Experience(Education)	Current position at other companies	Managers who are spouse or within second- degree of kinship			Note
			Title	Name	Relationship	
	- Executive Vice President of this company - President of YM(HK) - Master of National Taiwan University	- Chairman of Kuang Ming Shipping Corp., Yes Logistics Corp., Huan Ming (Shanghai) International Shipping Agency Co. Ltd. - Director of Yang Ming (America) Corp., Young-Carrier Company Limited., Kao Ming Container Terminal Corp., Yang Ming Line Holding Co., Yang Ming Line (Singapore) Pte Ltd., Yang Ming Line (B.V.I.) Holding Co., Ltd.	-	-	-	Note 3
	- Senior Vice President of this company - Tamsui Institute of Industrial & Business Administration	Director of LogiTrans Technology Private Ltd.	-	-	-	Note 3
	- Senior Vice President of this company - Managing Director of YM (ERO) - Managing Director of YM (UK) - Master of National Chiao Tung University	Director of Hong Ming Terminal & Stevedoreing Corp.	-	-	-	Note 1
	- Director-general of Financial Supervisory Commission Republic of China - Master of University of Illinois	None	-	-	-	Note 1 and Note 3
	- Vice president of this company - Master of National Taiwan Ocean University	- Director of Kuang Ming Shipping Corp. - Director and General Manager of All Oceans Transportation Inc.	-	-	-	
	- Vice President of this company - Bachelor of National Taiwan Ocean University	Director of Yangming (Japan) Co., Ltd., Yang Ming (Latin America) Co., Yang Ming (Australia) Pty. Ltd., Yang Ming (Korea) Co. Ltd., Yang Ming Line (India) Pvt. Ltd., Young-Carrier Company Limited., Huan Ming (Shanghai) International Shipping Agency Co. Ltd., Jing Ming Transportation Co., Ltd., Yes Logistics Corp.,	-	-	-	Note 1 and Note 3
	- Vice President of this company - Master of National Taiwan Ocean University	- Chairman of West Basin Container Terminal LLC, United Terminal Leasing LLC, - Director of Yang Ming (U.A.E.) LLC., Yang Ming Line (India) Pvt. Ltd., Huan Ming (Shanghai) International Shipping Agency Co. Ltd., Kao Ming Container Terminal Corp., Yes Logistics Corp., Kuang Ming Shipping Corp., Taiwan Foundation International Pte. Ltd.	-	-	-	Note 3
	- Vice President of this company - Master of Tamkang University	- Chairman of YangMing Cultural Foundation. - Director of Jing Ming Transportation Co., Ltd., Yes Logistics Corp., Kuang Ming Shipping Corp., Sun-Baked Pte. Ltd., Yang Ming Insurance Co. Ltd., Taiwan Navigation Company. - Director and President of Yunn Wang Investment Co., Ltd.	-	-	-	
	- Vice President of this company - Bachelor of National Taiwan Ocean University	Director of Kao Ming Container Terminal Corp., Taipei Port Container Terminal Corp., United Stevedoring Corp., West Basin Container Terminal LLC., United Terminal Leasing LLC.	-	-	-	
	- Vice President of this company - Master of National Taiwan University	- Director of Yang Ming Line Holding Co., Yang Ming Line (Singapore) Pte Ltd., Yang Ming Line (B.V.I.) Holding Co., Ltd., Yang Ming Line N.V., Taiwan Foundation International Pte. Ltd., Taiwan Navigation Company. - Supervisor of Jing Ming Transportation Co. Ltd., Huan Ming (Shanghai) International Shipping Agency Co. Ltd., Kuang Ming Shipping Corp., Kao Ming Container Terminal Corp.	-	-	-	Note 2 and Note 3

Title	Nationality	Name	Gender	Inauguration Date	Shareholdings		Spouse & Minor Shareholding		Current Shareholding in the name of others		
					Shares	%	Shares	%	Shares	%	
Senior Executive Vice President	ROC	Kuen-Rong Pai	Male	2021.08.01	14,101	0	0	0	0	0	
Executive Vice President	ROC	Shih-Chou Lee	Male	2021.08.01	57,592	0	0	0	0	0	
Executive Vice President	ROC	Mei-Chi Shih	Male	2021.08.01	0	0	0	0	0	0	
Senior Vice President	ROC	Huo- Sheng Chen	Male	2015.01.01	21,355	0	0	0	0	0	
Senior Vice President	ROC	Chien-Chang Tzeng	Male	2019.07.01	20,034	0	0	0	0	0	
Senior Vice President	ROC	Tien-Shun Wu	Male	2020.05.01	205	0	0	0	0	0	
Vice President	ROC	Tung-Hai Chen	Male	2012.12.01	19,078	0	0	0	0	0	
Vice President	ROC	Shyi-Chang Chang	Male	2014.04.01	5,564	0	0	0	0	0	
Vice President	ROC	Ping- Jen Tseng	Male	2014.06.01	14,290	0	28	0	0	0	
Vice President	ROC	Kun-Ping Yi	Male	2018.02.01	0	0	0	0	0	0	
Vice President	ROC	Leng-hui Wang	Male	2018.02.01	0	0	0	0	0	0	
Vice President	ROC	Shun -Chin Yang	Male	2018.04.01	0	0	0	0	0	0	
Vice President	ROC	Pao-Lin Lee	Female	2018.04.01	345	0	2,000	0	0	0	
Vice President	ROC	Chun-Chieh Lu	Male	2018.05.01	59,047	0	0	0	0	0	



	Experience(Education)	Current position at other companies	Managers who are spouse or within second- degree of kinship			Note
			Title	Name	Relationship	
	- Executive Vice President of this company - Master of National Chiao Tung University	- General Manager of Yang Ming (Mediterranean) Marine Services Single-member Limited Liability Company - Directors of Yang Ming Shipping (Egypt) S.A.E. / Yang Ming (Spain), S.L./ Yang Ming Anatolia Shipping Agency S.A./ Yang Ming (Italy) S.p.A/ YES LOGISTICS BENELUX B.V.	-	-	-	Note 3
	- Senior Vice President of this company - Master of National Chang Gung University	General Manager of Yang Ming (Singapore) Pte. Ltd./ YES Yangming Logistics (Singapore) Pte. Ltd	-	-	-	Note 3
	- Senior Vice President of this company - Master of Tamkang University	- General Manager of Young-Carrier Company Ltd. - Directors of Yang Ming Line (Hong Kong) Ltd./ Yes Logistics (Shanghai) Corp./ Huan Ming (Shanghai) International Shipping Agency Co., Ltd	-	-	-	Note 3
	- Vice President of this company - President of Ching Ming Investment Corporation - Bachelor of TungHai University	Director of Yunn Wang Investment Co., Ltd.	-	-	-	
	- Vice President of this company - Bachelor of Fu Jen Catholic University	- Director of Yang Ming Shipping (Vietnam) Co., Ltd., Yang Ming Shipping Philippines, Inc., Pt. Formosa Sejati Logistics, Jambatan Merah Formosa Depot Sdn. Bhd. - Managing Director of Taiwan Foundation International Pte. Ltd.	-	-	-	
	- Vice President of this company - President of YM (MED) - Associate Degree of National Kaohsiung Marine University	Director of Yang Ming (Belgium) N.V., Yang Ming (Netherlands)B.V., Yang Ming (UK) Ltd., Yang Ming (Italy) S.P.A, Yang Ming (Russia) Llc., Yang Ming (Spain),S.L., Yang Ming Anatolia Shipping Agency S.A.	-	-	-	
	- Deputy Vice President of this company - Master of National Chengchi University	Director of Yangming Cultural Foundation.	-	-	-	
	- Deputy Vice President of this company - Master of National Chiao Tung University	Director of LogiTrans Technology Private Ltd.	-	-	-	
	- Deputy Vice President of this company - Bachelor of Shih Chien University	Director of Karlman Properties Ltd., YangMing Cultural Foundation.	-	-	-	
	- Deputy Vice President of this company - Bachelor of Tamkang University	None	-	-	-	
	- Deputy Vice President of this company - President of YM (JP) - Bachelor of National Chiao Tung University	None	-	-	-	
	- Deputy Vice President of this company - Bachelor of National Taiwan University	None	-	-	-	
	- Deputy Vice President of this company - Bachelor of Soochow University	Director of Transcont intermodal Logistics, Inc., Corstor Ltd.	-	-	-	
	- Deputy Vice President of this company - Bachelor of National Cheng Kung University	None	-	-	-	

Title	Nationality	Name	Gender	Inauguration Date	Shareholdings		Spouse & Minor Shareholding		Current Shareholding in the name of others		
					Shares	%	Shares	%	Shares	%	
Vice President	ROC	Tai-chi Tsai	Male	2018.12.16	20,195	0	55	0	0	0	
Vice President	ROC	Chih-Yang Lung	Male	2019.01.01	6	0	80	0	0	0	
Vice President	ROC	Men-Huo Tsai	Male	2019.05.16	0	0	0	0	0	0	
Acting Vice President & Finance Supervisor	ROC	Shu-Hui Ou	Female	2020.01.21	1,229	0	0	0	0	0	
Vice President	ROC	Li-Wen Liu	Female	2020.02.04	45,474	0	0	0	0	0	
Vice President	ROC	Mei-Ling Chung	Female	2020.04.01	15,808	0	0	0	0	0	
Vice President	ROC	Hann-Sy Hwang	Male	2020.04.01	110,739	0	1,008	0	0	0	
Vice President	ROC	Lung -Fu Chen	Male	2020.04.16	0	0	0	0	0	0	
Vice President& Corporate Governance Supervisor	ROC	Ting-Yu Lu	Female	2020.07.01	8,000	0	20,767	0	0	0	
Vice President& Accounting Supervisor	ROC	Kuan-Sheng Fu	Male	2021.04.01	7,846	0	0	0	0	0	
Vice President	ROC	Chia-Wen Chiang	Male	2021.04.01	10,000	0	5,000	0	0	0	
Vice President	ROC	Chung-Hsien Chan	Male	2021.04.01	0	0	0	0	0	0	
Vice President	ROC	An- Chung Ku	Male	2021.04.16	0	0	0	0	0	0	

	Experience(Education)	Current position at other companies	Managers who are spouse or within second- degree of kinship			Note
			Title	Name	Relationship	
	- Deputy Vice President of this company - Bachelor of National Chung Hsing University	Director of Yang Ming (Singapore) Pte. Ltd., Yang Ming Line (M) Sdn. Bhd., Yang Ming (Latin America) Co.	-	-	-	
	- Deputy Vice President of this company - President of Yang Ming (Korea) Co. Ltd. - Bachelor of Tamkang University	None	Vice President	Szu-Hui Yang	Spouse	
	- Deputy General Manager of Yang Ming (Netherlands) B.V. - Master of Rotterdam School of Management, Erasmus University	None	-	-	-	
	- Deputy Vice President of this company - Master of National Cheng Kung University	- Director of All Oceans Transportation Inc., Sun-Baked Pte. Ltd., Yang Ming Insurance Co., Ltd. - Supervisor of Taipei Port Container Terminal Corp., United Stevedoring Corp., Pt. Formosa Sejati Logistics, Yunn Wang Investment Co., Ltd.	-	-	-	
	- Deputy Vice President of this company - Master of National Taiwan University	Director of YangMing Cultural Foundation.	-	-	-	
	- Deputy Vice President of this company - Bachelor of National Chung Hsing University	Director of YangMing Cultural Foundation.	-	-	-	
	- Deputy Vice President of this company - Bachelor of National Taiwan Ocean University	None	-	-	-	
	- Deputy Vice President of this company - Master of National Cheng Kung University	Director of Manwa Co., Ltd.	-	-	-	
	- Deputy Vice President of this company - Bachelor of National Taiwan Ocean University	None	-	-	-	
	- Deputy Vice President of this company - Bachelor of National Cheng Kung University	- Director of YangMing Cultural Foundation., Formosa International Development Corporation. - Supervisor of Yangming(Japan) Co., Ltd., PT. Yang Ming Shipping Indonesia, Yang Ming (Korea) Co. Ltd., Hong Ming Terminal & Stevedoring Corp., YES Logistics Corp.	-	-	-	Note 2
	- Deputy Vice President of this company - Master of National Ocean University	Director of Hong Ming Terminal & Stevedoreing Corp., Jing Ming Transportation Co., Ltd.	-	-	-	
	- Deputy Vice President of this company - Master of National Taiwan University	Director of Yang Ming (UK) Ltd., All Oceans Transportation Inc.	-	-	-	
	- Deputy Vice President of this company - Bachelor of Chinese Culture University	Director of Yang Ming Line (Hong Kong) Ltd., Yang Ming Shipping (B.V.I.) Inc., Yangming (Japan) Co., Ltd., Yang Ming Shipping (Vietnam) Co., Ltd., Yang Ming Shipping Philippines, Inc., Yang Ming Line (Thailand) Co., Ltd., Yang Ming Line Shipping (Thailand) Co., Ltd., PT. Yang Ming Shipping Indonesia, Yang Ming (Korea) Co. Ltd.	-	-	-	

Title	Nationality	Name	Gender	Inauguration Date	Shareholdings		Spouse & Minor Shareholding		Current Shareholding in the name of others		
					Shares	%	Shares	%	Shares	%	
Vice President	ROC	Szu-Hui Yang	Female	2021.05.16	80	0	6	0	0	0	
Acting Vice President of Taichuang Brunch	ROC	Chin-Hung Chung	Male	2021.06.30	64	0	0	0	0	0	
Vice President	ROC	Hung-Chung Chien	Male	2021.07.01	0	0	0	0	0	0	
Vice President	ROC	Chin-Jung Lee	Female	2021.07.06	784	0	0	0	0	0	
Vice President	ROC	Chen-To Lin	Male	2021.07.19	0	0	0	0	0	0	
Vice President	ROC	Der-Ren Li	Male	2021.08.01	0	0	0	0	0	0	
Vice President	ROC	Chyi-Yu Chou	Male	2021.09.02	5,000	0	386	0	0	0	

Note 1: Li-Chuan Wang was appointed as Chief Auditor on March 29, 2021. Shih-Fang Hsu, the former Chief Auditor was transferred as Chief Taiwan Operations Officer on March 29, 2021 and Chao-Feng Chang, Chief Commercial Officer, stopped serving as Chief Taiwan Operations Officer on the same day.

Note 2: Kuan-Sheng Fu was appointed as Accounting Supervisor on April 1, 2021. Yu-Wen Su, Chief Financial Officer stopped serving as Accounting Supervisor on the same day.

Note 3: The system of Appointed Managers has been executed from August 1, 2021, information of Appointed Managers (include ones who have been transferred to overseas subsidiaries) should be disclosed. There are nine Appointed Managers: President Shu-Chin Tu, CIO & Executive Vice President Der-Shi Tsao, Chief Auditor & Executive Vice President Li-Chuan Wang, Chief Commercial Officer & Senior Vice President Chao-Feng Chang, Chief Strategy Officer & Senior Vice President Jeng-Shong Jeng, Chief Financial Officer & Senior Vice President Yu-Wen Su, Senior Executive Vice President Kuen-Rong Pai, Executive Vice President Shih-Chou Lee and Executive Vice President Mei-Chi Shih.

	Experience(Education)	Current position at other companies	Managers who are spouse or within second- degree of kinship			Note
			Title	Name	Relationship	
	- Deputy Vice President of this company - Bachelor of National Taiwan University	None	Vice President	Chih-Yang Lung	Spouse	
	- Deputy Vice President of this company - Bachelor of Taiwan Ocean University	None	-	-	-	
	- Deputy Vice President of this company - Bachelor of Feng Chia University	Director of Yang Ming (America) Corp., Yang Ming Shipping (Canada) Ltd., Transcont Intermodal Logistics, Inc.	-	-	-	
	- Deputy Vice President of this company - Bachelor of National Taiwan University of Science and Technology	None	-	-	-	
	- Deputy Vice President of this company - Bachelor of National Taiwan University	None	-	-	-	
	- Deputy Vice President of this company - Bachelor of Chinese Culture University	None	-	-	-	
	- Deputy Vice President of this company - Bachelor of National Taiwan Ocean University	Director of Yang Ming Insurance Co., Ltd.	-	-	-	

3.3 Remuneration Paid during the most recent fiscal year to Directors, Supervisors, President and Vice President

3.3.1 Remuneration of Directors (Including Independent Directors.)

Tittle	Name	Remuneration of Directors							
		Base Compensation(A) (Note 2)		Separation pay(B)		Director Compensation(C) (Note 3)		Allowance(D)(Note 4)	
		The Company	All companies in the consolidated financial statement (Note 7)	The Company	All companies in the consolidated financial statement (Note 7)	The Company	All companies in the consolidated financial statement (Note 7)	The Company	All companies in the consolidated financial statement (Note 7)
Legal Entity as Director	MOTC	0	0	0	0	30,000	30,000	0	0
Legal Entity as Director	NDF	258	258	0	0	30,000	30,000	0	0
Legal Entity as Director	TIPC	237	237	0	0	10,000	10,000	0	0
Legal Entity as Director tor	TNC	0	0	0	0	10,000	10,000	0	0
Chairman	Cheng-Mount Cheng, Corporate Representative of the MOTC	6,274	6,274	0	0	0	0	717	717
Director	Jiang-Ren Chang, Corporate Representative of the MOTC	227	227	0	0	0	0	0	0
Director	An-Chung Ku, Corporate Representative of the MOTC	0	0	0	0	0	0	0	0
Director	Keh-Her Shih, Corporate Representative of The NDF	102	102	0	0	0	0	0	0
Director	Chien-Yi Chang, Corporate Representative of The NDF	360	360	0	0	0	0	0	0
Director	Chih-Li Chen, Corporate Representative of The NDF	227	227	0	0	0	0	0	0
Director	Shao-Liang Chen, Corporate Representative of The TIPC	94	94	0	0	0	0	0	0
Director	Wen-Ching Liu, Corporate Representative of The TNC	360	360	0	0	0	0	0	0
Former Director	Ping-Jen Tseng, Corporate Representative of the MOTC	0	0	0	0	0	0	0	0

Unit: NT\$Thousand

	Remuneration amount & ratio of total remuneration (A+B+C+D) to net income(%) (Note 10)				Relevant remuneration from being the company's employee								Remuneration amount & ratio of total remuneration (A+B+C+D+E+F+G) to net income(%) (Note 10)				Compensation from an invested company other than the company's subsidiary (Note 11)
					Salary, bonus, and allowance (E) (Note 5)		Separation pay (F)		Employees' Compensation(G) (Note 6)								
	The Company		All companies in the consolidated financial statement (Note 7)		The Company		All companies in the consolidated financial statement (Note 7)		The Company		All companies in the consolidated financial statement (Note 7)		The Company		All companies in the consolidated financial statement (Note 7)		
	30,000	0.018%	30,000	0.018%	0	0	0	0	0	0	0	0	30,000	0.018%	30,000	0.018%	-
	30,258	0.018%	30,258	0.018%	0	0	0	0	0	0	0	0	30,258	0.018%	30,258	0.018%	-
	10,237	0.006%	10,237	0.006%	0	0	0	0	0	0	0	0	10,237	0.006%	10,237	0.006%	-
	10,000	0.006%	10,000	0.006%	0	0	0	0	0	0	0	0	10,000	0.006%	10,000	0.006%	-
	6,991	0.004%	6,991	0.004%	2,021	2,021	0	0	0	0	0	0	9,012	0.005%	9,012	0.005%	-
	227	0.000%	227	0.000%	0	0	0	0	0	0	0	0	227	0.000%	227	0.000%	-
	0	0.000%	0	0.000%	3,192	3,192	0	0	3,499	0	3,499	0	6,691	0.004%	6,691	0.004%	-
	102	0.000%	102	0.000%	0	0	0	0	0	0	0	0	102	0.000%	102	0.000%	-
	360	0.000%	360	0.000%	0	0	0	0	0	0	0	0	360	0.000%	360	0.000%	-
	227	0.000%	227	0.000%	0	0	0	0	0	0	0	0	227	0.000%	227	0.000%	-
	94	0.000%	94	0.000%	0	0	0	0	0	0	0	0	94	0.000%	94	0.000%	-
	360	0.000%	360	0.000%	0	0	0	0	0	0	0	0	360	0.000%	360	0.000%	-
	0	0.000%	0	0.000%	2,877	2,877	0	0	3,564	0	3,564	0	6,441	0.004%	6,441	0.004%	-

Tittle	Name	Remuneration of Directors							
		Base Compensation(A) (Note 2)		Separation pay(B)		Director Compensation(C) (Note 3)		Allowance(D)(Note 4)	
		The Company	All companies in the consolidated financial statement (Note 7)	The Company	All companies in the consolidated financial statement (Note 7)	The Company	All companies in the consolidated financial statement (Note 7)	The Company	All companies in the consolidated financial statement (Note 7)
Former Director	Kun-Ching Liao, Corporate Representative of the MOTC	110	110	0	0	0	0	0	0
Former Director	Shao-Yuan Chang, Corporate Representative of The NDF	90	90	0	0	0	0	0	0
Independent Director	Tar-Shing Tang	720	720	0	0	0	0	0	0
Independent Director	Tze-Chun Wang	720	720	0	0	0	0	0	0
Independent Director	Jei-Fuu Chen	720	720	0	0	0	0	0	0

Note1: The seat of Ping-Jen Tseng in Corporate Representative of the MOTC was replaced by An-Chung Ku on May 14, 2021; Jiang-Ren Chang on May 14, 2021 replaced Kun-Ching Liao to assume the seat in in Corporate Representative of the MOTC. In addition, the seat of Shao-Yuan Chang in Corporate Representative of the NDF was replaced by Chih-Li Chen on May 14, 2021.

Note2: Compensations in 2021, including director's salaries, allowance, separation pay, bonus and incentives, etc.). Chairman Cheng-Mount Cheng has been exempted from serving as CEO since May 14, 2021. The Labor Director and Vice President, An-Chung Ku, and the former Labor Director and Vice President, Ping-Jen Tseng, also being the employee of this company, only obtained relevant remuneration from being the company's employee, and didn't receive directors' compensation.

Note3: Fill in the amount of directors' compensation in 2021 approved by the Board of Directors.

Note4: Refers to allowances in 2021, including special disbursements, perquisites, accommodation, company cars, and other provided objects, but does not include the relevant remuneration paid to drivers, which is NT\$393,000.

Note5: Compensations including salaries, allowance, separation pay, bonus, incentives, special disbursements, perquisites, accommodation, company cars, and other provided objects, received by directors who are employees of this Company, (including serving as president, Executive Vice presidents, other managerial officers, and employees.), but relevant compensations NT\$225,000 paid to drivers are excluded. In addition, the salary expenses recognized in the IFRS2(Share-based Payment), include obtainments of employee stock option certificates, restricted stock rewards, and participation of subscribing stock by cash injection, also counted in the compensations.

	Remuneration amount & ratio of total remuneration (A+B+C+D) to net income(%) (Note 10)				Relevant remuneration from being the company's employee								Remuneration amount & ratio of total remuneration (A+B+C+D+E+F+G) to net income(%) (Note 10)				Compensation from an invested company other than the company's subsidiary (Note 11)
					Salary, bonus, and allowance (E) (Note 5)		Separation pay (F)		Employees' Compensation(G) (Note 6)								
	The Company	All companies in the consolidated financial statement (Note 7)		The Company	All companies in the consolidated financial statement (Note 7)		The Company	All companies in the consolidated financial statement (Note 7)		Employees' Compensation(G) (Note 6)		The Company	All companies in the consolidated financial statement (Note 7)				
Cash										share	Cash				share		
	110	0.000%	110	0.000%	0	0	0	0	0	0	0	110	0.000%	110	0.000%	-	
	90	0.000%	90	0.000%	0	0	0	0	0	0	0	90	0.000%	90	0.000%	-	
	720	0.000%	720	0.000%	0	0	0	0	0	0	0	720	0.000%	720	0.000%	-	
	720	0.000%	720	0.000%	0	0	0	0	0	0	0	720	0.000%	720	0.000%	-	
	720	0.000%	720	0.000%	0	0	0	0	0	0	0	720	0.000%	720	0.000%	-	

Note6: Refers recipients of employees' compensation (including stocks and cash) for concurrent directors and employees (including serving as president, Executive Vice presidents, other managerial officers, and employees.) in 2021, and the amount of employees' compensation approved by the board of directors shall be disclosed.

Note7: The total amounts of directors' compensation paid by all companies (including this company) listed in this consolidation shall be disclosed.

Note8: The directors receiving compensations paid by this Company, whose names in the attributed bracket are omitted.

Note9: The total amount of directors' compensation paid by all companies (including this company) listed in this consolidation shall be disclosed. Directors' names in the attributed bracket are omitted.

Note10: The net profit after tax of financial statement in 2021.

Note11: This Company's directors didn't receive relevant compensations of others reinvested businesses which are not subsidiaries.

Note12: Apart from the above disclosure, the directors' compensation from providing services (such as acting as non-employee advisers) for all of the listed companies in this financial statement: None.

* The remuneration disclosed this table is unlike the concept stipulated in the Income Tax Act. Therefore, this table is for the purpose of information disclosure, not for taxation.

3.3.2 Remuneration of President and Executive Vice Presidents

Title (Note 1)	Name	Salary(A) (Note6)		Separation Pay(B)		
		The Company	All companies in the consolidated financial statement (Note9)	The Company	All companies in the consolidated financial statement (Note9)	
President	Shu-Chin Tu	4,259	4,259	0	0	
Former Senior Vice President (Note 2)	Chih-Chien Tsao	115	115	8,976	8,976	
CIO& Executive Vice President	Der-Shi Tsao	2,954	2,954	0	0	
Chief Taiwan Operations Officer & Executive Vice President	Shih-Fang Hsu	2,761	2,761	0	0	
Chief Auditor & Executive Vice President	Li-Chuan Wang	2,110	2,110	0	0	
Chief Commercial Officer & Senior Vice President	Chao-Feng Chang	2,352	2,352	0	0	
Chief Strategy Officer & Senior Vice President	Jeng-Shong Jeng	2,336	2,336	0	0	
Chief Financial Officer & Senior Vice President	Yu-Wen Su	2,300	2,300	0	0	
Senior Executive Vice President (Note 3)	Kuen-Rong Pai	3,903	5,692	0	0	
Executive Vice President (Note 4)	Shih-Chou Lee	1,703	4,205	0	0	
Executive Vice President (Note 5)	Mei-Chi Shih	2,870	3,998	0	0	

*Regardless of job title, any position equivalent to president or executive vice president (such as chairman, chief executive officer, director... etc.) should be disclosed.

Note1: The system of Appointed Managers has been executed from August 1, 2021. Information of Appointed Managers (include ones who have been transferred to overseas subsidiaries) should be disclosed. There are nine Appointed Managers: President Shu-Chin Tu, CIO & Executive Vice President Der-Shi Tsao, Chief Auditor & Executive Vice President Li-Chuan Wang, Chief Commercial Officer & Senior Vice President Chao-Feng Chang, Chief Strategy Officer & Senior Vice President Jeng-Shong Jeng, Chief Financial Officer & Senior Vice President Yu-Wen Su, Senior Executive Vice President Kuen-Rong Pai, Executive Vice President Shih-Chou Lee and Executive Vice President Mei-Chi Shih.

Note2: Chih-Chien Tsao, Former Senior Vice President, was transferred back from YM America Corp. on March 16, 2021 and retired on March 31, 2021. The remuneration is inclusive of separation pay.

Note3: Kuen-Rong Pai, Senior Vice President was transferred to Yang Ming (Mediterranean) Corp. on September 9, 2020 and appointed manager on August 1, 2021.

Note4: Shih-Chou Lee, Executive Vice President, was transferred to Yang Ming (Singapore) Corp. on March 16, 2020 and appointed manager on August 1, 2021.

Note5: Mei-Chi Shih, Executive Vice President, was transferred to Yang Ming (China) Corp. on August 28, 2021 and appointed manager on August 1, 2021.



Unit: NT\$Thousand

	Bonus and Allowances etc.(C) (Note7)		Employee remuneration (D) (Note8)				Remuneration amount & ratio of total remuneration(A+B+C+D) to net income(%) (Note10)				Remuneration amount from an invested company other than the Company's subsidiaries (Note11)
	The Company	All companies in the consolidated financial statement (Note9)	The Company		All companies in the consolidated financial statement (Note9)		The Company		All companies in the consolidated financial statement (Note9)		
			Cash	Stock	Cash	Stock					
	4,741	4,741	0	0	0	0	9,000	0.005%	9,000	0.005%	-
	606	606	0	0	0	0	9,697	0.006%	9,697	0.006%	-
	2,990	2,990	4,979	0	4,979	0	10,923	0.007%	10,923	0.007%	-
	2,848	2,848	4,745	0	4,745	0	10,354	0.006%	10,354	0.006%	-
	2,384	2,384	3,792	0	3,792	0	8,286	0.005%	8,286	0.005%	-
	2,657	2,657	3,961	0	3,961	0	8,970	0.005%	8,970	0.005%	-
	2,602	2,602	3,879	0	3,879	0	8,817	0.005%	8,817	0.005%	-
	2,578	2,578	3,864	0	3,864	0	8,742	0.005%	8,742	0.005%	-
	3,083	3,083	5,152	0	5,152	0	12,138	0.007%	13,927	0.008%	-
	2,319	2,319	4,401	0	4,401	0	8,423	0.005%	10,925	0.007%	-
	2,656	2,656	4,427	0	4,427	0	9,953	0.006%	11,081	0.007%	-

Note6: Salaries and allowances to this company's President, EVPs and Appointed Managers in 2021.

Note7: Compensations include salaries, allowance, separation pay, bonus, incentives, special disbursements, perquisites, accommodation, company cars, and other provided objects, received by President, EVPs and Appointed Managers, but relevant compensations NT\$742 thousand paid to President's driver is excluded. In addition, the salary expenses recognized in the IFRS2(Share-based Payment), including obtainments of employee stock option certificates, restricted stock rewards, and participation of subscribing stock by cash injection, are also counted in the compensations.

Note8: Fill in the amount of employees' compensation in 2021 approved by the Board of Directors.

Note9: The disclosure of total amounts of President's, EVPs' and Appointed Managers' compensations paid by all companies (including this company) listed in this consolidation.

Note10: The net profit after tax of financial statement in 2021.

Note11: This Company's President and EVPS didn't receive the relevant compensations of others reinvested businesses which are not the subsidiaries.

*The remunerations disclosed this table are unlike the concept stipulated in the Income Tax Act. Therefore, this table is for the purpose of information disclosure, not for taxation.

3.3.3 Managers responsible for distribution of employee compensation

2021.12.31

Unit: NT\$Thousand

	Title(Note 1)	Name	Employees' Compensation in Stock (Note2)	Employees' Compensation in Stock (Note2)	Total	Ratio of Total Amount to Net Income (%) (Note 3)
Executive Officers	Chief Information Officer & Executive Vice President	Der-Shi Tsao	0	154,921	154,921	0.094%
	Chief Taiwan Operations Officer & Executive Vice President	Shih-Fang Hsu				
	Chief Auditor & Executive Vice President	Li-Chuan Wang				
	Chief Marine Technology Officer & Senior Vice President	Yeoung- Shuenn Ho				
	Chief Commercial Officer & Senior Vice President	Chao-Feng Chang				
	Chief Strategy Officer & Senior Vice President	Jeng-Shong Jeng				
	Chief Administrator Officer & Executive Vice President	Hsiu-Chi Ho				
	Chief Logistics Officer & Senior Vice President	Kou-Liang Huang				
	Chief Financial Officer & Senior Vice President	Yu-Wen Su				
	Senior Executive Vice President	Kuen-Rong Pai				
	Executive Vice President	Shih-Chou Lee				
	Executive Vice President	Mei-Chi Shih				
	Senior Vice President	Huo-Sheng Chen				
	Senior Vice President	Chien-Chang Tzeng				
	Senior Vice President	Tien-Shun Wu				
	Vice President	Tung-Hai Chen				
	Vice President	Shyi-Chang Chang				
	Vice President	Ping- Jen Tseng				
	Vice President	Kun-Ping Yi				
	Vice President	Leng-Hui Wang				
	Vice President	Shun-Chin Yang				
	Vice President	Pao-Lin Lee				
	Vice President	Chun-Chieh Lu				
	Vice President	Tai-chi Tsai				
	Vice President	Chih-Yang Lung				
	Vice President	Men-Huo Tsai				
	Acting Vice President & Finance Supervisor	Shu- Hui Ou				
	Vice President	Li-Wen Liu				
	Vice President	Mei-Ling Chung				
	Vice President	Hann-Sy Hwang				
	Vice President	Lung-Fu Chen				
	Vice President & Corporate Governance Supervisor	Ting-Yu Lu				
	Vice President & Accounting Supervisor	Kuan-Sheng Fu				
	Vice President	Chia-Wen Chiang				
	Vice President	Chung-Hsien Chan				
	Vice President	An-Chung Ku				
	Vice President	Szu-Hui Yang				
	Acting Vice President of Taichung Branch	Chin-Hung Chung				
	Vice President	Hung-Chung Chien				
	Vice President	Chin-Jung Lee				
	Vice President	Chen-To Lin				
	Vice President	Der-Ren Li				
	Vice President	Chyi-Yu Chou				

Note 1: The titles effective as of December 31, 2021.

Note 2: The amount of employees' compensation for managers in 2021.

Note 3: Net income is the profit after tax of the parent-company-only financial statements of 2021.

Note 4: The scope of application of the manager is based on the letter from the Financial Supervisory Commission R.O.C. (Taiwan) on March 27, 2003. The scope of the Taiwanese Certificate of Finance (Tai-Cai-Zheng-San-Zi), No. 0920001301, is as follows:

- (1) President and equivalent.
- (2) Executive Vice President and equivalent.
- (3) Senior Vice President and Deputy Senior Vice President and equivalent.
- (4) Head of Finance Department.
- (5) Head of Accounting Department.
- (6) Other persons who have the right to manage affairs and sign on behalf of the Company.

Note 5: Appointed Managers (including those already transferred to overseas subsidiaries) are also included in the above table.

3.3.4 This analysis is about the proportion of the total remuneration of directors, supervisors, president, EVPs and Appointed Managers of the Company paid by the Company and all companies in the consolidated financial statement to net profit after tax in individual financial statement of the past two years. The remuneration policies, standards and packages, the procedure of determining remuneration, and its link to operating performance and future risk exposure are elaborated.

1. This analysis is about the proportion of the total remuneration of directors, supervisors, president, EVPs and Appointed Managers of the Company paid by the Company and all companies in the consolidated financial statement to net profit after tax in individual financial statement of the past two years.

Title	The Company		All companies in the consolidated financial statement	
	Y2020	Y2021	Y2020	Y2021
Director	0.60%	0.06%	0.60%	0.06%
President, EVPs and Appointed Managers	0.32%	0.06%	0.32%	0.07%

Note: This Company's audit committee is set up according to relevant laws. As such, supervisors do not need to be set up and elected.

2. The following explains the remuneration policies, standards and packages, the procedure of determining remuneration, and its link to operating performance and future risk exposure:

The board of directors is authorized to determine the remuneration of chairman and directors being in compliance with their participation of company's operation and their contribution, also referring to standards of the industry, which means the annual remuneration for the equals in the marine industry. The salary of chairman, directors, and managerial officers is according to the law determined by the compensation committee. The salary paid to the other members is in accordance with their assigned duty's degree of responsibility, and the standards in the same industry. If the salary needs to be adjusted caused by the variation of pay level in market, it must pass the total quota of salary adjustment through board of director's determination, then refers to employee's performance review. The compensation ratio of managers and directors of our company is in accordance with Company Article, if there is net profit at the year-end, it shall appropriate 1% to 5% of the profits as employees' compensation and no more than 2% for the directors.

As for the distribution of bonuses, in addition to the Chinese new year bonus for one-month worth of pay, if the company has the earnings in the year, it could contribute the performance bonus by calculating formula and employee's compensations according to the rule of Company Articles. The bonus level also refer to the adjustment of peer companies' bonus level on year 2021. This company's remuneration assessment for manager's performances is through strict evaluation of performance appraisal system. The assessment targets include company profit and loss, leadership, strategic planning, succession plan and work attitude. The system also overall considers the participation of company's operation and individual responsibilities, so that can reduce the future risk.

3.3.5 Enhanced disclosure: This Company's compensation committee regularly adjust directors' and managerial officers' performance evaluation, remuneration policy, system, standard, and structure.

3.4 Corporate Governance Status

3.4.1 Board of Directors Meetings

14 meetings (A) were convened in 2021. The attendance is as below:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person(%) (B/A)	Remarks
Chairman	Cheng-Mount Cheng (Corporate Representative of the MOTC)	14	0	100%	Inaugurated as director and as corporate representative of the NDF on August 17, 2018 and September 30, 2020 respectively; Inaugurated as director as corporate representative of the MOTC and elected as chairman on October 1, 2020.
Director	Jiang-Ren Chang(Corporate Representative of the MOTC)	10	0	100%	Assumed new office on May 14, 2021.
Director	An-Chung Ku(Corporate Representative of the MOTC)	10	0	100%	Assumed new office on May 14, 2021.
Director	Keh-Her Shih (Corporate Representative of the NDF)	9	5	64%	Inaugurated as director on December 21, 2020.
Director	Chien-Yi Chang (Corporate Representative of the NDF)	11	3	79%	Assumed new office on June 22, 2018.
Director	Chih-Li Chen (Corporate Representative of the NDF)	10	0	100%	Assumed new office on May 14, 2021.
Director	Shao-Liang Chen (Corporate Representative of the TIPC)	10	3	71%	Assumed new office on June 22, 2018; stepped down as director on June 17, 2019; inaugurated as director on May 5, 2020. 1 leave of absence.
Director	Wen-Ching Liu (Corporate Representative of the TNC)	12	2	86%	Assumed new office on June 22, 2018.
Former Director	Kun-Ching Liao (Corporate Representative of the MOTC)	4	0	100%	Stepped down as director on May 14, 2021.
Former Director	Ping-Jen Tseng (Corporate Representative of the MOTC)	4	0	100%	Stepped down as director on May 14, 2021.
Former Director	Shao-Yuan Chang (Corporate Representative of the NDF)	4	0	100%	Stepped down as director on May 14, 2021.
Independent Director	Tar-Shing Tang	13	1	93%	Assumed new office on June 22, 2018.
Independent Director	Tze-Chun Wang	14	0	100%	Assumed new office on June 22, 2018.
Independent Director	Jei-Fuu Chen	14	0	100%	Elected to fill the vacancy as independent director on June 17, 2020.

Other matters to be stated:

- Where the operation of the Board encounters the following situations, the minutes concerned shall clearly state the meeting date, term, contents of motions, opinions of all independent directors and the Company's resolution of said opinions:

- (1) According to Article 14-5 of the Securities and Exchange Act, matters specified in Article 14-3 of the same Act do not apply to Yang Ming.
- (2) Unless otherwise stated, in addition to resolutions, a written record or declaration of the opposition or disqualified opinions expressed by independent directors: None.
2. Where a director recused himself/herself due to a conflict of interest, the minutes shall clearly state the director's name, contents of the motion, the reason for avoiding conflict of interest and participation in the voting process:

Director	Motion	Reason for Avoiding Conflict of Interest	Participation in the Voting Process
Wen-Ching Liu	Increasing the shareholding of affiliate companies	The motion concerned the interests of corporate represented by Director Wen-Ching Liu	Disassociated from discussion and voting
Cheng-Mount Cheng	Compensation for Chairman	The motion concerned the interest of Director Cheng-Mount Cheng	Disassociated from discussion and voting
Jiang-Ren Chang	Enhancing cooperation with maritime university and donation of educational equipment to expand talent cultivation	The motion concerned the interest of Director Jiang-Ren Chang	Disassociated from discussion and voting
Chih-Li Chen	Enhancing cooperation with maritime university and donation of educational equipment to expand talent cultivation	The motion concerned the interest of Director Chih-Li Chen	Disassociated from discussion and voting
Cheng-Mount Cheng	Employee Financial Well-being Programs of the Company	The motion concerned the interest of Director Cheng-Mount Cheng	Disassociated from discussion and voting
Jiang-Ren Chang	Enhancing cooperation with maritime university and donation of educational equipment to expand talent cultivation	The motion concerned the interest of Director Jiang-Ren Chang	Disassociated from discussion and voting
Chih-Li Chen	Enhancing cooperation with maritime university and donation of educational equipment to expand talent cultivation	The motion concerned the interest of Director Chih-Li Chen	Disassociated from discussion and voting

3. In order to implement corporate governance and enhance the functions of the Board, Yang Ming has set up a performance target to enhance operation efficiency of the Board and established the regulations of Board and functional committee performance assessments. The following is the information of Board and functional committee performance assessment for the year of 2021. For performance assessment results, refer to 3.4.6, the Company's implementation of corporate governance, for any departure from such implementation in the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such departure.

Frequency	Year	Range	Methods	Contents
Yearly	2021	The Board, individual directors and functional committees	Internal self-evaluation by the Board, Board members and functional committee members	1. The performance assessment of the Board includes the participation in Yang Ming's operations, the quality improvement of the Board's decisions, the composition and structure of the Board, the election and continuing education of directors, and internal control, and so on. 2. The performance assessment of individual directors includes a solid understanding of the goals and tasks of Yang Ming, the director's responsibilities, the participation in Yang Ming's operations, the management and communication of internal relations, the professional and continuing education of directors, and internal control, and so on. 3. The performance assessment of functional committees includes the participation in Yang Ming's operations, the functional committees' responsibilities, the quality of functional committee's decisions, the composition and selection of functional committees, and internal control, and so on.

4. Enhancements to the functionality of the Board in current and recent year (e.g. establishment of an Audit Committee, improvement of information transparency etc), and the progress of such enhancements:
- (1) Improvement in information transparency: Yang Ming operates transparently, cares about the shareholders' rights, and notifies stakeholders of crucial resolutions immediately after the Board meetings. Yang Ming has also formulated "Procedures for Handling Material Inside Information" to establish sound mechanisms for the handling and disclosure of internal information, and to improve and enhance the information transparency.
 - (2) Continuing education of directors: Yang Ming's continuing education of directors is based on the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies." The courses and hours of continuing education on Market Observation Post System can be accessed. According to relevant policies, directors' and independent directors' CPE hours in 2021 should be 84 hours; the actual total CPE hours were 117 hours..
5. Enhanced disclosure: The expected attendance for all independent directors was 42 times, there was 1 time by proxy, 0 times authorized absence, leading to a 98% attendance. This is in accordance with Article 7 of the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies," wherein at least one independent director shall attend each Board meeting in person.

3.4.2 Composition and operation of the Audit Committee and Supervisions

Yang Ming established its Audit Committee on June 14, 2013. The members of the 4th Audit Committee are composed of independent director Tar-Shing Tang (convener), independent director Tze-Chun Wang and independent director Jei-Fuu Chen. The term of the 4th Audit Committee lasts from May 14, 2021 until May 13, 2024.

1. Responsibilities of the Audit Committee

- (1) Adopt or amend the internal control systems pursuant to Article 14-1 of the Securities and Exchange Act.
- (2) Assess the effectiveness of the internal control system.
- (3) Adopt or amend the procedures for material financial or business activities such as acquisition or disposal of assets, derivatives trading, monetary loans to others, as well as provide endorsements or guarantees to others, pursuant to Article 36-1 of the Securities and Exchange Act.
- (4) Matters where a director is an interested party.
- (5) Material asset and derivatives transactions.
- (6) Material monetary loanings or endorsement, or provision of guarantees.
- (7) Public offering, issuance, or private placement of equity-type securities.
- (8) Appointment, dismissal or compensation of certified public accountants.
- (9) Appointment and dismissal of chief financial officer, chief accounting officer, or chief auditor.
- (10) Annual financial reports signed or sealed by chairman, managerial officer and chief accounting officer, and semi-annual financial reports audited by certified public accountants.
- (11) Any other subject matters so required by Yang Ming or by the competent authorities.

2. 2021 work summary of the Audit Committee

- (1) Review of 2020 business report, financial statements, earnings distribution proposal, employees' profit sharing bonus and directors' compensation.
- (2) Review of 2020 self-assessment audit report and statement of internal control system.
- (3) Review of 2022 audit plans.
- (4) Review of 2021 and 2022 business plans and budget.
- (5) Review the appointment and compensation of certified public accountants for the year of 2021.
- (6) Review of material asset transactions and CWA (Cooperation Working Agreement).
- (7) Review of proposals regarding capital injection and reduction to subsidiaries, converting accounts receivables into equity between subsidiaries, adding the quota of long-term equity investment, short-form merger with subsidiaries, capital injection from accounts receivables and liquidation to subsidiaries.

- (8) Review of transactions regarding loaning funds, endorsement, or provision of guarantees.
- (9) Review of issuance of common secured bond, common shares for book building and retroactive handling of public issuance of private equity.
- (10) Review the appointment and discharge of Chief Financial Officer, Chief Audit Executive and the accounting officer.

3. Audit Committee Meeting

The Audit Committee convened 14 meetings (A) in 2021. The attendance records are as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%) (B/A)	Remarks
Independent Director (Convener)	Tar-Shing Tang	14	0	100%	Assumed new office on June 22, 2018.
Independent Director	Tze-Chun Wang	12	2	86%	Assumed new office on June 22, 2018.
Independent Director	Jei-Fuu Chen	14	0	100%	Elected to fill the vacancy as independent director on June 17, 2020.

Other matters:

1. Where the Audit Committee encounters the following situations, the minutes concerned shall clearly state the meeting date, term, motions, independent directors' feedback, Audit Committee's resolutions and the Company's resolution regarding Audit Committee's feedback

(1) Matters specified in Article 14-5 of the Securities and Exchange Act:

Audit Committee Meeting	Contents of Motions	Independent directors' feedback	Audit Committee's Resolution	The Company's Resolution regarding Audit Committee's feedback
The 55 th Meeting January 13, 2021	Issuance of secured common corporate bond	-	Approved by all independent directors in attendance.	Submitted to the Board for review and approved by all directors in attendance.
	Capital injection to subsidiaries			
	Capital reduction to subsidiaries			
	Converting accounts receivables into equity between subsidiaries and its subsidiaries			
	Converting accounts receivables into equity between subsidiaries			
	Appointment and discharge of Chief Financial Officer			
	Providing endorsement and guarantee for subsidiaries	The interest rate negotiated by the subsidiary is much higher and need to be reviewed again.	Approved by all independent directors in attendance subject to the interest rate conditions are requested to negotiate with banks and submitted to the board for approval.	Submitted to the Board for review and only approved providing endorsement and guarantee of TWD financing for subsidiaries by all directors in attendance.
The 56 th Meeting February 23, 2021	Appointment and discharge of the accounting officer	Yang Ming should be more proactive in talent cultivation of financial field to ensure smooth handover.	Approved by all independent directors in attendance.	Submitted to the Board for review and approved by all directors in attendance.
The 57 th Meeting March 17, 2021	2020 self-assessment audit report and statement of internal control system	-	Approved by all independent directors in attendance.	Submitted to the Board for review and approved by all directors in attendance.
	Changing the use of funds of common secured bond			
	Issuing book building of common shares			
	Providing endorsement and guarantee for subsidiaries			
	Appointment of certified public accountants			
	Compensation of certified public accountants			

Audit Committee Meeting	Contents of Motions	Independent directors' feedback	Audit Committee's Resolution	The Company's Resolution regarding Audit Committee's feedback
The 57 th Meeting March 17, 2021	Appointment and discharge Chief Audit Executive	-	Approved by all independent directors in attendance.	Submitted to the Board for review and approved by all directors in attendance.
	2020 financial statements	It is suggested the company establish a contract management system, formulate the contract management methods and need to enhance personnel education training to avoid causing financial burden to the company.		
	Capital reduction of subsidiaries	It is suggested that the company after a professional and reasonable assessment of the financial structure and fair value of the subsidiary, the future direction of the subsidiary should be determined as soon as possible.		
	Adding the quota of long-term equity investment to reinvested companies	-	Approved by all independent directors in attendance and subject to the information needs to be supplement Board approval.	Approved by all independent directors in attendance except Director Wen-Ching Liu who is disassociated from discussion and to avoid conflict of interest.
The 58 th Meeting May 3, 2021	Purchasing containers for the year of 2021	-	Approved by all independent directors in attendance.	Submitted to the Board for review and approved by all directors in attendance.
	Providing endorsement and guarantee to subsidiaries			
The 59 th Meeting May 19, 2021	Benefit assessment of issuance of common shares for book building	-	Approved by all independent directors in attendance.	Submitted to the Board for review and approved by all directors in attendance.
The 60 th Meeting June 23, 2021	Terminal leasing contract and development of planning report	The following matters must be corrected before bidding:	Although the management department has major flaws in this case, such as procedural violations and undocumented records, but considering that this case does have its commercial interests, it was approved reluctantly by all independent directors in attendance and subject to the management department should be corrected the following matters before bidding:	Submitted to the Board for review and approved by all directors in attendance, except for independent director Tar-Shing Tang expressed his abstentions via entrusted attendance (there was no indication of "objection or reservation"). Management department should correct the following matters before bidding.
		- In accordance with the company's regulations of the investment or acquisition and disposal of assets procedures, two independent, impartial appraisal reports shall be obtained and submitted to the board for approval. - The appraisal report that supplemented and corrected by management department should be accompanied by a compliance report from an external lawyer and sent to the Board for approval. - The final version of the shareholder agreement should be obtained and submitted to the Board for approval.	- In accordance with the company's regulations on the investment or acquisition and disposal of assets procedures, two independent, impartial and objective appraisal reports shall be obtained and submitted to the board for approval. - The appraisal report that supplement and is corrected by management department should accompany a compliance report from an external lawyer and be sent to the board for approval. - The final version of the shareholder agreement should be accompanied and submitted to the Board for approval.	- In accordance with the company's regulations governing investment or acquisition and disposal of assets procedures, two independent, impartial appraisal reports shall be accompanied and submitted to the board for approval. - The appraisal report that supplement and is corrected by management department should accompany a compliance report from an external lawyer and be sent to the board for approval. - The final version of the shareholder agreement should be accompanied and submitted to the Board for approval.
The 61 st Meeting July 2, 2021	Capital increase for subsidiaries to purchase vessel	Need to provide med-term and long-term plans as soon as possible to reduce related risks.	Approved by all independent directors in attendance.	Submitted to the Board for review and approved by all directors in attendance.
	Short-form merger with subsidiaries	-		

Audit Committee Meeting	Contents of Motions	Independent directors' feedback	Audit Committee's Resolution	The Company's Resolution regarding Audit Committee's feedback
The 62nd Meeting August 3, 2021	Capital injection from accounts receivables and liquidation to subsidiaries Purchasing the fractional shares regarding capital reduction of subsidiaries	-	Approved by all independent directors in attendance.	Submitted to the Board for review and approved by all directors in attendance.
The 63rd Meeting September 3, 2021	Purchase of the gantry cranes	-	Approved by all independent directors in attendance and subject to information needs to be supplemented for Board approval.	Submitted to the Board for review and approved by all directors in attendance, except for Director Keh-Her Shih expressed his abstentions.
	Signing CWA(Cooperation Working Agreement)	The Company was advised to strengthen staff training to information accuracy and negotiation ability.		
	Lease renewal of dry containers	Need to provide the conditions of the original container leasing contract, the negotiated conditions with the container leasing company and the estimated recovery period.	Approved by all independent directors in attendance, management department need to provide complete information and resubmitt it to Audit Committee for approval.	-
The 64th Meeting September 29, 2021	Lease renewal of dry containers	-	Approved by all independent directors in attendance.	Submitted to the Board for review and approved by all directors in attendance.
	Retroactive handling of public issuance of private equity			
The 65th Meeting October 15, 2021	Vessel chartering for subletting	-	Approved by all independent directors in attendance.	Submitted to the Board for review and approved by all directors in attendance, except for Director Keh-Her Shih expressed his abstentions.
The 66th Meeting November 2, 2021	Loaning funds to subsidiaries	-	Approved by all independent directors in attendance.	Submitted to the Board for review and approved by all directors in attendance.
The 67th Meeting December 3, 2021	Construction of 15,000TEU container vessels	Need to provide the combination table of charterer and own build ratio, fuel type and related time schedule to evaluate the most suitable plan.	Approved by all independent directors in attendance, management department needs to provide complete information and resubmitt it to Audit Committee for approval.	-
	Purchasing containers for the year of 2022	Need to provide the positive and negative opinions, the latest market information and the reasons for the flexibility of the authorized amount and period.		
	Acquiring real estate and liquidation of the debt	The Company is advised to find a second law firm to write an opinion to ascertain the legal validity of the meeting minutes as evidence.		
The 68th Meeting December 14, 2021	Purchasing containers for the year of 2022	The Company should carefully evaluate future financial planning and related risks if it wants to build vessels and containers at a relatively high point of the market. For the capital expenditures plan for next year, the Company was advised to formulate the time schedule and amount in batches according to market conditions to reduce related risks.	Defer the discussion by all independent directors in attendance.	-
	Acquiring real estate and liquidation of the debt	The Company was advised to provide professional legal opinions and judgments in the cases and use this experience to correct the deficiencies in the future.	Approved by all independent directors in attendance.	Submitted to the Board for review and approved by all directors in attendance.

(2) Apart from the aforementioned matters, proposals where the Audit Committee did not approve but more than two-thirds of directors approved: None.

2. Where an independent director recused himself/herself due to a conflict of interest, the minutes shall clearly state the independent director's name, contents of the motion, the reason for avoiding conflict of interest and participation in the voting process: None.

3. Communication between independent directors and chief auditor and certified public accountants (which should include material matters, methods and results relating to corporate finance and business affairs etc.):

(1) Yang Ming's chief auditor should be present in Board and functional committee meetings, regularly communicate and explain auditing reports and other relevant matters to independent directors, and have informal discussion at the end of the year. The topics for communication in 2021 are as follows:

Date	Communication Methods	Topics for Communication	Results
2021.01.27	The 354th Board Meeting	Internal audit follow-up report for the Q3 2020	Independent directors raised no objections
2021.02.23	The 355th Board Meeting	Internal audit follow-up report for October 2020	Independent directors raised no objections
2021.03.17	The 57th Audit Committee Meeting	Report on internal control system self-testing results and statement of internal control system for the year 2020	Independent directors raised no objections
2021.03.25	The 356th Board Meeting	1. Report on internal control system self-testing results and statement of internal control system for the year 2020 2. Internal audit follow-up report for November 2020	Independent directors raised no objections
2021.05.12	The 357th Board Meeting	Internal audit follow-up report for December 2020 and January 2021	Independent directors raised no objections
2021.06.18	The 360th Board Meeting	Internal audit follow-up report for February 2021	Independent directors raised no objections
2021.07.12	The 362nd Board Meeting	Internal audit follow-up report for March 2021	Independent directors raised no objections
2021.07.28	Individual communication between independent directors and chief auditor	1. Shareholders' opinions on disengagement of legal representative as director and equipment movement at Kaohsiung Wharf No. 120 2. Development and investment for Yang Ming's joint venture 3. Consultant appointment for Yang Ming's subsidiary 4. Single fee for Yang Ming's subsidiary	Follow-up according to independent directors' suggestions
2021.08.12	The 363rd Board Meeting	Internal audit follow-up report for April 2021	Independent directors raised no objections
2021.09.17	The 364th Board Meeting	Internal audit follow-up report for May 2021	Independent directors raised no objections
2021.10.05	Individual communication between independent directors and chief auditor	1. Shareholders' opinions on equipment movement at Kaohsiung Wharf No. 120 2. Development and investment for Yang Ming's joint venture 3. Consultant appointment for Yang Ming's subsidiary 4. Single fee for Yang Ming's subsidiary	Follow-up according to independent directors' suggestions
2021.10.15	The 365th Board Meeting	Internal audit follow-up report for June 2021	Independent directors raised no objections
2021.11.02	Individual communication between independent directors and chief auditor	1. Internal audit report for the year of 2021 2. Key work of internal audit for the year of 2022	Independent directors raised no objections
	The 66th Audit Committee Meeting	Proposal for internal audit plan for the year of 2022	Independent directors raised no objections
2021.11.11	The 366th Board Meeting	1. Proposal for internal audit plan for the year of 2022 2. Internal audit follow-up report for July 2021	Independent directors raised no objections
2021.12.17	The 367th Board Meeting	Internal audit follow-up report for August and September 2021	Independent directors raised no objections
2021.12.20	Individual communication between independent directors and chief auditor	1. Shareholders' opinions on equipment movement at Kaohsiung Wharf No. 120 2. Development and investment for Yang Ming's joint venture 3. Consultant appointment for Yang Ming's subsidiary 4. Single fee for Yang Ming's subsidiary	Follow-up according to independent directors' suggestions

(2) Yang Ming's CPAs should be present in the quarterly Audit Committee and Board meeting, regularly report audit and review results of financial statements, and matters related to relevant laws to independent directors, and have direct communication with independent directors quarterly. The topics of communication in 2021 are as follows:

Date	Communication Methods	Topics for Communication	Results
2021.03.17	Individual communication between independent directors and certified public accountants	1. Audit method and opinion on the financial statements for the year of 2020 2. Key audit items 3. Regulatory developments	Independent directors raised no objections

Date	Communication Methods	Topics for Communication	Results
2021.03.17	The 57th Audit Committee Meeting	1. Financial statements for the year 2020	Independent directors raised no objections
2021.03.25	The 356th Board Meeting	2. Key audit items 3. Regulatory developments	Independent directors raised no objections
2021.05.12	Individual communication between independent directors and certified public accountants	1. Audit method, range and conclusion on the financial statements for the Q1 2021 2. Key accounting items 3. Regulatory developments	Independent directors raised no objections
	The 357th Board Meeting	Consolidated financial statements for the Q1 2021	Independent directors raised no objections
2021.08.12	Individual communication between independent directors and certified public accountants	1. Audit method, range and conclusion on the financial statements for the Q2 2021 2. Key accounting items	Independent directors raised no objections
	The 363rd Board Meeting	Consolidated financial statements for the Q2 2021	Independent directors raised no objections
2021.11.11	Individual communication between independent directors and certified public accountants	1. Audit method, range and conclusion on the financial statements for the Q3 2021 2. Key accounting items	Independent directors raised no objections
	The 366th Board Meeting	Consolidated financial statements for the Q3 2021	Independent directors raised no objections

4. This Company has set up the Audit Committee, so that there are no status of supervisors' participation in board meetings.

3.4.3 The Composition, Duties, and Operation of the Compensation Committee

Yang Ming passed the establishment of the Compensation Committee at the 278th Board meeting on the July 06, 2011. The Compensation Committee must include three members appointed by the Board and over half of the members were independent directors. The members of the 5th Compensation Committee were independent director Tar-Shing Tang (convener), independent director Tze-Chun Wang and Independent director Jei-Fuu Chen whose resolution was made at the 358th Board meeting on May 14, 2021. The term of the 5th Compensation Committee began on May 14, 2021 until May 13, 2024.

1. Responsibilities of the Compensation Committee

- (1) Periodically review the Charter of the Compensation Committee and make recommendations for amendments.
- (2) Establish and periodically review the performance assessment standards, annual and long-term performance goals, and the policies, systems, standards, and structure for the compensation of the directors and managerial officers.
- (3) Periodically assess the performance of directors and managerial officers, and set the types and amounts of individual compensation based on the results of performance assessment.

2. Information on members of the Compensation Committee

Identity (Note 1)	Qualification	Professional criteria and experience	Independent criteria	Number of other Taiwanese public companies concurrently serving as a member of the Compensation Committee
	Name			
Independent Director (Convener)	Tar-Shing Tang	Please refer to 3. Information on Director (Including Independent Director)		0
Independent Director	Tze-Chun Wang			1
Independent Director	Jei-Fuu Chen			0

Note 1: Please specify Director, Independent Director, or Other.

3. Compensation Committee Meeting

There are 10 meetings (A) convened by the Compensation Committee in 2021. The attendance records are as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%) (B/A)	Remarks
Independent Director (Convener)	Tar-Shing Tang	10	0	100%	Assumed new office on June 22, 2018
Independent Director	Tze-Chun Wang	10	0	100%	Assumed new office on June 22, 2018
Independent Director	Jei-Fuu Chen	9	1	90%	Assumed new office on September 25, 2020

Other matters:

1. If the Board does not adopt or amend the Compensation Committee's suggestions, the minutes concerned shall clearly state the meeting date, term, motions, Board's resolutions and the Company's resolution regarding Compensation Committee's feedback: None
2. For resolution(s) made by the remuneration committee with the committee members voicing opposing or qualified opinions on the record or in writing, the minutes concerned shall clearly state the meeting date, term, contents of motion, and feedback of all members and the Company's resolution of the said feedback: Please refer to 3.
3. The motions, resolutions, and the Company's resolution of Compensation Committee's opinions in 2021 are as below:

Compensation Committee Meeting	Contents of Motions	Members' dissenting or qualified opinions or suggestions	Compensation Committee's Resolution	The Company's Resolution regarding Compensation Committee's feedback
The 25 th meeting On January 13, 2021	Amendment to director remuneration	-	Approved by all members in attendance.	Submitted to the Board for review and approved by all directors in attendance.
The 26 th meeting On March 17, 2021	Distribution of Employees' and Directors' Compensation in 2020	-	Approved by all members in attendance.	Submitted to the Board for review and approved by all directors in attendance.
	Adjustment to salary structure for department heads and managerial officers			Submitted to the Board for review, opposed by director Ping-Jen Tseng and approved by all the other directors in attendance.
	Implementation plan for managerial officer system			
The 27 th meeting On May 3, 2021	2020 performance assessment and bonus for managerial officers and department heads	-	Approved by all members in attendance.	Submitted to the Board for review and approved by all directors in attendance.
	Remuneration proposal for managerial officers			
	Remuneration for Chief Audit Executive			
The 28 th meeting On May 19,	Amendment to rules of subscribing new shares regarding capital injection	Amending Article 5 of the rule and authorizing the chairman to adjust the actual shares for subscription.	Approved by all members in attendance.	Submitted to the Board for review and approved by all directors in attendance.
	Subscribing new shares regarding capital injection for managerial officers and department heads	Subscription Table should be adjusted with the times.	Approved by all members in attendance.	Submitted to the Board for review and approved by all directors in attendance.
The 29 th meeting June 9, 2021	Amendment to rules of subscribing new shares regarding capital injection	Subscription Table shall be revised in the future.	Approved by all members in attendance.	Submitted to the Board for review and approved by all directors in attendance.
	Subscribing new shares regarding capital injection for managerial officers and department heads	Subscription Table shall be revised in the future.	Approved by all members in attendance.	



Compensation Committee Meeting	Contents of Motions	Members' dissenting or qualified opinions or suggestions	Compensation Committee's Resolution	The Company's Resolution regarding Compensation Committee's feedback
The 29 th meeting June 9, 2021	Announcing the list and contract for managerial officers	Performance assessment items should be specific and quantified.	Postponed by all members in attendance.	-
	Chairmans's remuneration	Chairman's performance bonus shall be resolved by the compensation committee and the Board.	Approved by all members in attendance.	Submitted to the Board for review, avoiding conflict of interest by director Cheng-Mount Cheng and approved by all the other directors in attendance.
The 30 th meeting On July 2, 2021	Name list and contract content for managerial officers	Contract content shall be revised according to members' suggestion.	Approved by all members in attendance.	Submitted to the Board for review and approved by all directors in attendance.
	2020 special performance bonus for managerial officers and department heads	1. Rules of annual performance bonus for employees shall be revised as soon as possible. 2. The Company shall try to improve employees' welfare.	Approved by all members in attendance.	
The 31 st meeting August 3, 2021	Amendment to rules of annual performance bonus for employees	The calculation for annual performance bonus shall be revised.	Review by all members in attendance after revision according to members's suggestion.	-
	Amendment to rules governing retirement and pension for employees	-	Approved by all members in attendance.	Submitted to the Board for review and approved by all directors in attendance.
	Group insurance for employees	The quota for Chairman and manergiral officers shall be increased.	Approved by all members in attendance.	Submitted to the Board for review and approved by all directors in attendance.
	Proposal of welfare saving and shareholding trust for employees	-	Approved by all members in attendance.	Submitted to the Board for review, avoiding conflict of interest by director Cheng-Mount Cheng and approved by all the other directors in attendance. Avoiding.
	Bonus for CVOID-19 prevention efforts	-	Approved by all members in attendance.	Submitted to the Board for review and approved by all directors in attendance.
The 32 nd meeting September 3, 2021	Amendment to rules of annual performance bonus for employees	There should not be an upper limit to performance bonus.	Opposed by director Tze-Chun Wang and approved by all the pther members in attendance.	Submitted to the Board for review, abstained by director Keh-Her Shih and approved by all the other directors in attendance. Yang Ming shall propose plans according to independent directors' suggestions to secure employees' benefits and rights.
The 33 rd meeting On September 29, 2021	Amendment to rules of welfare saving and shareholding trust for employees	-	Approved by all members in attendance.	Submitted to the Board for review and approved by all directors in attendance.
	Amendment to rules of treatment for employees	The Company shall make specific rules governing rewards and punishments for employees and implement accordingly.	Approved by all members in attendance.	
	Amendment to the remuneration structure for managerial officers and department heads	-		
	Propoosal for providing subsidies to employees to buy work-from-home equipments	The Company shall secure the computer and internet security and the subsidy shall be provided through Employee Welfare Committee.	Postponed by all members in attendance.	-
The 34 th meeting December 3, 2021	2021 performance bonus for employees	-	Approved by all members in attendance.	Submitted to the Board for review and approved by all directors in attendance.
	2021 performance assessment and bonus for managerial officers and department heads		Approved by all members in attendance; the Company shall make revision according to members' suggestions and it shall be submitted to the Board for review.	

3.4.4 The Composition, Duties, and Operation of the Special Projects Committee

Yang Ming passed the establishment of the Special Projects Committee at the 334th Board meeting on November 12, 2018 to advise on material operation matters in order to strengthen board supervision and management functions. The Special Projects Committee consists of 3 to 7 members and at least one of them is an independent director. The members of the 2nd Special Projects Committee are independent director Tze-Chun Wang (convener), independent director Tar-Shing Tang, independent director Jei-Fuu Chen, director Cheng-Mount Cheng, director Chih-Li Chen and director Shao-Liang Chen who reached a resolution at the 358th Board meeting on May 14, 2021.05.14. The term of the 2nd Special Projects Committee began on May 14, 2021 until May 13, 2024. Among Special Projects Committee members, independent director Tar-Shing Tang is a legal expert, independent director Tze-Chun Wang and independent director Jei-Fuu Chen are finance and accounting experts, director Cheng-Mount Cheng possesses extensive experience in the financial field, director Chih-Li Chen and director Shao-Liang Chen possess a great deal of knowledge and experience in marine industry.

1. Responsibilities of the Special Projects Committee

- (1) Advise on major regulations or system changes and changes in the relevant industry.
- (2) Advise on material contract disputes and assist the Board of Director in supervising the managerial departments' decision-making.
- (3) Advise on financial risks such as financing, interest rate, exchange rate, liquidity and solvency.
- (4) Advise on material adjustments to Yang Ming's organization.
- (5) Advise on matters at shareholders' meetings and Board meetings.

If the above items correspond to Article 14-5 of the Securities Exchange Act, the audit committee shall deliberate by the provisions of Special Projects Committee Charter.

2. Special Projects Committee Meetings

Two meetings (A) were convened by the Special Projects Committee in 2021. The attendance records are as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%) (B/A)	Remarks
Independent Director (Convener)	Tze-Chun Wang	2	0	100%	Assumed new office on January 25, 2019
Independent Director	Tar-Shing Tang	2	0	100%	Assumed new office on January 25, 2019
Independent Director	Jei-Fuu Chen	1	1	50%	Assumed new office on August 13, 2020
Chairman	Cheng-Mount Cheng	1	0	100%	Assumed new office on January 25, 2019; resigned on October 1, 2020 after being elected as chairman. Assumed new office on May 14, on 2021
Director	Chih-Li Chen	1	0	100%	Assumed new office on May 14, 2021
Director	Shao-Liang Chen	2	0	100%	Assumed new office on January 25, 2019; stepped down on June 17, 2019; inaugurated on May 13, 2020
Former Director	Kun-Ching Liao	1	0	100%	Assumed new office on January 25, 2019; stepped down on May 14, 2021

3. The motions, resolutions, members' dissenting or qualified opinions or suggestions and the Company's resolution regarding Special Projects Committee's feedback in 2021 are as below:

Special Projects Committee Meeting	Contents of Motions	Members' dissenting or qualified opinions or suggestions	Special Projects Committee's Resolution	The Company's Resolution of Special Projects Committee's feedback
The 16 th meeting On January 21, 2021	The report and the follow-up action plan of the investment cases of the company's joint venture	The Special Projects Committee nominated 3 independent directors and set up a special team to investigate this case.	Approved by all members in attendance that 3 independent directors a special team would be set up to investigate this case and the result thereof would be submitted to the next Board as report item.	Submitted to the Board as a report item and approved by all directors in attendance.
The 17 th meeting June 29, 2021	The case of the follow-up method of the flooding incident of a 2,800TEU container vessel.	The Special Projects Committee instructed the Company to contact an external lawyer to issue a reasonable opinion on the amount of commercial compensation proposed by the shipyard.	Approved by all members in attendance that the Company may not cancel the construction contract and accept the ship according to the contract. That is, according to the contract, the Company will not announce the cancellation of the contract after the date of cancellation but will set a future delivery date with the shipyard. And the Special Projects Committee instructed the Company to contact an external lawyer to issue a reasonable opinion on the amount of commercial compensation proposed by the shipyard.	Submitted to the Board and reluctantly approved by all directors in attendance and the Board instructed the Company to review the process and follow up on related issues.

3.4.5 The range of duties, main point of the business and the advanced education of the Chief Corporate Governance Officer

In accordance with Article 5 of the Organizational Rules of Yang Ming, the Secretariat of the Board is the office that promotes corporate governance and implements corporate governance matters of the Board of Directors. In order to strengthen corporate governance, protect shareholders' rights and enhance the function of the Board of Directors, the 335th board meeting adopted the resolution and appointed Ms. Ting-Yu Lu to serve as the Chief Corporate Governance Officer on January 25, 2019. The related qualification and the responsibilities are in line with the requirements for the principle of the corporate governance.

The main duties of the Chief Corporate Governance Officer are to handle related matters for board meetings, shareholders' meetings and functional committee meetings. The Officer is also expected to prepare meeting minutes, provide information required by directors and independent directors to perform duties, assist directors and independent directors in their appointments and continuing education, and assist directors and independent directors in abiding by relevant laws and regulations, as well as handle and change company registration.

1. The following are the primary responsibilities of the Chief Corporate Governance Officer in 2021:

- (1) Ensure that shareholders' meetings, board meetings and functional committee meetings are in line with the relevant provisions of Yang Ming's Articles of Incorporation, rules and regulations, laws, and resolutions of the shareholders' meetings.
- (2) Coordinate the convening of shareholders' meetings, and handling the convening, notification, meetings, and meeting minutes of board meetings and functional committee meetings.

- (3) Handle the convening of communication meetings between independent directors and certified public accountants or chief auditor separately on the convening, notification, meeting, meeting minutes and other related matters.
- (4) Provide relevant information, instructions, convene meetings and produce meeting minutes as required by directors and independent directors.
- (5) Amend the regulations of board and functional committees performance assessments and handle the external and internal performance assessments.
- (6) Amend Rules of Procedure for Shareholders Meeting following the amendment of relevant laws and regulations.
- (7) Help new directors to inaugurate and make sure that directors and independent directors abide by relevant laws and regulations.
- (8) Help directors and independent directors to arrange continuing education.
- (9) Take out appropriate liability insurance for directors and managers.
- (10) Handle company registration and change registration matters following the change of directors, amendment to the Articles of Incorporation, short-form merger with subsidiaries, change of managers and paid-in capital.

2. The following is the information of the continuing education of Chief Corporate Governance Officer in 2021:

The advanced education table of Chief Corporate Governance Officer in 2021			
Date	Organizer	Course Name	Hours
2021.04.20	Taiwan Corporate Governance Association	Responsibilities of Directors and Supervisors and Key Points of Amendment of Securities Investor and Futures Trader Protection Act	3
2021.08.31	Digital Governance Association	The international trend of Net Zero Emissions and Taiwan's efforts to promote zero carbon transformation	3
2021.09.01	Financial Supervisory Commission	The 13th Taipei Corporate Governance Forum(Morning Session)	3
2021.10.08	Taiwan Corporate Governance Association	The Response and Application of the Board of Directors' Evaluation of Corporate Governance	3
2021.10.18	The Institute of Internal Auditors-Chinese Taiwan	Audit Practice of Subsidiary company	6
2021.10.26	Securities and Futures Institution	The Advanced Seminar of Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Officer - Discussing Corporate Taxation Governance and Solutions of Taxation Technology From ESG Trends and Epidemic Environment	3
2021.11.12	Securities and Futures Institution	Promotion Conference of Preventing Insider Trading of 2021	3
2021.11.16	Securities and Futures Institution	The advanced seminar of Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Officer -ESG/CSR and Sustainable Governance in 2021	3
Total Hours			27

3.4.6 The state of the company's implementation of corporate governance, any departure from such implementation in the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such departure:

Items	Implementation Status		Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	V		Yang Ming Marine Transport Corporation has established its "Best-Practice Principles for Corporate Governance" and the last version was approved by Board of Directors on January 14, 2022 and published on the company's website. (https://www.yangming.com/files/Investor_Relations/Govern_Rules.pdf) and Market Observation Post System.
2. Shareholding structure & shareholders' rights (1) Does the company establish an internal operating procedure to deal with shareholder's suggestions, doubts, disputes, and litigations, and implement these based on the procedure? (2) Does the company keep a list of its major shareholders as well as ultimate owners of those shares? (3) Does the company establish and implement a risk management and firewall system within its conglomerate structure? (4) Does the company establish internal rules against insider trading using undisclosed information?	V		(1) The company has established an Internal Control System that specifies and handles shareholders' rights, share issue, dividends distribution procedure based on relevant rules. Shareholders' meetings of the company are held and managed in accordance with the "Shareholders' Meeting Regulations," relevant laws and company code. This Company has assigned a special unit to process shareholders' suggestions, doubts, and disputes. (2) The company has established a list of major shareholders and kept a list of ultimate owners holding high percentage of shares and major shareholders. It has also disclosed and declared this information in accordance with the law. (3) a. The company has established rules to keep track of its funds along with its affiliates and set up relevant mechanisms in the Internal Control System. b. Procedures such as acquisition or disposal of assets, endorsement, guarantee, monetary loan between this company and affiliated enterprises are processed in accordance with relevant regulations. (4) The Company has established the "Procedures for Handling Material Inside Information" to prevent company members from buying and selling securities using undisclosed information.
3. Composition and responsibility of the board of directors (1) Does the Board develop and implement a diversified policy for the composition of its members? (2) Does the company voluntarily establish other functional committees in addition to the Compensation Committee and Audit Committee?	V		(1) The Board of Yang Ming has established and implemented diversified policies and specific objectives. The Board's diversity policy and the specific objectives and implementation of the board diversity policy could be referred to Yang Ming's website and 4. The Board Diversity Policy of the annual report. (2) In addition to compensation committee and audit committee, Yang Ming has also appointed special projects committee voluntarily.

Items	Implementation Status		Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
(3) Does the company establish a standard for determining the performance of the Board and implement annually also report the result of evaluation to the Board and use as the reference for the reward of individual director and the nomination for renewal?	V		(3) Yang Ming by 354th Board resolutions amended the procedures for board and functional committee performance assessments. Yang Ming's secretarial office would implement board and functional committee performance assessments through questionnaires at the end of every year. The board and functional committee performance assessments shall be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years. Yang Ming would report the result of board and functional committee performance assessments to the Board by the end every 1st quarter of the year and take the result of board performance assessments as a reference when nominate directors for reappointment. i. The company has processed the performance assessment of the board of directors, individual directors, and functional committee (including the Audit Committee, Remuneration Committee and Special Projects Committee) for the year 2021 in Jan., 2022 and has submitted the assessment results and the sustainably strengthen and improve targets in 2022 during the 370th Board meeting held on 2022.03.14. (i) The achievement rates of assessment criteria is 100% for the board of directors, 95.7% for directors and 100% for the functional committees. All assessment result has surpassed the standard. (ii) To maintain consistency in terms of corporate governance and the Board's performance, there is a need to sustainably strengthen and improve targets in 2022 by increasing participation and supervision of directors in company operations through Board meetings; the assessment items of “the actual attendance status of directors on the Board meetings ” is listed as improvement targets in 2022. ii. The “Taiwan Corporate Governance Association” was commissioned to evaluate the performance of Board and functional committees in February 2021. The Taiwan Corporate Governance Association and evaluating experts were independent institutions with no business contacts with the Company; a report on Board performance was submitted on March 12, 2021. The results of external evaluations were submitted to the 356th Board Meeting on March 25, 2021. Implementation details are as follows: (i) Evaluation duration: February 1, 2020 to January 31, 2021 (ii) Evaluation method: The Taiwan Corporate Governance Association reviews all the relevant documents submitted by the Company, and also commissioned four experts to perform on-site evaluations and interviews with Chairman, President, two independent directors, chief audit officer and corporate governance managers on March 5, 2021.

No Difference



Items	Implementation Status		Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
	V		(iii) Evaluation standards: including the eight aspects of board composition, board guidance, board authorization, board supervision, board communication, internal control and risk management, self-discipline of the board, and others (board meetings, support systems...etc.). Regarding the implementation of each indicator, experts refer to the information provided by the Company and publicly available, and performed on-site interviews before submitting evaluation reports. (iv) Overall evaluation results: ● The Board meeting discussion atmosphere becomes more permissive due to the Chairman attaches great importance to transparent meeting methods, respects the opinion and suggestions from Board members, builds consensus through more Board meetings and communications, increases meeting productivity and efficiency, independent directors could also contribute their expertise and suggestions through meetings and fulfill supervisions and guidance toward the Company. ● The intention from Board to strengthen the independence of both internal and external audit departments and ensure the fulfillment of their function can be seen from followings: The internal audit officer was elected from three nominees by the Audit Committee after thorough interview and discussion; the Audit Committee evaluates the independence and competence of CPAs annually to ensure the service quality. ● All human resource system and rules are based on four main concepts: talents globalization, international talents, team learning and versatility of employees. The company attaches importance to the growth of employees by job rotation, expatriate program and functional leadership training sessions. Also, with specific actions such as direct email communication with the Chairman, working environment improvements and traffic transportation planning, it can also be seen that caring and concern toward employees are the basic philosophy for company's sustainable development. ● The company take the initiative to improve the performance regarding the Corporate Governance Evaluation from competent authority, and commissioned this Board performance by external institutions for the very first time. Moreover, all Board members are also open-minded toward internal Board performance evaluation and take proactive approach to improve those weakness terms, it all shows that the Corporate Governance issue is a priority to the Company.

No Difference

Items	Implementation Status		Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
	V		(v) Evaluation recommendations: ● In consideration of the future development and the challenging from business environment, it was recommended that the Company could increase independent or external professional Board member numbers in the coming Board re-election in 2021, to elevate the overall Board independence, professional diversity and the appropriateness during their term in office. ● It was recommended that all Board members to attend meeting together with senior executives, to focus on mid and long-term strategy and corporate visions of the Company, which could assist Board members to fully recognize the actual condition and information of shipping industry, and intensify the mutual trust with the management team and could provide necessary supervision and guidance to the Company and make response to the international shipping environment. ● The Company was recommended to form a Risk Management Committee under supervision of the Board, to supervise the Group's risk management issues and set related policies and procedures, report the risk control activities review to the Board on regular basis, in order to ensure normal operation of the risk-control and management. (4) The Audit Committee and the Company's Board of Directors evaluate the independence and competence of CPAs annually (refer to 8, independence assessment of CPAs).
(4) Does the company regularly evaluate the independence of CPAs?			No Difference
4. As a TWSE/TPEX listed company, does the Company assign a corporate governance (concurrent) unit or personnel responsible for handling matters (including but not limited to providing necessary materials for directors and supervisors pursuant to the board of directors' resolutions, managing corporate registration, proceedings for the board of directors' and shareholders' meetings, etc.)	V		No Difference

Items	Implementation Status		Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
5. Does the Company establish communication channels and designate a section on its website for stakeholders (including but not limited to shareholders, employees, clients and suppliers) to address important issues and concerns regarding corporate social responsibility?	V		(1) The Company has set up the E-Commerce & Documentation Dept. and the Public Affairs Dept. with assigned personnel to handle complaints and suggestions from suppliers, as well as investor concerns. It also maintains open communication channels with correspondent banks and other creditors, as a way of respecting and upholding legal rights. In addition, it provides a grievance mechanism for employees as well as stakeholder's section on the Company's official website to receive and respond to shareholder comments. Our company set-up “Stakeholder Area” under https://www.yangming.com/investor_relations/Corporate_Governance/Stakeholder.aspx (2) Below are the Company's contact information (e-mail address) : Market Observation Post System: https://emops.twse.com.tw/server-java/t58query Company's website: https://www.yangming.com/ Annual report: https://www.yangming.com/investor_relations/Shareholder_Services/FinancialReportInfo.aspx Corporate social responsibility report (CSR): https://www.yangming.com/investor_relations/Corporate_Governance/CorporateSocialReportList.aspx Customer service e-mail box: https://www.yangming.com/e-service/contact_us/contactus.aspx Employee box: employeebox@yangming.com Occupational safety and healthy e-mail box: HOSOsoservice@yangming.com Independent director e-mail box: independentdirector@yangming.com Whistleblowing e-mail box: conduct@yangming.com Chairman e-mail box: chairman@yangming.com No Difference
6. Does the Company appoint a professional shareholder service agency to deal with shareholder activities?	V		The Company has appointed KGI securities as its shareholder services agency.
7. Disclosure of information (1) Does the Company have a corporate website to disclose its financial standing and corporate governance status?		V	(1) No Difference (1) The Company has disclosed its finance, business, corporate social responsibility, and corporate governance information on its Chinese and English websites (Address: http://www.yangming.com) for the reference of shareholders and stakeholders.

Items	Implementation Status		Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
(2) Does the Company have other information disclosure channels (e.g. website in English, designated people to handle information collection and disclosure, spokesman system, investor conference via webcast)?		V	(2) No Difference
(3) Does the Company publicly announce the financial reports within two months after the end of each fiscal year? Also announce Q1-Q3 financial reports and register the operating status by limited time?			(3) The Company abides by the Securities and Exchange Act by publicly releasing the financial reports within two months after the end of each fiscal year also by releasing Q1-3 financial reports and registering the operating status by limited time.
8. Is there any other important information to facilitate better understanding of the Company's corporate governance practices (e.g. including but not limited to employee rights, employee well-being, supplier relations, stakeholder rights, Board of Directors' and supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer service policies, and insurance for directors and supervisors)?	V		No Difference

Items	Implementation Status		Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
	V		https://www.yangming.com/investor_relations/Corporate_Governance/Sustainable_Procurement.aspx Yang Ming is committed to continuously communicate with supply chain partners on matter concerning environmental protection, human rights and labor practices, business ethics and social welfare; and build up a well management mechanism. a. Suppliers need to safeguard the human rights of workers and treat them fairly, including all workers, temporary workers, student workers, contract workers, Child labor and labor discrimination are not allowed. Suppliers must obey all the employment laws and regulations of their locality. b. Suppliers should understand that in addition to reducing work-related injuries/diseases, a health and safe work environment can improve the quality of products and services, and it is necessary to continuously collect employee opinions and to provide them with education to solve their health and safety problems. c. Suppliers should minimize adverse impacts on the community and the environment and comply with relevant environmental laws. d. In order to fulfill corporate social responsibility, suppliers and their downstream suppliers must conduct business in an ethical and honest way. e. Suppliers should implement management systems to promote compliance with relevant laws and promote continuous improvement. The Company demands all suppliers to observe the law in dealings with Yang Ming. “The Code of Conduct”, “Code of Ethical Management of Yang Ming Marine Transport Corporation” and “Procedures for Ethical Management and Guidelines for Conduct of Yang Ming Marine Transport Corporation” were revised in 2022. The suppliers must be selected fairly, the negotiation must be conducted objectively, and no confidential information shall be divulged to would-be suppliers. All staff members are obliged with the responsibility of keeping confidentiality. The company launched a whistleblowing system in 2018, these Procedures apply to all members (including managerial officers) working in Yang Ming Marine Transport Corporation, Yang Ming Group and its subsidiaries, suppliers and customers, shareholders and other interested parties. (5) Rights of interested parties: All transactions with banks/creditors are made in line with the agreements. The Company gives adequate information to help banks/creditors fully understand the Company’s operation and financial status. (6) Board of Directors’ and supervisors’ training records: Please refer to 10. Advanced education for Directors and Supervisors). (7) Risk management policy and risk assessment standards

Items	Implementation Status		Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
	V		a. Risk Management Policy: We define the risks arising from human activities, natural disasters and worldwide or regional economic fluctuations in accordance with their negative impact on business operations, their frequency and their severity. Our risk management policy is to efficiently prevent and control the risks in order to ensure regular and permanent operation. b. Risk Assessment Standards: We assess individual risks according to frequency and severity, and then rank their degrees of severity according to quantitative and non-quantitative indexes. Finally, all individual risks are classified by their risk scores which are based on risk frequency and severity. c. Execution of Policy of risk management in 2021: The standard of risk assessment for the annual risk assessment of Yang Ming was approved by our CEO in accordance with our standard procedure of risk management, and several items have been identified as “HIGH RISK” or “EXTREME RISK” and the identified risks are well controlled by effective means. The report of the annual risk assessment has been delivered to all departments including the Audit Department for their reference of risk management decision making. (8) Execution of Customer Service Policy: In cooperation with THE alliance, our company provides worldwide shipping service. There’s integration of resources, achievement the synergy of product differentiation strategy and best ship module. With consensus between THE alliance, alliance members adopt slow-speed operation to reduce CO₂ emission. Yang Ming also update fleet with new-built vessels, sells or returns old vessels, promotes our fleet more digitalization for our fleet. Yang Ming announced its joining the DCSA (Digital Container Shipping Association) to plan the development of new information technology with international container shipping companies. The aim is to promote digitalization and standardization of information in the container shipping industry. Yang Ming endeavors to reducing CO₂ emission by using low-sulfur fuel and setting up project teams for compliance with legal requirements and studying the latest shipping technology. The Company has conducted a greenhouse gas inventory for Taiwan’s offices and fleet, and is planning to obtain the ISO14064-1 certification from a 3rd party in June of 2022. Yang Ming has been accredited ISO9001, ISO14001, ISO27001, ISO45001, C-TPAT, AEO, ISM, ISPS, to make sure the services are qualified and comply with international regulation and standard. The company also discloses all certification and in website (https://www.yangming.com).

No Difference



Items	Implementation Status		Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
(9) Liability Insurance for Directors and Supervisors: The Company has purchased the “Directors & Officers Liability Insurance” for all directors and reports the major content of the liability insurance to the Board annually. 9. According to the latest results of the Corporate Governance Evaluation System from the Corporate Governance Center of TWSE, amendments are discussed and priority measures for improvement (unnecessary for excluded companies) are proposed: (1) Amendments are discussed: a. The Company convened the annual shareholders’ meeting on 14 May 2021. b. The Company has completed the Taiwan intellectual property management plan in December 2021 and disclosed it on the official website (2) Priority measures to improve items: a. The company will upload the Chinese and English version of the meeting notice 30 days before the ordinary shareholders’ meeting	V		No Difference

10. Continuing education for Directors:

The Company regulates continuing education in terms of hours, scope, system, and arrangement. It discloses information according to the Directions for the Implementation of Advanced Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies.

The information of Advanced education for Directors					
Title	Name	Date	Organizer	Course Name	Hours
Chairman	Cheng-Mount Cheng	2021.01.12	Securities and Futures Institution	The Advanced Seminar of Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Officer - The Business Opportunities of Foundry and Advanced Packaging Technology Supply Chain	3
		2021.04.29	Taiwan Institute for Sustainable Energy	The 24 th CEO Lecture and Keynote Speech	2
		2021.07.29	Taiwan Institute for Sustainable Energy	The 25 th CEO Lecture and Keynote Speech	2
		2021.09.01	Financial Supervisory Commission	The 13th Taipei Corporate Governance Forum (Morning Session)	3
			Financial Supervisory Commission	The 13th Taipei Corporate Governance Forum (Afternoon Session)	3
		2021.09.15	Association of Taiwan Listed Companies (AOTLC)	Eastern Leaders Lecture (Course Theme: Industrial M&A and Transformation Innovation in Taiwan)	2
		2021.11.05	Securities and Futures Institute	The Promotion Conference of Preventing Insider Trading of 2021	3
Director	Jiang-Ren Chang	2021.08.24	Taiwan Academy of Banking and Finance	Corporate Governance Lecture (Issue 102)-Review and Analysis of Financial Reports by Directors and Supervisors	3
		2021.08.30	Securities and Futures Institution	The Advanced Seminar of Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Officer – The Discussion on the Legal liabilities of Directors and Supervisors of False Financial Statement Case	3
		2021.12.22	Taiwan Corporate Governance Association	The 17 th (2021) Corporate Governance Summit Forum	6
Director	An-Chung Ku	2021.08.20	Taiwan Corporate Governance Association	A Course that Directors and Supervisors Should Know: Perception of Global Risk	3
		2021.08.23 ~ 2021.08.24	Securities and Futures Institution	The Seminar of Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Officer-Taipei Class	12
Director	Keh-Her Shih	2021.02.26	Securities and Futures Institution	The Advanced Seminar of Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Officer – Warning and Type Analysis of Corporate Financial Crisis	3
		2021.03.30	Taiwan Academy of Banking and Finance	Corporate Governance Lecture-Financial Technology Series (Issue 2)	3
		2021.11.12	Securities and Futures Institution	The Advanced Seminar of Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Officer – The key to becoming a sustainable enterprise: ESG specific practices	3
Director	Chih-Li Chen	2021.08.24	Taiwan Academy of Banking and Finance	Corporate Governance Lecture (Issue 102)-Review and Analysis of Financial Reports by Directors and Supervisors	3
		2021.08.30	Securities and Futures Institution	The Advanced Seminar of Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Officer – The Discussion on the Legal liabilities of Directors and Supervisors of False Financial Statement Case	3
		2021.11.18	Securities and Futures Institution	The Advanced Seminar of Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Officer –The Impact and Response of the Latest Reforms of the Tax Law on Business Operations	3
		2021.11.26	Securities and Futures Institution	The Advanced Seminar of Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Officer –The Analysis and the Application of Decision of Corporate Financial Information	3



The information of Advanced education for Directors					
Title	Name	Date	Organizer	Course Name	Hours
Director	Chih-Li Chen	2021.12.02	Securities and Futures Institution	The Advanced Seminar of Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Officer – Talking about the key Technologies and Business Opportunities of Quantum Technology	3
		2021.12.10	Taiwan Corporate Governance Association	The Prevention and the Latest Practical Development of Insider Trading	3
Director	Chien-Yi Chang	2021.09.30	Digital Governance Association	How to make good use of the financial statements to manage and make decisions	3
		2021.10.08	Taiwan Corporate Governance Association	The Response and Application of the Board of Directors to the Corporate Governance Evaluation	3
		2021.11.25	Independent Director Association Taiwan	The latest trends and practical case studies of the Fair Dealing Principles	3
Director	Shao-Liang Chen	2021.01.19	Taiwan Corporate Governance Association	The Accelerator of Corporate Sustainability — CSR, ESG and SDGs	3
		2021.12.21	Securities and Futures Institution	The Advanced Seminar of Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Officer — Risks and Opportunities of Climate Change and Energy Policy Trends for Business Management	3
Director	Wen-Ching Liu	2021.08.06	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3
		2021.08.06	Taiwan Corporate Governance Association	Insight into the Key Messages hidden in Financial Statements	3
Independent Director	Tar-Shing Tang	2021.10.28	Taiwan Academy of Banking and Finance	The Advanced Seminar of Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Officer – The Discussion on the Legal liabilities of Directors and Supervisors of False Financial Statement Case	3
		2021.11.16	Taiwan Corporate Governance Association	The Operation and the effectiveness of Decision of Board of Director	3
Independent Director	Tze-Chun Wang	2021.09.29	Taiwan Corporate Governance Association	Governance and Strategy of Sustainable Development of Enterprises	3
		2021.10.28	Securities and Futures Institute	The Promotion Seminar of Legal Compliance of Equity Transaction of Insider	3
		2021.11.05	Securities and Futures Institute	The Promotion Conference of Preventing Insider Trading of 2021	3
		2021.11.17	Taiwan Corporate Governance Association	Ten Compulsory Courses of Corporate Governance	3
Independent Director	Jei-Fuu Chen	2021.11.04	Taiwan Corporate Governance Association	The Responsibilities of Directors and Supervisors-Talking about Corporate Governance from KY Cases	3
		2021.11.18	Taiwan Corporate Governance Association	The Analysis of Hostile Takeover and Contest of Corporate Control Cases and Companies' Countermeasures	3

11. Continuing education for Managerial officers and Audit Directors:

2021 Continuing education for Managerial officers and Audit Directors				
Title	Name	Training Date	Course Title	Training Hours
President	Shu-Chin Tu	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
		2021.12.24	Computer-Processed Personal Data Protection Law	0.5
Chief Information Officer& Executive Vice President	Der-Shi Tsao	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
Chief Taiwan Operations Officer & Executive Vice President	Shih-Fang Hsu	2021.09.23	Corporate Compliance-Commercial bribery	2

2021 Continuing education for Managerial officers and Audit Directors				
Title	Name	Training Date	Course Title	Training Hours
Chief Taiwan Operations Officer & Executive Vice President	Shih-Fang Hsu	2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
		2021.12.28	The Code of Conduct for Yang Ming Group Members, Code of Ethical Management and Guidelines on Unethical Conduct Prevention	0.5
		2021.12.29	Human Rights Policy	0.5
Chief Marine Technology Officer & Senior Vice President	Yeoung- Shuenn Ho	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
		2021.12.28	The Code of Conduct for Yang Ming Group Members, Code of Ethical Management and Guidelines on Unethical Conduct Prevention	0.5
		2021.12.29	Human Rights Policy	0.5
Chief Commercial Officer & Senior Vice President	Chao-Feng Chang	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.28	The Code of Conduct for Yang Ming Group Members, Code of Ethical Management and Guidelines on Unethical Conduct Prevention	0.5
		2021.12.29	Human Rights Policy	0.5
Chief Strategy Officer & Senior Vice President	Jeng-Shong Jeng	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
		2021.12.29	Human Rights Policy	0.5
Chief Logistics Officer & Senior Vice President	Kou-Liang Huang	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
		2021.12.28	The Code of Conduct for Yang Ming Group Members, Code of Ethical Management and Guidelines on Unethical Conduct Prevention	0.5
Chief Administrative Officer & Senior Vice President	Hsiu-Chi Ho	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
Chief Financial Officer & Senior Vice President	Yu-Wen Su	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
		2021.12.28	The Code of Conduct for Yang Ming Group Members, Code of Ethical Management and Guidelines on Unethical Conduct Prevention	0.5
		2021.12.29	Human Rights Policy	0.5
Senior Executive Vice President	Kuen-Rong Pai	2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5

2021 Continuing education for Managerial officers and Audit Directors				
Title	Name	Training Date	Course Title	Training Hours
Senior Executive Vice President	Kuen-Rong Pai	2021.12.24	Insider equity declaration and inclusion of right Law	0.5
		2021.12.29	Human Rights Policy	0.5
Executive Vice President	Shih-Chou Lee	2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
		2021.12.29	Human Rights Policy	0.5
Executive Vice President	Mei-Chi Shih	2021.11.08	Prevent Insider Trading	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
		2021.12.29	Human Rights Policy	0.5
Chief Auditor & Executive Vice President	Li-Chuan Wang	2021.05.05 ~ 2021.05.07	Pre-employment training workshop for first-time internal auditors	18
		2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.09.27 ~ 2021.09.28	ISO9001 (2015) internal Auditors Training	12
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
		2021.12.29	Human Rights Policy	0.5
Senior Vice President	Huo-Sheng Chen	2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
		2021.12.29	Human Rights Policy	0.5
Senior Vice President	Tien-Shun Wu	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
Senior Vice President	Chien-Chang Tzeng	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
Vice President	Tung-Hai Chen	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
Vice President	Shyi-Chang Chang	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
Vice President	Ping- Jen Tseng	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
		2021.12.28	The Code of Conduct for Yang Ming Group Members, Code of Ethical Management and Guidelines on Unethical Conduct Prevention	0.5
		2021.12.29	Human Rights Policy	0.5

2021 Continuing education for Managerial officers and Audit Directors				
Title	Name	Training Date	Course Title	Training Hours
Vice President	Leng-Hui Wang	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
Vice President	Shun-Chin Yang	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
Vice President	Pao-Lin Lee	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
		2021.12.29	Human Rights Policy	0.5
Vice President	Chun-Chieh Lu	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
Vice President	Tai-chi Tsai	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
Vice President	Men-Huo Tsai	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
Acting Vice President & Finance Supervisor	Shu- Hui Ou	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
		2021.12.28	The Code of Conduct for Yang Ming Group Members, Code of Ethical Management and Guidelines on Unethical Conduct Prevention	0.5
		2021.12.29	Human Rights Policy	0.5
Vice President	Li-Wen Liu	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
		2021.12.29	Human Rights Policy	0.5
Vice President	Mei-Ling Chung	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5



2021 Continuing education for Managerial officers and Audit Directors				
Title	Name	Training Date	Course Title	Training Hours
Vice President	Mei-Ling Chung	2021.12.03	Competition Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
Vice President	Hann-Sy Hwang	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
Vice President	Lung-Fu Chen	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
Vice President & Corporate Governance Supervisor	Ting-Yu Lu	2021.04.20	Responsibilities of Directors and Supervisors and Key Points of Amendment of Securities Investor and Futures Trader Protection Act	3
		2021.08.31	The international trend of Net Zero Emissions and Taiwan's efforts to promote zero carbon transformation	3
		2021.09.01	The 13th Taipei Corporate Governance Forum(Morning Session)	3
		2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.10.08	The Response and Application of the Board of Directors' Evaluation of Corporate Governance	3
		2021.10.18	Audit Practice of Subsidiary company	6
		2021.10.26	The Advanced Seminar of Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Officer - Discussing Corporate Taxation Governance and Solutions of Taxation Technology From ESG Trends and Epidemic Environment	3
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.11.12	Promotion Conference of Preventing Insider Trading of 2021	3
		2021.11.16	The advanced seminar of Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Officer -ESG/CSR and Sustainable Governance in 2021	3
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
		2021.12.29	Human Rights Policy	0.5
Vice President	Chung-Hsien Chan	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
Vice President & Accounting Supervisor	Kuan-Sheng Fu (Note 1)	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
		2021.12.29	Human Rights Policy	0.5
Vice President	Chia-Wen Chiang	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.11.08	Prevent Insider Trading	0.5
Vice President	An-Chung Ku	2021.08.20	A Course that Directors and Supervisors Should Know: Perception of Global Risk	3
		2021.08.23 ~2021.08.24	The Seminar of Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Officer-Taipei Class	12
		2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5

2021 Continuing education for Managerial officers and Audit Directors				
Title	Name	Training Date	Course Title	Training Hours
		2021.12.03	Competition Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
		2021.12.28	The Code of Conduct for Yang Ming Group Members, Code of Ethical Management and Guidelines on Unethical Conduct Prevention	0.5
Vice President	Szu-Hui Yang	2021.05.14	ISO 31000 Practical thinking of risk management -- supervisors, managers and person in charge of the company	3
		2021.07.27 ~ 2021.07.29	Beginner Internal Auditor Course	18
		2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.09.27 ~ 2021.09.28	ISO 9001(2015) Internal Auditor Course	12
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
			Insider equity declaration and inclusion of right Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
		2021.12.28	The Code of Conduct for Yang Ming Group Members, Code of Ethical Management and Guidelines on Unethical Conduct Prevention	0.5
Vice President	Hung-Chung Chien	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
Vice President	Chin-Jung Lee	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
Vice President	Chih-Yang Lung	2021.09.23	Corporate Compliance-Commercial bribery	2
		2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
Vice President	Chen-To Lin	2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
Vice President	Der-Ren Li	2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5
		2021.12.29	Human Rights Policy	0.5
Vice President	Chyi-Yu Chou	2021.10.28	Computer-Processed Personal Data Protection Law	0.5
		2021.11.08	Prevent Insider Trading	0.5
		2021.12.03	Competition Law	0.5
		2021.12.24	Insider equity declaration and inclusion of right Law	0.5

Note 1: The chief accountant of the Company, Kuan-Sheng Fu has participated in a 30-hours training course for his qualification during the period 2022.03.14-2022.03.15 and 2022.03.21-2022.03.23. Training subjects include Financial Accounting Standards, Finance, Corporate Governance, Ethics and Legal Responsibility, and Financial Auditing.

3.4.7 Implementation status of sustainable development and deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons:

Items	Implementation Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	
	Description of operation		
1.Does the Company establish a governance structure for sustainable development and set up a unit to promote sustainable development, for instance, by the senior management authorized by the Board of Directors, and the supervision by the Board of Directors?	V	1. Goals and Division of the Sustainable Operation Strategy Team: This is in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and taking into consideration the characteristics of the shipping industry, Yang Ming set up its own “Corporate Social Responsibility Best Practice Principles of Yang Ming Marine Transport Corporation” for our management and all employees to follow and manage the Company’s operation. In addition to controlling the risks and reducing impacts of the Company’s overall operation on the economy, environment, and society, we also assume the role of a corporate citizen. Through discussion and consensus of the internal sustainable management team, we focus on the United Nations sustainable development goals that have the greatest impact on the container transportation process and services as the basis for the Company’s sustainable development policy. We make “providing excellent transportation services and fulfilling commitments to customer”, “energy saving and emission reduction to achieve environmental sustainability”, “strengthening corporate governance and integrity management”, “employee care and talent cultivation”, “enhancing social participation and giving back to the society”. These are the sustainable development strategies of Yang Ming. 2. Execution and Frequency: (1) To achieve sustainable operation, with the approval of the Chairman of the Board of Directors, there are 4 divisions under the Sustainable Operation Strategy Team-“Corporate Governance and Integrity Division”, “Environmental Sustainability Division”, “Customer Service Division”, and “Employee Care and Social Commitment Division”. Each division convenes meetings to discuss the important topics and sets short-,medium-, and long-term goals, with the chief officer of each groups monitoring the progress of the implementation. Each division convenes meetings at least once a year, with the Public Affairs Department serving as the executive secretary. (2) The implementation of the sustainability strategy will be determined by the designated authority and responsibility unit based on the major issues of each policy and launch the short, medium, and long-term goals, and submit them to Yang Ming’s Board of Directors for approval since 2021 to demonstrate the Company’s commitment and determination. The implementation goals will be reviewed every year from the perspective of corporate governance, environmental protection, and social co-prosperity, and different projects will be gradually developed to promote sustainable operations.	No Difference

Items	Implementation Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	
	V		No Difference
2. Does the Company assess the risks of environment, sociality and company's governance related to the Company's operation according to the principle of significance and make related risk management policy or strategy?	V		No Difference

3. The Company incorporates the short-term goals of the sustainability team into the annual KPI goals of relevant departments, and submits the implementation results to the board of directors report every year. The last 2021CSR report, page20-22, discloses the supervision of Board of Directors in sustainability. All details please find our company website.

The company annually assesses risks of environment, sociality and company governance related to the company's operation according to the principle of significance and makes related risk management strategy to control risks. The Company's risk assessment boundary, risk assessment process and scope are described as follows:

In order to effectively prevent and control risks, and thereby maintain normal operations to achieve the sustainable operation of the Company, we conduct a full range of risk management that covers the entire Yang Ming Group.

We establish a risk management system and various management key points. We regularly review various risk management procedures and evaluation standards in response to changes in the market economy or adjustments to the Group's operating policies. The Company conducts evaluation on major risks every year. The evaluation includes the implementation results (residual risks) following improvement measures of high-risk projects evaluated in the past year, as well as the new risk due to the changes in the market economy or adjustments to the Group's operating policies. The above evaluation reports are submitted to the Board of Directors and tracked quarterly. The Company's risk management policy was approved by the Board of Directors in 2021.

The Company's risk assessment criteria are divided into five major components (strategy, operational, financial, legal compliance, and climate change), and the scope of each risk component covers environmental, social, and corporate governance-related issues as follows:

Sources of risk	Risk Assessment Scope	Possible impact or opportunity
Strategy Risk	Resource allocation, extension or reduction of company goals, market situation, public and investor relations, domestic/foreign policies and political risks...etc.	* Company assets and resources * Direct and indirect operating costs
Operational Risk	Marketing, supply chain, employee, technology, cyber attack, computer room damage, huge disaster, asset, act of god (e.g. natural disaster pandemic terrorist attack)	* Operational performance * Intangible assets, such as goodwill and credit, work quality, etc. * Internal and external stakeholders
Financial Risk	Cash flow, credit, financial report, taxes, capital structure.	* Resource utilization efficiency

Items	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Description of operation	
	V	Sources of risk	Risk Assessment Scope	Possible impact or opportunity
		Compliance Risk	Corporate governance system, code of conduct and international laws/regulations.	* Company assets and resources * Direct and indirect operating costs
		Climate Change Risk	Risks and opportunities attributed to climate change. • Transition Risks: Policy and Legal Risks Market and Reputation Risk Technology Risk Market and Reputation Risk. • Physical Risks: The risk of fleet navigation safety is included due to increasing instances of extreme weather such as typhoons and hurricanes.	* Operational performance * Intangible assets, such as goodwill and credit, work quality, etc. * Internal and external stakeholders * Resource utilization efficiency
		For details, please refer to “3.5 Risk Management” page 40 YM’s Corporate Social Responsibility Report 2021.		
3.Environmental issue				
(1) Does the Company establish a proper environment management system based on industry characteristics?			(1) In June 2004, the Company obtained the ISO 14001 Environment Management System (Version 1996). YM is the first carrier among domestic competitors to have obtained this certification which covers our local branch offices and fleet. In June 2018, the Company also obtained the ISO 14001 Environment Management System (Version 2015) and maintained continuous validity.	
(2) Does the Company try to utilize resources more efficiently and use renewable materials that have low impact on the environment?			(2) The company’s newly-constructed ships, container equipment, and container wharfs comply with international standards. The company utilizes advanced and modern environmental techniques, strengthens water and air pollution prevention measures, and improves energy efficiency. YM has set up the project team to evaluate the feasibility of using LNG, and will consider using LNG in the new-built vessel program when technology is mature and respond to carbon issue. Up to now, there is no suitable renewable energy program for container ship. Yang Ming keeps update this issue.	
(3) Does the Company assess the risks and chances of climate change and take actions on this issue?	V		(3) The company has devoted resources to the topic of energy saving and carbon reduction since 2006. We have published environmental protection report every year since 2007, and we have used the corporate social responsibility report to disclose the Company’s response measures to environmental protection since 2012. At the same time, specific measures for energy saving and emission reduction to reduce environmental impact include the establishment of an internal energy-saving and fuel-saving team since 2019. From route planning and design, shipping schedules, to ship speed control, and important ship equipment modification, etc., relevant authorities have discussed to actually reduce fuel consumption. Compared to 2008, the carbon emission intensity in 2021 was reduced by 57.38%, which is reached ahead of schedule formed by International	
			No Difference	

Items	Implementation Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons																		
	Yes	No																			
				Description of operation																	
(4) Does the Company monitor the emissions of greenhouse gas, water consumption and total weight of waste over the past two years, as well as establish company strategies for energy conservation and carbon reduction, greenhouse gas reduction, water use reduction or other waste management?		Maritime Organization (IMO) regulations, with the goal of achieving a 40% reduction in carbon emission intensity by 2030 compared to 2008. Due to the severe climate change, the Company has included the response to climate change as an important topic in the Company’s Internal Environmental Sustainability Team. Through cross-departmental discussions, we will confront the risks and opportunities of climate change to business operations, and incorporate discussions of climate change factors in the operational planning and decision-making processes. At the same time, we will also refer to the Task Force on Climate-related Financial Disclosures (TCFD) this year to identify opportunities and challenges brought about by climate change and extreme weather, and formulate response and planning based on the four core elements of governance, strategy, risk management, indicators and goals, to reduce the impact of climate change, and to enable the Company’s sustainable operation. Detailed information on the Company’s climate change risk and opportunity analysis can be found in the Company’s Sustainability Report. For more, please refer to “3.5 Risk Management” on page 40, and “4 Environment Management” on page 47. of YM’s Corporate Social Responsibility Report 2021.	No Difference																		
	V	(4) The Company began publishing its annual Environmental Performance Report in 2007. This report addresses overall environment protection projects and its effects. In 2015, the report was incorporated into the Corporate Social Responsibility Report, which contains data on emissions of CO₂, NOX, SOX discharged, waste management, conserve water from fleets and office decreased year by year. Compared to 2008, the carbon emission intensity in 2021 was reduced by 57.38%. The goal has been set to reduce carbon emission intensity by 60% by 2025. By installing scrubber and using low sulphur fuel, YM is happy to report that, compared to the past two years, the average of sulfur oxide (SOx) emission is decreasing, and the management method implemented by the Company is effective. <table><tr><th>Year</th><th>Quantity of CO₂ emission</th><th>Quantity of Average CO₂ emission by g/teu-km</th><th>Quantity of average CO₂ emission reduction by g/teu-km</th><th>Percentage of average CO₂ emission reduction by g/teu-km</th></tr><tr><td>2021</td><td>3,991,804</td><td>42.35</td><td>57.03</td><td>57.38%</td></tr><tr><td>2020</td><td>4,316,418</td><td>42.82</td><td>56.56</td><td></td></tr><tr><td>2008</td><td>5,681,294</td><td>99.38</td><td>Base year</td><td>56.91%</td></tr></table>		Year	Quantity of CO ₂ emission	Quantity of Average CO ₂ emission by g/teu-km	Quantity of average CO ₂ emission reduction by g/teu-km	Percentage of average CO ₂ emission reduction by g/teu-km	2021	3,991,804	42.35	57.03	57.38%	2020	4,316,418	42.82	56.56		2008	5,681,294	99.38
Year	Quantity of CO ₂ emission	Quantity of Average CO ₂ emission by g/teu-km	Quantity of average CO ₂ emission reduction by g/teu-km	Percentage of average CO ₂ emission reduction by g/teu-km																	
2021	3,991,804	42.35	57.03	57.38%																	
2020	4,316,418	42.82	56.56																		
2008	5,681,294	99.38	Base year	56.91%																	

No Difference

Items	Implementation Status				Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons				
	Yes	No	Description of operation						
			NOx			SOx			
			Year	Total emissions (tons)		Average emission rate (g/teu-km)	Total emissions (tons)	Average emission rate (g/teu-km)	
4. Public issue	V			2021	106,832	1.13	11,108	0.12	No Difference
				2020	117,033	1.16	11,908	0.12	
(1) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?			(1) The Company observes rules specified in the Labor Standards Act. It adheres to international labor standards on working conditions and is committed to establishing a fair and non-discriminatory employment policy. Activities related to employee rights are processed according to publicly released regulations and procedures. The Company is committed to human rights and internationally-recognized human rights standards, which include “International Bill of Human Rights,” “The United Nation Global Compact” and the “International Labour Organization Declaration on Fundamental Principles at Work.” The Company has formulated the Human Rights Policy based on the above-mentioned documents. The Company discloses the status of implementation on the website: https://www.yangming.com/CorporateGovernance/ImplementationStatusofHumanRightsPolicies.aspx . In addition, the Company in 2021 conducted online outreach focusing on the Human Rights Policy, with 1,391 coastal employees passing the test and a completion rate of 94%.						No Difference
(2) Does Company establish and execute measures of the employee welfares, including compensation, holidays and other benefits? Does individual performance appropriately reflect employee compensation?	V		(2) The overall salary of the Company is based on the spirit of equal pay for equal work. Annual paid leave in line with the provisions of Labor Standards Act is given as many as 5 days with paid leave for sick and personal affairs. And the Company compensates employees for 30% employee Stock Ownership Trust. Moreover, the welfare benefits is provided at a rate of 0.75 thousandth of the operating income, and deductions are made on a monthly basis for 5 thousandth of the employee’s payroll, which is handed over to the Employee Welfare Committee for various welfare services. In addition, to encourage employees to achieve their potential, improve the Company’s overall operating performance, and create profits, bonuses are issued according to the results of individual performance.						
(3) Does the Company provide a healthy and safe working environment and organize trainings on health and safety for its employees on a regular basis?			(3) The Company regularly inspects the lighting, air condition system, machinery and equipment to make the workplace safer, cleaner and more comfortable. Its Health Management Promotion Program provides regular health examination for all employees. There is also an infirmary with qualified physicians and nurses for medical consultation and healthcare service. All worksites have AED (Automated External Defibrillator) for first aid. Staff members, including occupational safety						

Items	Implementation Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons																			
	Yes	No																				
	Description of operation																					
(4) Does the Company provide its employees with career development and training sessions?	and hygiene personnel, and on-site personnel are required to take safety and health trainings on a regular basis. The Company also helps its contractors to take safety and health training courses. In all, the Company is committed to meeting the MLC (MARITIME LABOR CONVENTION) standards to ensure the safety and health of maritime crew and to crease a safe work environment. To date, all container ships have obtained MLC certification. Statistics of safety and health training of employees & contractors over the past 3 years																					
	<table><tr><th>Year</th><th>Frequency of training</th><th>Number of employees</th><th>Frequency of training</th><th>Number of contractors</th></tr><tr><td>2021</td><td>70</td><td>1,178</td><td>6</td><td>77</td></tr><tr><td>2020</td><td>56</td><td>816</td><td>2</td><td>20</td></tr><tr><td>2019</td><td>56</td><td>1,052</td><td>4</td><td>26</td></tr></table>		Year	Frequency of training	Number of employees	Frequency of training	Number of contractors	2021	70	1,178	6	77	2020	56	816	2	20	2019	56	1,052	4	26
	Year	Frequency of training	Number of employees	Frequency of training	Number of contractors																	
	2021	70	1,178	6	77																	
	2020	56	816	2	20																	
2019	56	1,052	4	26																		
(4) To develop talented employees efficiently, our company provides diverse learning resources and ways to encourage self-learning to step up performance and explore potentials. The Company also refers to organization and employees’ requirement and career path to integrate internal and external resource designing courses, including with orientation, competency training and management training to model learning atmosphere and achieve goals of organization growth and employee capability improving. The Company provides series of training courses by position grading and also invites external tutors and develop internal tutors to deliver internal important know-how and technique skills. We also provide subsidies for employees attending external language, professional courses, for-credit classes and degrees..																						
(5) The services provided by the Company adhere to relevant regulations and international standards, e.g. Taiwan’s Personal Data Protection Act, the EU’s General Data Protection Regulation (“GDPR”), Fair Trade Act/ competition laws/ antitrust laws, sanction laws. These services are adjusted to comply with regulations. Given its quality service, the Company has obtained ISO 9001 the Quality Management System certification since 1996. There are also established procedures for lines planning, procurement, service, customer privacy and handling customer complaints. For instance, the Personal Data Protection Operating Procedures, Privacy and Security Statement, Legal Compliance Guideline of Yang Ming Group. The Company will continue to improve operation and obtain certification and validation through external audit.																						
(5) Does the Company with regard to customer health and safety of products and services, customer privacy, advertise and labels according to relevant regulations and international standards and establish any customer protection mechanisms and appealing procedure?	V		No Difference																			

Items	Implementation Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	
(6) Does the Company have a supplier management policy that requires suppliers to comply with relevant laws and regulations on environmental protection, occupational health and safety or labor rights, and implement these based on the procedure.		(6) The “Sustainable Development Best Practice Principle” update in 2022. According to Yang Ming’s supplier management policies, suppliers are required to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights. Before each business transaction, the Company has to examine a supplier’s recorded impact on the environment and society to avoid violation of the corporate’s social responsibility policies, which stipulate supplier management. In short, major suppliers must comply with all domestic and/or international laws and regulations on environmental protection and occupational health and safety. This allows the Company to terminate or rescind a contract at any time, when suppliers are found to have violated certain requirements. Yang Ming is committed to continuously communicating with supply chain partners on matters concerning environmental protection, human rights and labor practices, business ethics and social welfare, thereby building up a healthy management mechanism. The Company’s “Chain Management Policy” and “Supplier’s Code of Conduct” can be accessed under “Sustainable Procurement.” For more, click the link below https://www.yangming.com/investor_relations/Corporate_Governance/Sustainable_Procurement.aspx	No Difference
5. Whether Company comply with any international standard or guidelines to compose the non-financial data in the Sustainability Report (And whether said report is assured by the 3rd party?)	V		No Difference
6. If the Company has established corporate social responsibility principles based on the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies for “sustainability”, please describe any discrepancy between the principles and their implementation: Yang Ming has established its Corporate Social Responsibility Best Practice Principles and relevant working procedures have been carried out based on these principles with no difference.			No Difference
7. Other important information to facilitate better understanding of the sustainable development practices: (1) Activities for public welfare and community participation: We sponsored the 2021 Taiwan Lantern Festival and the 2021 Project of cultivating athletic talents in Taiwan to help develop local cultural and physical events. Moreover, we took the responsibility of giving back to society. For instance, we put it into action by responding to the COVID-19 pandemic or other world disasters. This course of action included a free shipping service to Tzu Chi Foundation for the COVID-19 prevention materials and monetary funds to Haiti’s government for the massive damage caused by an earthquake. In addition, we cooperated with Keelung City Government to donate air purifiers to local elementary/junior high schools. We are committed to supporting the communities to positively impact the world and achieve CSR goals in similar occurrences mentioned above.			

Items	Implementation Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Description of operation		
	Yes	No	
In 2021, Yang Ming Cultural Foundation has held four exhibitions:“Where Are You From?”, "On Board", "Aboriginal Vegetables Illustration Exhibition" and “The ocean—Aboriginal weavers”. Those different theme exhibitions were deeply related with the company value for caring maritime on-board staff and the mission of maritime education for publics, especially for school children. Meanwhile, the exhibitions of "Aboriginal Vegetables Illustration Exhibition" and “The ocean—Aboriginal weavers” were presented the wisdoms of aboriginal culture inherited from nature. In addition, two large-scale competitions were held: "Ocean Picture Book Selection Competition" 121 works were submitted, and the winning work had launched to the picture book "Ocean, Go!", which opened children's imagination of the sea from ships with different functions. The " Ocean Cultural and Creative Product Design Competition" promotes the goal of Yang Ming Shipping and the environment to be sustainable from the perspective of circular design. Yang Ming Cultural Foundation also held various other marine education promotion activities: "release workshop", "Ocean BuBu camp activities", "Huashan picture book carnival promotion activities", a total of 3,671 people participated, and a total of 1,555 people participated in the "One-day Maritime Workers" in cooperation with the National Education Administration. A total of 1,437 people participated in the forum and holiday market in the “Old Port New Life, Keelung City Expo” at the end of 2021. In order to continue to promote marine education, Yang Ming Cultural Foundation cooperated with "Carrefour Cultural and Educational Foundation" to bring the issues of marine environment maintenance, sustainability and international transportation activities to interact with publics. The foundation narrows the distance between people through exhibitions, seeks common vocabulary from different cultural backgrounds, uses competitions and educational promotion to expand children's learning resources and the issue of environmental sustainability, and maintains the interaction between the sea and the people. (2) Yang Ming new-built 2.8 K vessel has awarded ABS" Smart Ship Notation" in May 2020. 2. Said 10 x 2,800 newly built vessels are with the same specification and awarded" Smart Ship Notation" by ABS, BV, DNV GL CR when delivery. With efforts of energy saving management, Yang Ming reduce fuel consumption and CO2 emission at the same time. The average CO2 emission per TEU kilometer of Yang Ming fleet has reduced as much as 57.38% when compared to the reference year of 2008 and has achieved in advance IMO’s 2030 goal of 40% carbon reduction. (3) Yang Ming joins the DCSA (Digital Container Shipping Association) to promote the digitalization and standardization of information in the container shipping industry, to improve the operation mode of upstream and downstream in the industry and make the information interaction more efficient. Now Yang Ming and DCSA members devotes in interface service of “Track & Trace V.1 Interface 2.1”, “Operational Vessel Schedule Interface 1.0”, “Just in Time Port call Interface 1.0” and “Bill of Lading Interface 1.0” standards. (4) Yang Ming provides e-Service, we are in the lead to provide e-Delivery Order service in December 2019 and e-Voucher service in June 2020 to save customer’s time and promote working efficiency and it also helps to reduce carbon footprint. Now Yang Ming is processing in patent right for our e-Delivery Order n e-Voucher service. " e-Delivery Order service" and " e-Voucher service " applied patent in November 2020, and obtained the patent of "I741895" on October 1, 2021. (5) In response to COVID-19, our on-shore and off shore staff members have practiced to make sure reduce any risk. (6) To maintain a secure supply chain and provide safe delivery for customers, we adopt the ISPS and C-TPAT to ensure special security measures for anti-terrorism. All our ships have obtained ISPS and ISSC certificates, along with membership to C-TPAT in March, 2013. We also obtained ISO27001:2013 Information Security Management System certification, integrated IT into the risk management system to maintain the group’s governance competitiveness and global information service operations. Yang Ming was the first carrier in Taiwan to obtain an AEO certificate since July 2012. The above details are disclosed YM’s website & Corporate Social Responsibility Report.			

3.4.8 Ethical Corporate Management and deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and reasons

Items	Implementation Status		Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	
1. Establishment of ethical corporate management policies and programs (1) Does the Company approve ethical corporate management policies by the Board of Directors? And is its ethical corporate management policies and procedures declared in its guidelines and external documents, as well as the commitment of its Board to implement the policies?			No Difference
(2) Does the Company establish the risk assessment mechanism against potentially unethical conduct by regular analysis and assessment on listed activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?	√		
(3) Does the Company establish policies to prevent unethical conduct by issuing clear statements regarding relevant procedures, business conduct guidelines, punishment for violations, appeal rules, and commitment to implement policies above as well as review on pre-disclosure plans?			
2. Fulfillment of operation integrity policy (1) Does the Company evaluate business partners' ethical records and include ethics clauses in business contracts?	√		No Difference

Items	Implementation Status		Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	
(2) Does the Company establish dedicated unit that is periodically in charge of corporate integrity report to the Board about its supervision and implementation?			(2) To achieve sound ethical management, “Corporate Governance and Integrity Division”, the division under the Sustainable Operation Strategy Team of Yang Ming, is responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit which is convened by the president and composed of representatives from Audit Dept., Legal Compliance Office, Risk Control Office, Public Affairs Dept. and Human Resources Dept., shall be in charge of the following matters, and shall report to the board of directors at least once a year : ● Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. ● Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business. ● Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. ● Promoting and coordinating awareness and educational activities with respect to ethics policy. ● Developing a whistle-blowing system and ensuring its operating effectiveness. ● Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures. (3) The Company upholds its Code of Ethical Management, of which Article 19 deals prevention of conflicts of interests. Independent director e-mail box (independentdirector@yangming.com) and independent director e-mail box (conduct@yangming.com) for whistleblowing system is provided for preventing the conflicts of interest. (4) The Company complies with ethical corporate management policies by facilitating internal audit, accounting and internal control on a regular basis. Yang Ming shall establish an effective accounting system and an internal control system for business activities which may be at a higher risk of being involved in an unethical conduct. Meanwhile, it shall conduct reviews regularly to ensure
(3) Does the Company establish policies to prevent conflicts of interest, while providing and implementing appropriate communication channels?			
(4) Has the Company established effective systems for both accounting and internal control? And has the internal audit unit drawn up the relevant audit plans in accordance with the results			
	V		No Difference

Items	Implementation Status		Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	
of risk assessment, thus auditing the operating status to prevent unethical conducts? Or has company entrusted CPAs for its auditing? (5) Does the Company hold internal and external educational trainings on operational integrity regularly?	V		No Difference
3. A whistleblowing system operations (1) Does the Company establish a reward/punishment system and channels for whistleblowers? Can the defendant be reached by an appropriate person for follow-up? (2) Does the Company establish standard operating procedures of whistleblowing cases subject to investigation and related confidentiality mechanism? (3) Does the Company provide proper protection for whistleblowers?	V		No Difference
4. Strengthening information disclosure Does the Company disclose its ethical corporate management policies and regulations as well as their implementation on its website and the Market Observation Post System (MOPS)?	V		No Difference
5. If the Company has established its corporate social responsibility principles based on the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”, please describe any discrepancy between the principles and their implementation: There is no difference between the internal conduct and regulations stipulated in the Code of Ethical Management of Yang Ming Marine Transport Corporation.			
6. Other important information to facilitate better understanding of the company’s ethical corporate management policies (such as review and revision of regulations): Yang Ming complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Public Servants Conflict-of-Interest Act, public listing and over-the-counter transaction rules, and other laws and regulations regarding commercial activities. This is the primary precondition for ethical management.			

3.4.9 If the company has adopted corporate best-practice principles or relevant laws, disclose how these regulations can be searched?

Yang Ming Marine Transport Corporation has established its “Corporate Governance Best Practice Principles”, “Rules and Procedures for Board of Directors’ Meetings”, “Rules and Procedures for Shareholders’ Meetings”, “Rules Governing the Scope of Powers of Independent Directors”, “Audit Committee Charter”, “Remuneration Committee Charter” and “Procedures for Election of Directors” etc. in accordance with the regulations specified in the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”. These are disclosed on the MOPS. Its “Sustainable Development Best Practice Principles”, “Special Projects Committee Charter”, “Procedures for board and functional committee performance assessments”, “The Code of Conduct for Yang Ming Group Members”, “Code of Ethical Management of Yang Ming Marine Transport Corporation”, “Procedures for Ethical Management and Guidelines for Conduct of Yang Ming Marine Transport Corporation”, and “The Procedures of whistleblowing cases for Yang Ming Group Members” were also disclosed on the Company’s website for the reference of investors. In addition, the “Procedures for Handling Material Inside Information” which provides a system for handling material inside information and making disclosures were formulated to enforce corporate governance. Investors can find regulations related to corporate governance on the company’s website: <http://www.yangming.com>.

3.4.10 Other significant information to facilitate better understanding of the status of the Company’s implementation of corporate governance may also be disclosed:

1. Important financial information is announced on the Company’s website under the “Investor” section; relevant business information is likewise found on the website.
2. The Company has set up an Internal Control System and Internal Audit System. It has also designated an annual audit plan based on risk items, and this is carried out according to regulations approved by the Board. The annual audit plan is submitted to the Financial Supervisory Commission (FSC) in accordance with the law. In addition, the Company issues summary reports on its internal control system self-assessment based on the self-assessment procedures of the Internal Control System, and provides an Internal Control System Statement to the Board for approval before submitting it to the FSC.
3. The Company has established and revised important financial regulations; namely, “Regulations Governing the Acquisition and Disposal of Assets”, “Regulations Governing Lending of Funds and Making Endorsements/Guarantees”, and “Regulations Governing Lending of Funds”, which are submitted to the Board for approval.
4. The Company has established the “Procedures for Handling Material Inside Information” for the information of all directors, managerial officers, and employees. To prevent insider trading activities, the Company holds relevant trainings annually.

3.4.11 Internal Control System Execution Status

1. Statement of Internal Control System

Yang Ming Marine Transport Corp. Internal Control System Statement Date : 14 March, 2022 The Company states the following with regard to its internal control system during fiscal year 2021, based on the findings of a self-assessment: 1. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. The Company has established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), reliability, timeliness, transparency, and regulatory compliance of reporting, and compliance with applicable laws, regulations, and bylaws. 2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three goals mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, however, and the Company takes corrective actions as soon as a deficiency is identified. 3. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinbelow, the "Regulations"). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. control environment 2. risk assessment 3. control activities 4. information and communications 5. monitoring activities. Each element further contains several items. Please refer to the Regulations for details. 4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria. 5. Based on the findings of the assessment mentioned in the preceding paragraph, the Company believes that as of 31 December, 2021, its internal control system (including its supervision and management of subsidiaries), encompassing internal controls for knowledge of the degree of achievement of operational effectiveness and efficiency objectives, reliability, timeliness, transparency, and regulatory compliance of reporting, and compliance with applicable laws, regulations, and bylaws, is effectively designed and operating, and reasonably assures the achievement of the above-stated objectives. 6. This Statement will become a major part of the content of the Company's Annual Report and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act. 7. This Statement has been passed by the Board of Directors Meeting of the Company held on 14 March, 2022, where none of the 11 attending directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement. Yang Ming Marine Transport Corp. Chairman: Cheng Cheng-Mount  (signature) President: Tu Shu-Chin  (signature)

2. If CPAs were appointed to conduct a Special Audit of the Internal Control System and provide an Audit Report: None.

3.4.12 For the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, any sanction imposed upon the Company or its internal personnel for violation of internal control system provisions and principle deficiencies, as well as efforts to make improvements are disclosed in accordance with the law: None

3.4.13 Shareholders' and Board resolutions during the most recent year and up to the date of publication of this annual report

1. Shareholders' Meeting

Yang Ming held 2021 annual shareholders' meeting was held on May 14, 2021. At the meeting, shareholders in attendance in person or by proxy approved the following resolutions and the implementation is as below:

Resolutions	Implementation Status
Adoption of 2020 business report and financial statements	Implemented in accordance with proposal resolutions.
Adoption of 2020 surplus earnings distribution proposal	Implemented in accordance with proposal resolutions.
The 20th election of directors (including independent directors)	Ministry of Economic Affairs approved the registration on June 1, 2021 and Yang Ming announced said registration on the official website.
Releasing the prohibition on directors from participation in competitive business	Implemented in accordance with proposal resolutions.
Amendment to the Articles of Incorporation	Ministry of Economic Affairs approved the registration on June 1, 2021 and Yang Ming announced said registration on the official website.
Amendment to Rules of Procedure for Shareholders' Meetings	Implemented in accordance with proposal resolutions and published on Yang Ming's website.
Issuance of common shares to raise capital via book building	Ministry of Economic Affairs approved the registration on August 13, 2021

2. Board Meetings

Apart from the disclosed relevant bills as above, other important bills after the Board's resolution are as follows:

Board Meeting	Important Bills
The 354 th Meeting January 27, 2021	1. 2021 business plan 2. 2021 budget 3. Authorization to the Chairman for signing Letter of Intent (LOI) of terminal investment in Vietnam 4. Donation to the Yang Ming Culture Foundation 5. Application of changing paid-in capital on 2021.01.27 due to 5th convertible bonds converted to new shares 6. Credit term and derivatives trading quota negotiation with financial institutions 7. Release the prohibition on executive officers from participation in competitive business 8. Amendment to Regulations of Board and Functional Committee Performance Assessments, and its name
The 355 th Meeting February 23, 2021	1. Related issues of 2021 shareholders' meeting 2. The procedure of shareholders' proposal and nomination of director and independent director candidates in 2021 shareholders' meeting 3. Directors and independent directors' election in 2021 shareholders' meeting 4. Amendment to Rules of Procedure for Shareholders' Meetings 5. Credit term and derivatives trading quota negotiation with financial institutions



Board Meeting	Important Bills
The 356 th Meeting March 25, 2021	1. 2020 business report 2. 2020 earnings distribution 3. Adjustment of agenda and related issues of 2021 shareholders' meeting 4. Nomination of 20th director and independent director candidates 5. Reviewing the list of candidates of 20th director and independent director 6. Releasing the prohibition on directors and independent directors from participation in competitive business 7. Amendment to the Articles of Incorporation 8. Salary raise for junior staff
The 357 th Meeting May 12, 2021	1. Application of changing paid-in capital on May 12, 2021 due to 5th convertible bonds converted to new shares 2. Credit term and derivatives trading quota negotiation with financial institutions 3. Establishment of ESG policy and goals according to the sustainable development practice principles 4. Adjustment of executive supervisors for branch offices
The 358 th Meeting May 14, 2021	1. Mutual election of Chairman 2. Appointment of members for the 5th Compensation Committee 3. Appointment of members for the 2nd Special Projects Committee
The 360 th Meeting June 18, 2021	1. Amendment to division of authority and responsibilities chart for the company 2. Revision of the remuneration standard and treatment for seafarers 3. Amendment to classification table of position and job grade for employees
The 362 nd Meeting July 12, 2021	1. Related issues and stock price regarding issuance of common shares to raise capital via book building
The 364 th Meeting September 17, 2021	1. Credit term and derivatives trading quota negotiation with financial institutions 2. Donation to Keelung City Government to fulfill corporate social responsibility 3. Enhancing cooperation with maritime university and donation of educational equipment to expand talent cultivation
The 365 th Meeting October 15, 2021	1. Credit term and derivatives trading quota negotiation with financial institutions
The 366 th Meeting November 11, 2021	1. 2022 business plan 2. 2022 budget 3. 2022 internal audit plan
The 367 th Meeting December 17, 2021	1. Revision of regulations of retirement and pension for seafarers 2. Revision and adjustment of remuneration standard for seafarers 3. Establishment of regulations of annual performance bonus for native seafarers on vessels with ROC flag
The 368 th Meeting January 14, 2022	1. Ratification of related party's evaluation report to redeem the estate use rights and debt liquidation 2. Self-built 15,000 TEU container vessels 3. 2022 dry containers purchasing plan 4. Stock acquisition of subsidiary company from subsidiary company 5. Amendment to corporate governance practice principles 6. Amendment to sustainable development practice principles 7. Salary raises for employees (including managers) 8. Salary raises for department heads and managerial officers 9. Adjustment of 2021 performance bonus for employees 10. Adjustment of the penalize regarding the equipment shifting at No.120 terminal
The 369 th Meeting February 25, 2022	1. The compensation negotiation regarding delayed delivery and the flooding incident of 2,800TEU container vessel 2. Donation to the Yang Ming Culture Foundation 3. Related issues of 2022 shareholders' meeting 4. The procedure of shareholders' proposal in 2022 shareholders' meeting 5. Amendment to the Codes of Ethical Conduct for the Company 6. Amendment to the Ethical Corporate Management Best Practice Principles for the Company 7. Amendment to the Procedures for Ethical Management and Guidelines for Conduct for the Company 8. Amendment to the organizational rules and organization chart of the Company 9. Amendment to classification table of position and job grade for employees 10. Amendment to rules of welfare saving and shareholding trust for employees

Board Meeting	Important Bills
The 370 th Meeting March 14, 2022	1. 2021 business report 2. 2021 financial statements 3. 2021 earnings distribution 4. Distribution on Employees' and Directors' Compensation in 2021 5. 2021 self-assessment audit report and statement of internal control system 6. Adjustment of agenda and related issues of 2022 shareholders' meeting 7. Evaluation on the Certified CPA's Independence and suitability and Compensation of certified public accountants 8. Credit term and derivatives trading quota negotiation with financial institutions 9. Amendment to the Articles of Incorporation 10. Amendment to Rules of Procedure for Shareholders' Meetings 11. Amendment to Regulations Governing the Acquisition and Disposal of Assets of the Company 12. Appointment and discharge of managerial officers
The 371 st Meeting March 22, 2022	1. International donation activity

3.4.14 Where, during the most recent fiscal year or during the current fiscal year up to the date of the publication of annual report, a director or supervisor dissenting opinion with respect material resolutions passed by the Board of directors, and said dissenting opinions has been:

Board Meeting	Motion	Board Resolution
The 356 th Meeting March 25, 2021	Implementation plan for managerial officer system	Approved by all directors in attendance except for Director Ping-Jen Tseng voicing opposing.
The 361 st Meeting June 23, 2021	Long-term development plan and lease agreement of terminal	Approved to participate in the tender by all directors in attendance except for independent Director Tar-Shing Tang abstaining from voting (with no adverse or reserved opinion) and subject to below: 1. According to internal related investment rules and Regulations Governing the Acquisition and Disposal of Assets, the company is supposed to provide 2 independent, impartial and objective appraisal report with approval by the Board before the awarding date. 2. Obtaining legitimacy report from external legal counsel regarding submission of appraisal report with approval by the Board at earliest convenience. 3. Obtaining complete and legally binding version of CWA with approval by the Board before the awarding date.
The 364 th Meeting September 17, 2021	Replacement of gantry crane at terminal	Approved by all directors in attendance except for Director Keh-Her Shih abstaining from voting.
	Signing CWA (Cooperation Working Agreement) of affiliated company	Approved by all directors in attendance except Director Keh-Her Shih abstaining from voting.
	Credit term and derivatives trading quota negotiation with financial institutions	Approved by all directors in attendance except Director Keh-Her Shih abstaining from voting.
	Donation to Keelung City Government to fulfill corporate social responsibility	Approved the donation to Keelung City Government for purchasing air purifier by all directors in attendance except Director Keh-Her Shih abstaining from voting.
	Enhancing cooperation with maritime university and donation of educational equipment to expand talent cultivation	Approved by all directors in attendance except Director Jiang-Ren Chang and Chih-Li Chen disassociated from discussion and voting as the motion concerned their interest; Director Keh-Her Shih abstaining from voting.



Board Meeting	Motion	Board Resolution
The 364 th Meeting September 17, 2021	Amendment to rules of annual performance bonus for employees	Approved by all directors in attendance except Director Keh-Her Shih abstain from voting; the organizer shall provide complete scheme to ensure benefits and rights of employees according to suggestions from independent directors at earliest convenience.
The 365 th Meeting October 15, 2021	Authorization to sublease chartered vessel	Approved by all directors in attendance except Director Keh-Her Shih abstain from voting.

3.4.15 A summary of resignation or dismissal of related individuals of the company:

2022.03.29

Title (Note 1)	Name	Date Assumed	Date Dismissal	Reasons for Resignation or Dismissal
Chief Financial Officer	Hsiu-Chi Ho	2020.02.03	2021.02.16	Transferring
Accounting Supervisor	Yu-Wen Su	2019.08.14	2021.04.01	Transferring
Chief Audit Executive	Shih-Fang Hsu	2019.10.01	2021.03.29	Transferring

Note 1: The related individuals of the Company are the Chairman, President, Accounting Officers, Financial Officers, Audit Officers, Corporate Governance Supervisor, and R&D Officers etc.

Note 2: The Chief Strategy Officer Jeng-Shong Jeng was replaced by Kuen-Rong Pai on May 01, 2022.

3.5 Information on CPA Professional Fees

Unit: NT\$Thousand

CPA Firm	Name of Accountants	Period Covered by CPA's Audit	Audit Fees	Non-Audit Fees	Total	Remark
Deloitte Touche Tohmatsu Limited	Chen-Hsiu Yang and Yu-Mei Hung	2021.01.01 ~ 2021.12.31	8,000	740	8,740	The non-audit fees is for consultation, in addition, majorly for the courses and consultation of provisions, contingent liabilities and impairment of assets, the reinvestment company impairment assessment.
	Huei-Ming Chen	2021.01.01 ~ 2021.12.31	0	2,635	2,635	The non-audit fees is for the consultation of taxation, the audit for Direct Deduction Method of Valued-added tax, the audit for profit-seeking enterprise income tax, the audit for Transfer pricing, the audit for convertible corporate bonds into new stock capital, the audit for the capital of cash capital increase and Ching Ming Investment Corp. change registration.

1. Change of CPA firm and less audit fee in that given year compared to the previous year: None.
2. The audit fee is reduced by more than 10% compared to that of the previous year; the reduction in the amount of audit fee, reduction percentage, and reasons shall be disclosed: None.

3.6 Alternation of CPA

3.6.1 About the former CPA :

Replacement Date	2021.03.25, adopted by the Board		
Replacement reasons and explanations	Due to internal rotation of Deloitte Touche Tohmatsu Limited, the financial statement was originally audited and certified by Chin-Tsung Cheng and Yu-Mei Hung, from the first quarter of 2021, replaced by Chen-Hsiu Yang and Yu-Mei Hung.		
Describe whether the Company terminated or the CPA did not accept the appointment	Status	CPA	Consignor
	Client		
	Appointment terminated automatically	-	-
	Appointment rejected (discontinued)	-	-
Other issues(except for qualified issue) in the audit report within the last year	None		
Difference with the Company	None		
Other revealed matters(Disclosure specified in Article 10.6.1.4~7 of the standards)	None		

3.6.2 About the Successor CPA:

CPA Firm	Deloitte Touche Tohmatsu Limited
Name of Accountants	Chen-Hsiu Yang, Yu-Mei Hung
Date of Appointment	2021.03.25, adopted by the Board
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

3.6.3 Reply of the former CPA found on Articles 10.6.1 and 10.6.2.3: None.

3.7 The Director, President, and financial or accounting manager of the Company who had worked for the independent auditor or the related party in the most recent years: None.

3.8 The evaluation on the independence of the CPA

The Company's Audit Committee regularly assesses the independence of the CPA based on the criteria specified under Article 29 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and it reports the assessment results to the Board:

3.8.1 The statement of independence provided by the CPAs.

3.8.2 The assessment of CPAs' independence and competence, which contains the possibility of direct or material indirect interest between the CPA firm and the company, finance or guarantee activities between the CPA firm and company directors or supervisors, as well as members of the audit team serving as company directors, managers, or in a position that has significant effect on audit cases.

3.9 Information on the change or transfer of equity interests and/or pledge of or change in equity interests by the Directors, Supervisors, managers or shareholders with a share of more than 10% during the most recent or the current fiscal year up to the date of publication of the annual report

3.9.1 Changes of Directors, Supervisors, Managerial Officers, and Shareholders holding greater than ten percent in the company

Unit: Share

Tittle	Name	Year 2021		Current year to 2022.03.29	
		Shareholding Increase/Decrease	Pledge Shares Increase/Decrease	Shareholding Increase/Decrease	Pledge Shares Increase/Decrease
Chairman(Major Shareholder)	Representatives of the MOTC: Cheng-Mount Cheng, Jiang-Ren Chang, An-Chung Ku,	0	0	0	0
Director(Major Shareholder)	Representatives of the NDF: Chien-Yi Chang, Keh-Her Shih, Chih-Li Chen,	0	0	0	0
Director	Representatives of the TIPC: Shao-Liang Chen	(119,514,708)	0	0	0
Director	Representatives of the TNC: Wen-Ching Liu	(3,249,000)	0	(8,000)	0
Independent Director	Jei-Fuu Chen	0	0	0	0
Independent Director	Tar-Shing Tang	0	0	0	0
Independent Director	Tze-Chun Wang	0	0	0	0
Chairman	Cheng-Mount Cheng	0	0	0	0
President	Shu-Chin Tu	0	0	0	0
Managerial Officers	Der-Shi Tsao	(8,000)	0	0	0
	Shih-Fang Hsu	20,000	0	0	0
	Li-Chuan Wang	2,000	0	0	0
	Yeoung- Shuenn Ho	4,617	0	0	0
	Chao-Feng Chang	5,000	0	0	0
	Jeng-Shong Jeng	58,047	0	0	0
	Hsiu-Chi Ho	0	0	0	0
	Kou-Liang Huang	0	0	0	0
	Yu-Wen Su	0	0	0	0
	Kuen-Rong Pai	0	0	0	0
	Shih-Chou Lee	0	0	45,000	0
	Mei-Chi Shih	0	0	0	0
	Huo-Sheng Chen	0	0	0	0
	Chien-Chang Tzeng	20,034	0	0	0
	Tien-Shun Wu	0	0	0	0
	Tung-Hai Chen	(2,000)	0	0	0
	Shyi-Chang Chang	(101,000)	0	0	0

Tittle	Name	Year 2021		Current year to 2022.03.29	
		Shareholding Increase/Decrease	Pledge Shares Increase/Decrease	Shareholding Increase/Decrease	Pledge Shares Increase/Decrease
Managerial Officers	Ping- Jen Tseng	(47,000)	0	0	0
	Kun-Ping Yi	(96,250)	0	0	0
	Leng-Hui Wang	0	0	0	0
	Shun-Chin Yang	(183)	0	0	0
	Pao-Lin Lee	0	0	0	0
	Chun-Chieh Lu	(31,000)	0	0	0
	Tai-chi Tsai	20,000	0	0	0
	Chih-Yang Lung	0	0	0	0
	Men-Huo Tsai	0	0	0	0
	Shu- Hui Ou	0	0	0	0
	Li-Wen Liu	0	0	0	0
	Mei-Ling Chung	10,000	0	0	0
	Hann-Sy Hwang	49,520	0	(3,000)	0
	Lung-Fu Chen	0	0	0	0
	Ting-Yu Lu	(4,000)	0	0	0
	Kuan-Sheng Fu	0	0	0	0
	Chia-Wen Chiang	0	0	0	0
	Chung-Hsien Chan	0	0	0	0
	An-Chung Ku	0	0	0	0
	Szu-Hui Yang	0	0	0	0
	Chin-Hung Chung	0	0	0	0
	Hung-Chung Chien	0	0	0	0
	Chin-Jung Lee	0	0	0	0
	Chen-To Lin	0	0	0	0
	Der-Ren Li	0	0	0	0
	Chyi-Yu Chou	0	0	0	0

3.9.2 Information on equity transfer or equity pledge: The counterparties of equity transfer or equity pledge are not related parties.



3.10 The relationship of the top ten shareholders

The most recent book closure date up to the publication of the annual report: 2022.03.29

Name	Shareholding		Spouse & Minor Current Shareholding		Current Shareholding in the name of others		Relationship among the top ten shareholders, anyone who is the related party, spouse, or second-degree kinship of another: name and relationship		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relation	
The MOTC	467,682,372	13.39	0	0	0	0	The TNC, The TIPC, The NDF	Director or both are Government Institutions	None
Representative: Kwo-Tsai Wang	0	0	0	0	0	0	None	None	None
The NDF	460,000,000	13.17	0	0	0	0	The MOTC	Both are Government Institutions	None
Representative: Ming-Hsin Kung	0	0	0	0	0	0	None	None	None
The TIPC	191,938,579	5.50	0	0	0	0	The MOTC	The MOTC is the Director	None
Representative: Hsien-Yi Lee	0	0	0	0	0	0	None	None	None
The TNC	38,560,858	1.10	0	0	0	0	The MOTC	The MOTC is the Director	None
Representative: Wen-Ching Liu	0	0	0	0	0	0	None	None	None
Fubon Life Assurance Co.,LTD	27,546,000	0.79	0	0	0	0	None	None	None
Representative: Richard M. Tsai	0	0	0	0	0	0	None	None	None
Norges Bank	25,361,861	0.73	0	0	0	0	None	None	None
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Emerging Markets Stock Index Fund	23,230,725	0.67	0	0	0	0	None	None	None
Central Reinsurance	18,850,322	0.54	0	0	0	0	None	None	None
Representative: Cheng-Tui Yang	0	0	0	0	0	0	None	None	None
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund	15,200,962	0.44	0	0	0	0	None	None	None
T3EX Global Holdings Corp.	15,000,577	0.43	0	0	0	0	None	None	None
Representative: Yi-Cai Yan	0	0	0	0	0	0	None	None	None

3.11 The total number of shares and total equity stake held in any single enterprise by the Company, the Company's Directors, Supervisors, Managers, and any companies controlled by the Company either directly or indirectly

2021.12.31 Unit: share; %

Re-Investment Corporate(Note1)	The Company Investment		Directors, supervisors, managerial officers, and any company controlled directly or indirectly			Recognize Investment	
	Share	%	Related Party Name	Share	%	Share	%
All Oceans Transportation Inc.	1,000	100.00	None	0	0	1,000	100.00
Kuang Ming Shipping Corp	98,882,111	98.88	None	0	0	98,882,111	98.88
Hong Ming Terminal & Stevedoring Co., Ltd.	10,000,000	100.00	None	0	0	10,000,000	100.00
Jing Ming Transportation Co., Ltd	8,615,923	50.98	None	0	0	8,615,923	50.98
YES Logistics Corp.	115,630,977	96.36	None	0	0	115,630,977	96.36
Yang Ming Line (Singapore) Pte Ltd	60,130,000	100.00	None	0	0	60,130,000	100.00
Yang Ming Line (B.V.I.) Holding Co., Ltd.	1,757	100.00	None	0	0	1,757	100.00
Yang Ming Line Holding Co	13,500	100.00	None	0	0	13,500	100.00
Yunn Wang Investment Co., Ltd.	5,211,474	49.75	Taiwan Navigation Co., Ltd.	5,211,474	49.75	10,422,948	99.50
Kao Ming Container Terminal Corp	323,000,000	47.50	None	0	0	323,000,000	47.50
Taiwan Foundation Internatioanl Pte. Ltd.	3,400,000	34.00	None	0	0	3,400,000	34.00
Yang Ming Line B.V.	2,500	100.00	None	0	0	2,500	100.00
Taiwan Navigation Co., Ltd.	70,758,243	16.96	The MOTC	110,436,379	26.46	181,194,622	43.42
SinoTrans PFS Cold Chain Logistics Co., Ltd.	Note 2	6.67	YES Logistics Corp.	Note 2	13.33	Note 2	20.00

Note1: This Company's long-term investment uses equity method.

Note2: Unissued shares.

IV Capital and Shares Overview

4.1 Capital and Shares

4.1.1 Source of capital stock

1. Shares Issued

Date	Par value (NT\$)	Authorized capital		Actual capital received		Notes		
		Shares	Amounts (NT\$)	Shares	Amounts (NT\$)	Sources of capital	Deducting shares from property other than cash	Other
Jan. 2005	10	2,400,000,000	24,000,000,000	2,268,754,549	22,687,545,490	Convertible bonds transformation 22,016,416 shares	-	94.01.21MOEA grant No.09401008230
May 2005	10	2,400,000,000	24,000,000,000	2,276,103,048	22,761,030,480	Convertible bonds transformation 7,348,499 shares	-	2005.5.30MOEA grant No.09401094490
Aug. 2005	10	2,400,000,000	24,000,000,000	2,289,127,926	22,891,279,260	Convertible bonds transformation 13,024,878 shares	-	2005.8.10MOEA grant No.09401153980
Nov. 2005	10	2,400,000,000	24,000,000,000	2,289,816,718	22,898,167,180	Convertible bonds transformation 688,792 shares	-	2005.11.14MOEA grant No.09401226910
May 2006	10	2,400,000,000	24,000,000,000	2,289,834,417	22,898,344,170	Convertible bonds transformation 17,699 shares	-	2006.05.26MOEA grant No. 09501096220
May 2007	10	2,400,000,000	24,000,000,000	2,294,211,277	22,942,112,770	2007Q1 Convertible bonds transformation 4,376,860 shares	-	2007.06.01MOEA grant No. 09601121010
July 2007	10	2,400,000,000	24,000,000,000	2,299,005,213	22,990,052,130	2007 Q2 Convertible bonds transformation 4,793,936 shares	-	2007.07.19MOEA grant No. 09601165460
Oct. 2007	10	2,400,000,000	24,000,000,000	2,317,397,254	23,173,972,540	2006 Recapitalization new issuance of 18,392,041 shares	-	2007.10.23MOEA grant No. 09601260280
Nov. 2007	10	2,400,000,000	24,000,000,000	2,320,743,953	23,207,439,530	2007 Q3 Convertible bonds transformation 3,346,699 shares	-	2007.11.07MOEA grant No. 09601269630
Jan. 2008	10	2,400,000,000	24,000,000,000	2,328,698,193	23,286,981,930	2007 Q4 Convertible bonds transformation 7,954,240 shares	-	2008.01.29MOEA grant No. 09701022310
May 2008	10	2,400,000,000	24,000,000,000	2,328,962,146	23,289,621,460	2008 Q1 Convertible bonds transformation 263,953 shares	-	2008.05.26MOEA grant No.09701122050
Aug. 2008	10	2,400,000,000	24,000,000,000	2,329,561,125	23,295,611,250	2008 Q2 Convertible bonds transformation 598,979 shares	-	2008.08.04MOEA grant No. 09701191790
Sep. 2008	10	3,000,000,000	30,000,000,000	2,562,466,476	25,624,664,760	2007 Recapitalization new issuance of 232,905,351 shares	-	2008.09.23MOEA grant No. 09701246760
Oct. 2011	10	3,000,000,000	30,000,000,000	2,818,713,123	28,187,131,230	2010 Recapitalization new issuance of 256,246,647 shares	-	2011.10.06MOEA grant No. 10001227670
Feb. 2015	10	3,600,000,000	36,000,000,000	2,856,379,965	28,563,799,650	2014 Q4 Convertible bonds transformation 37,666,842 shares	-	2015.02.04MOEA grant No. 10401021610
May 2015	10	3,600,000,000	36,000,000,000	2,997,918,707	29,979,187,070	2015 Q1 Convertible bonds transformation 141,538,742 shares	-	2015.05.19MOEA grant No.10401094490
Aug. 2015	10	3,600,000,000	36,000,000,000	3,004,440,135	30,044,401,350	2015 Q2 Convertible bonds transformation 6,521,428 shares	-	2015.08.27MOEA grant No.10401179670

Date	Par value (NT\$)	Authorized capital		Actual capital received		Notes		
		Shares	Amounts (NT\$)	Shares	Amounts (NT\$)	Sources of capital	Deducting shares from property other than cash	Other
Mar. 2017	10	3,600,000,000	36,000,000,000	1,565,271,349	15,652,713,490	2017 Q1 Capital Reduction 1,600,498,786 Shares and Private Placement 161,330,000 shares	-	2017.03.16MOEA grant No.10601027640
Dec. 2017	10	3,600,000,000	36,000,000,000	2,065,271,349	20,652,713,490	2017 the capital increase by cash 500,000,000 shares	-	2017.12.12MOEA grant No.10601165890
Dec. 2017	10	3,600,000,000	36,000,000,000	2,323,024,791	23,230,247,910	2017 2nd Private Placement 257,753,442 shares	-	2017.12.12MOEA grant No.10601171890
Sep.2019	10	4,500,000,000	45,000,000,000	2,601,335,728	26,013,357,280	2019.6.27 Convertible bonds transformation 278,310,937 shares	-	2019.09.10MOEA grant No. 10801118980
Dec.2020	10	4,500,000,000	45,000,000,000	2,622,624,180	26,226,241,800	2020 Q3 Convertible bonds transformation 21,288,452 shares	-	2020.12.14MOEA grant No. 10901226070
Feb.2021	10	4,500,000,000	45,000,000,000	3,167,662,197	31,676,621,970	2020 Q4 Convertible bonds transformation 545,038,017 shares	-	2021.02.23MOEA grant No. 11001028210
Jun.2021	10	4,500,000,000	45,000,000,000	3,332,104,270	33,321,042,700	2021 Q1 Convertible bonds transformation 164,442,073 shares	-	2021.06.01MOEA grant No. 11001088340
Aug.2021	10	4,500,000,000	45,000,000,000	3,492,104,270	34,921,042,700	2021 Cash capital increase 160,000,000 shares	-	2021.08.13MOEA grant No. 11001134760

2. Type of Stock

Shares category	Authorized capital			Remark
	Shares Issued	Un-issued shares	Total Shares	
Common stock	3,492,104,270	1,007,895,730	4,500,000,000	Listed company stock

Note: The number of listed issued shares as of March 29, 2022.

3. General declaration system : None.

4.1.2 Shareholder structure

As of the date of publication, the last time to stop the transfer: 2022.03.29

Shareholder structure	Government Institutions	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions and Foreign Persons	Total
Quantity						
Number of Shareholders	9	76	684	375,859	1,199	377,827
shareholding	1,123,080,003	76,471,264	158,953,891	1,610,477,663	523,121,449	3,492,104,270
Holding Percentage (%)	32.16	2.19	4.55	46.11	14.99	100.00

Note: The number of shares held by Foreign institutions and foreigners in the shareholder structure of the company include investment from citizens of People Republic of China (16,356 shares per person).

4.1.3 Diffusion of ownership

As of the date of publication, the last time to stop the transfer: 2022.03.29

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Note)	Percentage (%)
1 ~ 999	84,669	18,559,984	0.53
1,000 ~ 5,000	242,246	465,322,035	13.32
5,001 ~ 10,000	27,159	212,325,354	6.08
10,001 ~ 15,000	7,883	101,113,947	2.90
15,001 ~ 20,000	4,912	90,977,980	2.61
20,001 ~ 30,000	4,038	104,039,240	2.98
30,001 ~ 40,000	1,889	67,756,374	1.94
40,001 ~ 50,000	1,255	58,650,869	1.68
50,001 ~ 100,000	2,025	146,468,044	4.19
100,001 ~ 200,000	880	125,853,562	3.60
200,001 ~ 400,000	423	120,223,914	3.44
400,001 ~ 600,000	155	76,516,751	2.19
600,001 ~ 800,000	61	42,093,440	1.21
800,001 ~ 1,000,000	30	27,071,146	0.78
Over 1,000,001	202	1,835,131,630	52.55
Total	377,827	3,492,104,270	100.00

Note: Refer to common stock. Preferred Share: None.

4.1.4 Major Shareholders :

- The following list includes the shareholders with a stake of 5 percent or greater or the names of the top ten shareholders. The number of shares and stake held by each shareholder are specified.

As of the date of publication, the last time to stop the transfer: 2022.03.29

Name of Major Shareholders	Shares	Shareholding	Percentage(%)
Ministry of Transportation and Communication		467,682,372	13.39
National Development Fund, Executive Yuan		460,000,000	13.17
Taiwan International Ports Corporation, Ltd.		191,938,579	5.50
Taiwan Navigation Co., Ltd.		38,560,858	1.10
Fubon Life Assurance Co.,LTD		27,546,000	0.79
Norges Bank		25,361,861	0.73
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds		23,230,725	0.67
Central Reinsurance Corporation		18,850,322	0.54
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds		15,200,962	0.44
T3EX Global Holdings Corp.		15,000,577	0.43

2. Shareholder List of Major Shareholders being Juridical Persons

Name of Juridical Persons	Main Shareholder of Juridical Persons
Ministry of Transportation and Communications	Government of the Republic of China
National Development Fund, Executive Yuan	Government of the Republic of China
Taiwan International Ports Corporation, Ltd.	Ministry of Transportation and Communications

Name of Juridical Persons	Main Shareholder of Juridical Persons
Taiwan Navigation Co., Ltd.	Ministry of Transportation and Communications(MOTC), Yang Ming Marine Transport Corp., Yunn Wang Investment Co., Ltd., Central Taiwan Science Park Logistics CO., LTD., Global Growing International Co., Ltd., CTBC Bank Employee Stock Ownership Trust Account of Taiwan Navigation Co., Ltd., JPMorgan Chase Bank N.A., Taipei Branch in custody for J.P. Morgan Securities, Yu-Lian Zeng Li, Yi-Sheng Investment Co., Ltd., Siou-Hong Shuai.
Fubon Life Assurance Co.,LTD	Taipei City Government, Ming Dong Co.,Ltd., Dao Ying Co.,Ltd., Richard M. Tsai, Daniel M. Tsai, Hung Fu Investment Co.,Ltd., New Labor Pension Fund, Chung Shing Development Co.,Ltd., Investment account of Norges Bank managed by Citibank Taiwan, Shiang-Shun Tsai Yang.
Norges Bank	N.A.
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	N.A.
Central Reinsurance Corporation	Evergreen International Corp., Ministry of Finance, R.O.C., Evergreen International Storage & Transport Corp., Evergreen Marine Corp. (Taiwan) Ltd, EVA Airways Corp., Chang, Kuo-Cheng, Boams Capital Ltd., RD Capital Co., Ltd., Hsiang-Li Investment Corp., Zhi Jun Ltd..
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	N.A.
T3EX Global Holdings Corp.	WPG HOLDINGS, Jin-Hua Investment Ltd, Dynamic Ocean Group Limited, Hope Ocean International Ltd, PIN GUAN Investment Ltd., Custodian Bank of HSBC Account of Morgan Stanley International, YOU-YI Ltd, Guo-Yan Liao, Bao Hung Investment Ltd, Jack Lai

4.1.5 Share prices for the past 2 fiscal years, and the company's net worth per share, earnings per share, dividends per share, and related information

Item	Year	2020	2021	Current year to March 29, 2022
Market Price Per Share	Highest price	29.25	234.50	137.50
	Lowerest price	4.72	18.75	95.10
	Average price	8.82	95.28	116.39
Net Worth Per Share	Before distribution	11.26	66.92	-
	After distribution (Note 2)	-	Have not been Distributed	-
Earnings per share	Weighted average number of outstanding shares	2,656,125 (1000 shares)	3,391,275 (1000 shares)	-
	Earnings per share	4.51	48.73	-
Dividend	Cash Dividend (Note 2)	-	20.00	-
	Stock Dividends Appropriated from Retained Earnings	-	-	-
	Stock Dividends Appropriated from capital surplus	-	-	-
	Accumulated Undistributed Dividends (Note 2)	-	-	-
Return on Investment (Note 1)	P/E ratio (Note 2)	1.96.	1.96	-
	Price-dividend ratio (Note 2)	-	4.76	-
	Cash dividend yield (Note 2)	-	0.21	-

Note 1: P/E ratio = current year average closing price per share / earnings per share

Price-dividend ratio= current year average closing price per share / cash dividend per share

Cash Dividend Yield Rate=Cash Dividends per Share/Average Market Price

Note2: The Company had surplus in 2020, after covering losses and withdrawal surplus reserves. There are no reserves to distribute, so no dividends are distributed. The dividend per share for the year 2021 was disclosed based on the distribution proposed by the board of Directors on March 14,2022, and has not yet been approved by the shareholders meeting.

4.1.6 Company Dividend Policy and Implementation Status

1. Dividend Policy

Under the dividend policy set forth in the amended Articles, the profit the Company makes in a fiscal year will be used first to pay taxes, offset losses in previous years, allocate or set up a capital reserve for further investment in transportation equipment and improvement of financial structure. Any remaining profit along with undistributed retained earnings, with at least 25% to be distributed, will be used by the Company's Board of Directors as a basis for the proposal of a distribution plan, to be suggested during the shareholders' meeting for distribution of dividends and bonus of shareholders.

YMTC should consider certain factors, including its profits, change in the industry, its potential growth, costs, expenditures and working (operating) capital for the proposal of a stock dividend appropriation plan. YMTC shall declare at least 20% of the amount in the form of cash dividend as opposed to stock.

2. The proposed dividend distribution during the shareholders' meeting:

The proposal for the distribution of 2021 profits was passed at the meeting of the Board of Directors on March 14, 2022. The proposal to distribute cash dividends TWD 20 per share and will be discussed at the annual shareholders' meeting.

4.1.7 The impact of the proposed free share allotment on the Company's operating performance and earnings per share: None.

4.1.8 Employee compensation and directors' compensation

1. Compensation range for employees and directors specified in the Company's articles of association:

If there is net profit at the year-end, it shall appropriate 1% to 5% of the profits as employees' compensation and no more than 2% for the directors. But if there is an accumulated loss, it shall first keep the amount for making up the losses. The employees' compensation shall be distributed in stocks or cash.

2. Consult the accountant if the estimated basis for the compensation of employees, directors and supervisors is different from the actual distribution amount:

(1) The employees' compensation and directors' compensation during the year have been estimated according to the Articles of Incorporation of the Company.

(2) The difference between the amount of actual compensation payable and the estimated one will be expensed as incurred.

3. The board of directors distributes information; i.e., employee and director compensation:

The 370th board of directors resolved to allocate 1% of employees' compensation, NT\$ 2,020,048,957 and directors' compensation, NT\$ 80,000,000 by cash.

4. The actual distribution of compensation for employees and remuneration for directors and supervisors in the previous year (including the number of shares, amount and share price), and the reward differences between the recognition of employees, directors and supervisors should be presented, as well as the reasons and circumstances:

The Company's 2020 employee compensation and director remuneration were NT\$ 57,850,836 and NT\$ 57,850,836 respectively. The amount of actual distribution was the same as the estimated one.

4.1.9 The company bought back the shares of the company: None.

4.2 Corporate Bonds (including Overseas Corporate Bonds)

4.2.1 Conditions of Issuance of Corporate Bond

2022.03.29

Bond Category		Eighteenth Debenture Bonds Guaranteed	Nineteenth Debenture Bonds Guaranteed
Date of Issuance		Nov 28, 2019	April 28, 2021
Par Value		NTD 10 million	NTD 10 million
Place of Issuance and Exchange		R.O.C.	R.O.C.
Issuance Price		100% of par value	100% of par value
Total Amount		NTD 5,000 million	NTD 5,900 million
Interest Rate		0.74%	5 years, Date of maturity: 0.45% 7 years, Date of maturity: 0.49%
Terms of Reimbursement		5 years, Date of maturity: Nov 28, 2024	5 years, Date of maturity: April 28,2026 5 years, Date of maturity: April 28,2028
Guarantor		A: Bank of Taiwan B: Taiwan Cooperative Bank C: Hua Nan Bank D: Changhua Commercial Bank E: Land Bank of Taiwan	A: Taiwan Cooperative Bank B: Taishin International Bank C: Hua Nan Bank D: Changhua Commercial Bank E: First Commercial Bank F & H: Bank of Taiwan G: Shanghai Commercial and Savings Bank
Trustee		Mega International Commercial Bank	Mega International Commercial Bank
Underwriter		Capital Securities Corporation.	Capital Securities Corporation.
Audit Lawyer		Attorney at Law Jason S. G. Lin	Attorney at Law Zhi-Cheng Li
Audit Accountant		Deloitte & Touche	Deloitte & Touche
Way of Reimbursement		Maturity: 5 years - For 4.5 years, 50%. 50% due respectively	Maturity: 5 years - For 4.5 years, 50%. 50% due respectively Maturity: 7 years - For 6.7 years, 50%. 50% due respectively
Unreimbursed Amount		NTD 5,000 million	NTD 5,900 million
Conditions of Recall or Recall in Advance		N.A.	N.A.
Conditions of Restriction		N.A.	N.A.
Credit Rating Agency, Rating Date, Rating		Taiwan Ratings Corp, A : Dec 2021 twAAA B : Jan 2021 twAA+ C : Dec 2021 twAA+ D : Dec 2021 twAA+ E : Dec 2021 twAA+	Taiwan Ratings Corp, A : Dec 2021 twAA+ B : Oct 2021 twAA- C : Dec 2021 twAA+ D : Dec 2021 twAA+ E : Dec 2021 twAA+ F&H : Dec 2021 twAAA G : Dec 2021 twAA
Other Rights	Amount of Converted Common Stock , GDR or other valuable securities	N.A.	N.A.
	Issuance and conversion (exchange or subscription) methods	N.A.	N.A.
Possible dilution of equity and impact on existing shareholders' equity		N.A.	N.A.
Exchange target custody agency		N.A.	N.A.

4.2.2 Convert corporate bond information

Issuance		Fifth Convertible Bond Guaranteed
Item	Year	Jan. 1–Mar. 10 ,2021
Market price	The highest	315.00
	The lowest	180.00
	Average	230.63
Conversation Price		NT\$10.40
Issue Date and Conversation Price		May 29, 2018 ; NT\$10.40
Settlement Upon Conversion		Issuance of new shares

Note: Trading of the Fifth Convertible Bond Guaranteed was terminated trading at OTC on March 11, 2021.

4.3 Preferred Shares: None.

4.4 Global Depository Receipts (GDRs) Issuance : None.

4.5 Employees Shares option certificates and Limit on Employee New Bonus Share: None.

4.6 Merger and acquisitions or stock shares transferred with new stock share Issued: None.

4.7 Capital implementation plan and allocation status:

- (1) As of the first quarter of the annual report, previous issuance or private placement of securities has not been completed or completed in the last three years and the project benefits have not yet appeared: None.
- (2) For the purpose of each plan in the preceding paragraph, the analysis per item is conducted during the first quarter before the printing date of the annual report. Implementation and comparison with the original expected benefits: None.

V Overview of Business Operation

5.1 Business Activities

5.1.1 Business Profile

1. The Company's main businesses include the following,

- (1) Domestic and overseas marine shipping service
- (2) Domestic and overseas marine passenger service
- (3) Warehouse, pier, tug boat, barge, container freight station and terminal operations
- (4) Maintenance and repairs, chartering, sales and purchase of ships
- (5) Maintenance and repairs, lease, sales, and purchase of containers as well as chassis
- (6) Shipping agency
- (7) G402011 Ocean freight forwarding service
- (8) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Structure of Liner Services for the Last Two Years

See the sales table for the last two years on Page 118.

3. The Company's Active Fleets and Business Operations

As of December 31, 2021, the Company had in operation 91 full container vessels (with a capacity of more than 666,000 TEU), amounting to a total of 7.5 million D.W.T. The Company's container liner service in 2021 mainly included Asia/US East Coast, Asia/US West Coast, Asia/WCSA, Asia/ECSA, Asia/Northwestern Europe, Asia/Mediterranean, Asia/Red Sea, Asia/ISC, Asia/Middle East, Asia/Australia, US East Coast/Northwestern Europe, and US East Coast/Mediterranean, Indian subcontinent/ Northwestern Europe and Mediterranean as well as Intra-Europe and Intra-Asia regional trades.

4. Development of New Products/Services

In 2022, the Company expects to operate 31 east-west service routes (including 1 pendulum service route) with THE Alliance partners starting from the second quarter of 2022. This will require deployment of 260 modern and high-efficiency vessels to cover all the services. The service range will cover more than 81 ports in Asia, Southern Asia, Northwestern Europe, the Mediterranean, North America and the Middle East Red Sea. The Company's service routes and loop structure with THE Alliance arrangement include:

- (1) Five Asia/Northwestern Europe service routes (including 1 Europe-Asia-America pendulum service route) to continue to offer direct export services for Northeastern Asia, China, Taiwan and Southeastern Asia as the existing structure.
- (2) Three Asia/Mediterranean service routes to offer respective direct shipping services for Spain, Italy, Israel and Turkey. With the Greek port directly linking to the European regional routes, the Company is able to expand the scope of our services.
- (3) Seven Asia/Southwestern US service routes (including 1 Europe- Asia -America pendulum service route) will strengthen the network between Southwestern US and Asian regions, such as Japan, Korea, Taiwan, Southern China, Central China, Northern China and Southeastern Asia. With the pendulum liner service structure, the Company will align with markets such as Europe, Asia, Southwestern US, and the Indian subcontinent.

- (4) Four Asia/Northwestern US service routes to will help rationalize the port schedule and improve its punctuality and reliability.
- (5) Five Asia/US East Coast service routes will serve main US East Coast gate ports, as well as better utilize the US Gulf service to enables the Company to expand liner services to Mexico, Central and South America, Caribbean Sea and other emerging markets via hub ports at Panama and Colombia.
- (6) Four Transatlantic service routes to will cover wider routes between the United States West Coast & East Coast, Canada and important ports in Northwestern Europe and the Mediterranean, thereby optimizing the existing port of rotation and focusing marketing strategies on main ports along both sides of the Northern Atlantic.
- (7) Two Asia/Middle East service routes to will link main ports in Korea, China, Taiwan and Southeast Asia regions to Jebel Ali, Umm Qasr, Hamad, Dammam and Jubail.
- (8) An Asia/Red Sea service route will link main ports in Korea, China and Southeastern Asian regions to Jeddah, Sokhna and Aqaba.

5.1.2 Industry Overview

1. Current Status and Future Development

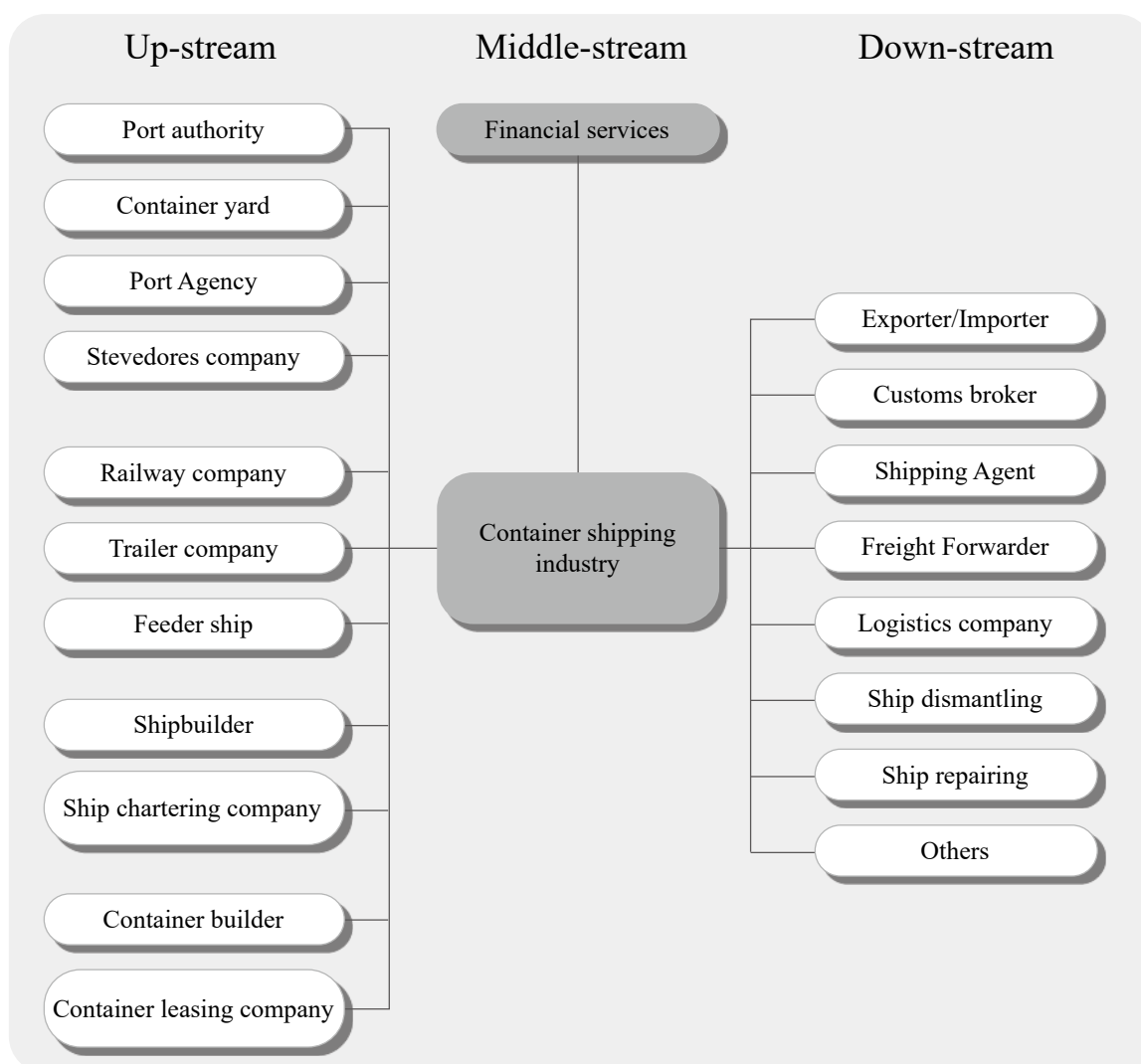
2021 was a turbulent year that saw global container shipping market continuing to be disrupted by the COVID-19 pandemic. Given the restocking of retailers and surging demand, as well as lack of capacity and equipment brought about by port congestion and bottlenecks, the operational constraints were piling pressure on the global supply chain, leading to elevated freight rates and carriers' profitability. According to Alphaliner, the container shipping demand in 2021 grew by 6.7%, while the growth rate of supply was 4.5%, indicating an undersupply in the shipping market. Despite the pandemic, carriers proactively arranged extra loaders and emptied containers reposition to cope with a growing market demand.

Looking ahead to 2022, the world economy is simultaneously facing downside risks from the pandemic's continued grip, persistent supply chain bottlenecks, and inflationary pressures. These multiple factors are expected to hinder the recovery of the global economy and cast a shadow on the economic and trade prospects. As for the container shipping industry, according to Alphaliner's latest forecast, a 5.9% demand growth is projected in 2022 and 4.0% for supply growth. Despite the uncertainty amidst the pandemic, given the limited delivery of new tonnage, the persistent port and terminal congestion, and the labor shortage in transportation resulted from a surge in Omicron cases, the supply chain is running thin and this situation is expected to continue throughout 2022. Regarding the environmental issues in the shipping industry there's going to be more rigorous scrutiny from major governments such as the U.S. and the EU.

In the dry bulk market, the average BDI in 2021 was 2,943 points, by 176% from 2020. According to Clarksons' latest report (Dry Bulk Trade Outlook, January 2022), the demand growth rate of bulk shipping in 2021 grew by 4.2%, while the supply growth rate was 3.8%. In 2022, demand growth rate is projected as 2.2% and supply growth rate is 2.0%, indicating positive market fundamentals. With the expanded infrastructure investment launched by various countries, recovery in restocking demand for raw material, compounded by supply shortage, the growing momentum is expected to continue as the demand outpaces supply.

In the container terminal market, according to 2021Q4 Drewry Container Forecaster, the growth rate in world loaded container traffic was 5.7% in 2021, and Drewry predicted that the rate to decline by 0.3 percentage points to 5.4% in 2022. Drewry indicated that fast rising inflation, ongoing supply chain bottlenecks and a worrying new COVID-19 variant (Omicron) are conspiring to slow the pace of growth in container handling, adding downside risks to the market outlook.

2. Relationship with Up-, Middle- and Downstream Companies (as shown in the following chart)



3. Product Trends and Competition

(1) Product Trends

A. Enlarged Vessel Size

According to the latest statistics from the well-known shipping consultancy Alphaliner Monthly Monitor published in January 2022, as of the end of 2021, large vessels of 7,500 TEU to 9,999 TEU accounted for 17% of the total capacity, while large vessels of 10,000 TEU or above accounted for 39% of the total capacity. In terms of TEU of new ships to be delivered in 2022, large vessels of 10,000 TEU or above accounted for 78% of the total capacity. According to the new vessel orders provided by Alphaliner, vessels of 10,000 TEU or above accounted for 75%. All evidence supports the conclusion that 10,000 TEU class vessels are still in the mainstream.



B. Fleet Renewal

According to the latest statistics of Alphaliner, as of January 1, 2022, container vessels older than 20 years accounted for only 7.9%, and ships older than 15 years accounted for only 15.7%, indicating that the average container vessel age remains young with fleet renewals in the market.

(2) Competition

A. Concentration and Enlargement of Carrier Scale

According to the latest statistics of Alphaliner (February 7, 2022), the current global container shipment capacity is approximately 25,389,729 TEU, of which the top five carriers accounted for 65.2%, the top ten accounted for 84.6%, and the top twenty accounted for 91.6% (see the chart below).

Rnk	Operator	TEU	Share	Existing fleet	Orderbook
1	Mediterranean Shg Co	4,313,566	17.1%		
2	Maersk	4,279,840	16.9%		
3	CMA CGM Group	3,197,075	12.7%		
4	COSCO Group	2,925,655	11.6%		
5	Hapag-Lloyd	1,750,269	6.9%		
6	ONE (Ocean Network Express)	1,524,783	6.0%		
7	Evergreen Line	1,473,903	5.8%		
8	HMM Co Ltd	821,552	3.3%		
9	Yang Ming Marine Transport Corp.	663,662	2.6%		
10	Zim	420,868	1.7%		
11	Wan Hai Lines	414,415	1.6%		
12	PIL (Pacific Int. Line)	266,667	1.1%		
13	KMTC	161,248	0.6%		
14	X-Press Feeders Group	150,783	0.6%		
15	IRISL Group	150,040	0.6%		
16	SITC	145,917	0.6%		
17	UniFeeder	141,333	0.6%		
18	Zhonggu Logistics Corp.	124,621	0.5%		
19	TS Lines	109,690	0.4%		
20	Sinokor Merchant Marine	109,181	0.4%		
21	Antong Holdings (QASC)	95,343	0.4%		
22	China United Lines (CULines)	84,511	0.3%		
23	RCL (Regional Container L.)	78,742	0.3%		
24	Sea Lead Shipping	74,302	0.3%		
25	Global Feeder Shipping LLC	64,864	0.3%		
26	Matson	63,665	0.3%		
27	SM Line Corp.	63,025	0.2%		
28	Arkas Line / EMES	55,847	0.2%		
29	Emirates Shipping Line	50,936	0.2%		
30	Swire Shipping	50,484	0.2%		

Source: Alphaliner Top 100 February 7, 2022

B. Three Major Shipping Alliances

According to Alphaliner's latest statistics (January 25, 2022), the three major alliances have a total market share of 86.2%, of which 2M+ZIM+SM Line accounted for 36.5%, OCEAN Alliance accounted for 30.5%, and THE Alliance accounted for 19.2%. The three alliances accounted for 95.1% of the main east-west routes, with the 2M+ZIM+SM Line leading by 35.6%, followed by OCEAN Alliance with 34.8% and THE Alliance with 24.7%.

5.1.3 Technology and R&D Overview

In 2021, the Company invested NT\$1,040 million in R&D expenses on the following projects:

1. Vessels

- (1) R & D and construction of Smart Ship Center.
- (2) Construction of SPECTEC marine management system.
- (3) Big data analyze system; and
- (4) Digitize vessel system.

2. Engineering

According to the relevant regulations of the International Maritime Organization (IMO), the sulfur content of vessel fuels shall not exceed 0.5%. The Company is planning to install scrubber equipment for existing vessels, and vessel with scrubber equipment can still use 3.5% high sulfur fuel. This will effectively reduce fuel cost and increase the the competitiveness of the route.

In 2021, the Company completed installment of scrubber equipment on YM Uniformity, YM Ubiquity, YM Unanimity, YM Upsurgence, and YM Unicorn. The ten 2,800 TEU new container vessels built at CSBC had been equipped with scrubber and the last 4 vessels were delivered in 2021. The latest energy saving paint application was applied to 16 vessels during their regular dry docking stage in 2021.

3. Information

Developed and modified system features	Summary of the system features
Artificial intelligence and machine learning	Use the machine learning and filtering functions to assist the dangerous goods management team to build a dangerous goods detection and defense platform and optimize the dangerous goods management process.
Big data analysis	Contribution analysis report for Bill of Lading/ weekly closing analysis report
Vessel system Digitalization	Optimize the vessel allocation control
Smart vessels	Fleet Satellite Broadband System
Cloud	Consolidated financial report/budget software in cloud
Robotic process automation	Apply RPA to the export HBL

5.1.4 Long-term and Short-term Development

1. Long-Term and Short-Term Plans for Ocean Going Shipping Lines

(1) Long-Term Business Plans

The medium and long-term business goal of the Company is stability and sustainability. This is based on THE Alliance development and mechanism, commencing service and deployment readjustments, carrying out the ship replacement and renewal plan to continuously improve the service quality simultaneously, and eyeing fast-reacting structural recovery measures to make up for the huge capacity loss caused by massive blank sailings and port omissions, as well as to maintain the Company's service quality. In response to the possible supply-demand imbalance leading to insufficient capacity and high-margin profit outlook, an ongoing scenario in 2022, the Company is planning not only on robust capacity recovery measures but also adjusting the delivery schedule of the new buildings to enhance business plan and profitability. In addition to existing liner services for

Asia/US, Asia/Mediterranean, Asia/Europe, Europe/US, Mediterranean/US, Asia/Middle East, Asia/Red Sea, Europe/Mediterranean, other potential markets and cooperation in regional services for East Mediterranean/Black Sea, Northwestern Europe/Scandinavia are considered to improve our service network and develop the niche markets such as Northern Africa and Central and South America. Given the advantage of the Company deploying its new building in THE Alliance this year, the capacity share to the Asia/North America services will increase, thereby enhancing the Company's commercial competitiveness, lowering unit cost, and facilitating profitability.

(2) Short-Term Business Plans

In addition to deepening the existing east-west routes, the short-term business plan will improve service quality and maintain capacity and service frequency as well as punctuality. Using THE Alliance's mechanism and focusing on fast response regarding market disturbances and global supply-chain disruption caused by COVID-19, THE Alliance will implement a flexible vessel cascading plan to quickly respond to the supply and demand variations and maintain service competitiveness.

Consider the impossibility to systematically resolve the capacity erosion caused by global terminal congestions and stricter COVID-19 measures worldwide, in addition to partnership with THE Alliance on capacity recovery, the Company will evaluate vessel deployment plan and business profitability to organize private extra loaders, serving profitable sectors between Asia to/from Europe and Asia to/from US West Coast, while also responding to the demand from our main markets and customers.

2. Long-term and Short-term Plans for Near-Sea Shipping Services

(1) Long-Term Business Plans

The long-term business development goal for the Company's near-sea lines is to gradually build an overall transportation network that reflects the natural growth of the market. The medium and long-term plans of the Company's near-sea lines will be based on existing routes and built on high-potential markets in emerging countries such as China and the ASEAN region, as well as Japan and Korea. The Company will gradually build a comprehensive service network, such as the Southeast Asian shipping fleet route, the North-South route in Northeast Asia/Southeast Asia, the Far East/India and Pakistan route, the Far East/Australia route, and the Far East/South American East Coast/West Coast route. We will also expand joint ventures to optimize rationalization of routes and ports, develop ship upgrades to reduce unit costs, and operate routes in a more efficient manner by integrating ship resources to ensure niche edge and remain competitive. We expect our line services to be more flexible and profitable.

(2) Short-term Business Plans

In response to the rapid changes in the Asian market and being optimistic about the development potential of the ASEAN market, the Company began in 2021 to expand the layout of Northeast Asia to Southeast Asia routes and joint ventures, and partner with ONE, KMTC and SITC to operate the Korea - China- Southeast Asia Express Service (KCX) to strengthen the service network connecting Northeast Asia and ASEAN members. In addition, we secured the Taiwan Chinese Indonesia (TCI) service through slot swap to develop the South East Asian market. Moreover, We will launch a new Australia service (CA2) in March 2022 so as to expand Australian market share. To consolidate the service layout, we will continue to seek opportunities for slot exchange cooperation to provide more convenient and excellent delivery service to enhance overall competitiveness.

5.2 Market analysis and the line/route condition

5.2.1 Market analysis

◆ Operating Plan for 2022

1. Asia-US Southwest coast service: deploying eleven full-container ships and partnering with THE Alliance to provide seven liner services per week between Asia and the US Southwest coast (including one Northwestern Europe-Asia-US Southwest pendulum route).
2. Asia-US Northwest coast service: deploying eleven full-container ships and partnering with THE Alliance to provide four liner services per week between Asia and the US Northwest coast.
3. Asia-US East coast service: deploying six full-container ships and partnering with THE Alliance to provide five liner services per week between Asia and the US East coast.
4. Asia-Northwestern Europe service: deploying five full-container ships and partnering with THE Alliance to provide five liner services per week between Asia and the Northwestern Europe (including one Northwestern Europe-Asia-US Southwest pendulum route).
5. Asia-Mediterranean service: deploying seven full-container ships and partnering with THE Alliance to provide three liner services per week between Asia and the Mediterranean.
6. Northwestern Europe-Mediterranean trade: deploying one full-container ship and partnering with COSCO to provide weekly service route between Northwestern Europe and the Mediterranean.
7. Intra-Europe regional service: deploying one full-container ship to provide liner service between Hamburg and Poland/Lithuania (IE2) and expand European range services through slot exchange with potential partners.
8. Intra-Mediterranean regional service: deploying one full-container ship to provide liner service between Romania, Ukraine (IBX) and through slot exchange with other non-THE Alliance operators, to expand the coverage of other Black Sea markets such as Turkey, Bulgaria, Georgia, Russia, etc.. In the face of Ukrainian war leading to the influences arisen from international sanction affecting vessel operation and commercial concerns, responds with timely evaluation and adjustment toward service coverage/rotation and slot exchange schemes as conflict develops, thus ensures safety in vessel operation and minimum commercial impacts.
9. Transatlantic service: partnering with THE Alliance to provide three liner services per week serving Europe to US, and one liner service from West Mediterranean to US East Coast with cooperation with ONE/Hapag-Lloyd/CMA CGM/COSCO/OOCL. The overall 4 liner services offer the comprehensive and extensive coverage in the Transatlantic trade.
10. Intra-Asia trade
 - (1) Taiwan-China Express service (TCX): deploying two full-container ships to provide one liner service per week between Northern and Central China and Taiwan.
 - (2) China-Taiwan-Indonesia service (CTI): deploying one full-container ship and partnering with COSCO, GSL and HMM to provide one liner service per week between Central China, Taiwan and Indonesia.
 - (3) China-Thailand Service (CTS): deploying one full-container ship and partnering with OOCL and GSL to provide one liner service per week between Central China, Vietnam, Thailand and Hong Kong.

- (4) China-Thailand service (CTX): deploying one full-container ship and partnering with KMTC and TSL to provide one liner service per week between Central China, Thailand and Hong Kong.
- (5) China-Vietnam Express service (CVX): deploying one full-container ship and partnering with TSL and SAS to provide one liner services per week between Central China, Hong Kong and Vietnam.
- (6) China-Thailand –Cambodia Express service (CTK): deploying one full-container ship and partnering with WHL and SAS to provide one liner service per week between Central China, Thailand and Cambodia.
- (7) China-Ho Chi Minh Express service (CHX): deploying one full-container ship and partnering with OOCL and RCL to provide one liner service per week between Northern and Southern China, Vietnam and Korea.
- (8) Pan Asia Service (PAS): deploying one full-container ship respectively and partnering with TSL to provide one liner service per week between Japan (Kyushu), Korea, Taiwan, Hong Kong and Southern China.
- (9) Japan-Taiwan-South China Express service (JTS): deploying four full-container ships to provide one liner service per week between Japan (Kanto region), Taiwan, Hong Kong, Southern China, Singapore, Malaysia and the Philippines.
- (10) Japan-Taiwan-Bangkok service (JTC): deploying four full-container ships to provide one liner service per week between Japan, Taiwan, Hong Kong, Thailand and Vietnam.
- (11) Japan-Malaysia-Vietnam service (JMV): deploying one full-container ship jointly managing with TSL, KMTC to provide one liner service per week between Japan, Hong Kong, Singapore and Malaysia.
- (12) Korea-Taiwan-Hong Kong service (KTH): deploying one full-container ship jointly managing with TSL and KMTC to provide one liner service per week between Taiwan, Hong Kong and Korea.
- (13) Taiwan Philippines Express service (TPE): deploying one full-container ship to provide one liner service per week between Taiwan and Philippines.
- (14) Taiwan-Ho Chi Minh service (THX): deploying one full-container ship jointly and managing with EMC and OOCL to provide one liner service per week between Taiwan, Hong Kong and Vietnam.
- (15) Taiwan-South East Asia service (TSE): deploying four full-container ships to provide one liner service per week between Taiwan, Hong Kong, Vietnam, Singapore, and Malaysia.
- (16) Thailand Indonesia Express service (ITS): deploying one full-container ship jointly managing with OOCL and GSL to provide one liner service per week between Singapore, Malaysia, Indonesia and Thailand.
- (17) Korea-China-Southeast Asia Express service (KCX): deploying one full-container ship and jointly managing with SITC, ONE, and KMTC to provide one liner service per week between Korea, Central China, Southern China, Singapore, Malaysia, and Thailand.
- (18) Pan Asia service I (PA1): exchanging container space with NGS to provide one liner service per week between China, Singapore and Malaysia.
- (19) North China-Thailand service (NCT): exchanging container space with COSCO to provide one liner service per week between Northern China, Hong Kong, Southern China and Thailand.

- (20) Middle China-Taiwan service (MCT): exchanging container space with CNC to provide one liner service per week between Taiwan and Eastern China.
- (21) Uni-Taiwan-Japan service (NSD): exchanging container space with EMC to provide one liner service per week between Taiwan and Japan.
- (22) Japan-Chinese-Vietnam service (JCV): exchanging container space with PanAsia to provide one liner service per week between China and Japan.
- (23) Japan-China-Ho Chi Minh service (JCH): exchanging container space with EMC to provide one liner service per week between Taiwan and Japan.
- (24) Japan-Taiwan-Hong Kong service (JTH): exchanging container space with EMC to provide one liner service per week between Taiwan and Japan (Kansai region).
- (25) Japan-Thailand Express service (JTX): exchanging container space with CMA CGM ASIA SHIPPING PTE. LTD. to provide one liner service per week between Japan, Taiwan, Hong Kong and Thailand.
- (26) Taiwan Philippines Manila South Port service (TPS): exchanging container space with WHL to provide one liner service per week between Taiwan and Philippines.
- (27) Taiwan-Indonesia service (TPI): exchanging container space with EMC to provide one liner service per week between Taiwan and Indonesia.
- (28) Taiwan-Hong Kong service (PR5): exchanging container space with KANWAY to provide one liner service per week between Taiwan and Hong Kong.
- (29) Kaohsiung-Fuzhou/Jiangyin Express service (FOC): exchanging container space with SPS to provide one liner service per week between Kaohsiung and Fuzhou.
- (30) China Malaysia Express service (CME): exchange container space with NGS to provide one liner service per week between China, Singapore and Malaysia.
- (31) Pan Asia service (PA5): exchange container space with CNC to provide one liner service per week between China, Singapore and Malaysia.
- (32) Taiwan Chinese Indonesia service (TCI): exchange container space with SAS to provide one liner service per week between Taiwan, Southern China, Malaysia and Indonesia.
- (33) Ningbo- Shanghai- Kaohsiung service (NSK): exchange container space with SITC to provide one liner service per week between Central China and Taiwan.
- (34) Ningbo- Shanghai- Kaohsiung service (SK2): exchange container space with SITC to provide one liner service per week between Central China and Taiwan.

11. Asia feeder service

- (1) South East Asia service V (SE5): leasing container space with RCL to provide one feeder liner service per week between Singapore, Thailand, Malaysia and Indonesia.

- (2) South East Asia service VIII (SE8): deploying two full-container ships to provide one feeder liner service per week between Singapore, Malaysia and Vietnam.
- (3) Sihanoukville dedicated service (RCX): exchanging container space with RCL to provide one feeder liner service per week between Singapore and Sihanoukville.
- (4) Songkhla dedicated service (RSE): exchanging container space with RCL to provide one feeder liner service per week between Singapore and Songkhla.
- (5) Singapore-Surabaya X-Press service (SSX): exchanging container space with XPF to provide one feeder liner service per week between Singapore and Surabaya.
- (6) Bohai Express III service-Dalian (BH3): leasing container space from XPF to provide one liner service per week between Northern China (Dalian) and Korea.
- (7) Bohai Express II service-Xingang (BH2): leasing container space from ONE to provide one liner service per week between Northern China (Xingang) and Korea.
- (8) Bohai Express IV service- Xingang (BH4): leasing container space from COSCO to provide one liner service per week between Northern China (Xingang) and Korea.
- (9) Thailand - Singapore service (TSS): leasing container space from ACL to provide one liner service per week between Singapore and Thailand.
- (10) Singapore - Surabaya service (SS2): leasing container space from XPF to provide one liner service per week between Singapore and Indonesia.
- (11) Singapore - Jakarta service (SJX): leasing container space from XPF to provide one liner service per week between Singapore and Indonesia.
- (12) Singapore-Yangon service (SYX): leasing container space from XPF to provide one feeder liner service per week between Singapore and Myanmar.

12. Asia-Australia trade

- (1) China-Australia-Taiwan service (CAT): deploying two full-container ships and jointing managing with EMC, SINOTRANS, TSL and HLC to cover operation in Central China, Taiwan and Australia.
- (2) China-Australia service (CA2): deploying one full-container ship and jointing managing with TSL, PIL and SEALEAD to cover operation in Northern-Central-Southern China and Australia.
- (3) Asia Australia alliance service 1 (AA1): providing liner service between Thailand, Singapore and Australia.
- (4) Asia Australia alliance service 2 (AA2): providing liner service between Singapore, Malaysia and Australia.

13. Central and South America service routes

- (1) South America service loop-3 (SA3): deploying one full-container ship and managing jointly with EMC, COSCO and CMA CGM to cover operation in Southern-Central China and Eastern South America.

(2) South America service loop-4 (SA4) deploying one full-container ship and managing jointly with EMC and COSCO to cover operation in Taiwan, Southern-Central China, Mexico and Central South America west coast.

(3) South America service loop-6 (SA6): providing liner service to cover operation in Taiwan, Southern-Central China, Mexico and Central South America west coast.

14. Asia -Middle East/Red Sea trade

(1) China-Gulf Express service (AG2): deploying six full-container ships and jointly managing with THE Alliance to cover operation in Central China, Southern China, Singapore, Malaysia and the Persian Gulf.

(2) Asia-Gulf Express service (AG3): deploying two full-container ships and jointly managing with THE Alliance to cover operation in Korea, China, Singapore, Malaysia and the Persian Gulf.

(3) Asia-Red Sea service (AR1): deploying five full-container ships and jointly managing with THE Alliance and WHL to cover operation in Korea, Southern-Central China, Singapore, Malaysia and the Red Sea.

15. Asia -India and Pakistan trade

(1) China - Pakistan Express service (CPX): deploying two full-container ships jointly managed with OOCL to operate through Central China, Southern China, Singapore, Malaysia, Pakistan, and India.

(2) East India and Northwest Europe Express service (IEX): deploying one full-container ship and jointly managing with ONE/HLC/COSCO/OOCL to cover operation in East India through the Mediterranean to Northwestern Europe.

16. Southern Asia feeder service

(1) South East Asia VI service (SE6): deploying one full-container ship to cover operation in Singapore, Malaysia and Bangladesh.

(2) Singapore-Chittagong service (SCS): providing liner service between Singapore, Malaysia and Chittagong.

(3) Straits-Bengal-Straits service (SBS): providing liner service between Singapore, Malaysia and Kolkata.

◆ Market Share and Supply, Demand and Growth in the Future

1. Transpacific Trade

According to the Drewry report, the overall volume growth rate of transpacific trade on the eastbound leg registered 12.5% in 2021, whereas the projection in 2022 will grow to 3.4%. According to Alphaliner, the Company's 2021 market share of capacity in the transpacific trade was approximately 5.3%.

2. Asia-Europe/Mediterranean Trade

According to the Drewry Report, the overall volumes on the westbound leg of Asia-Europe trade changed by 8.6% in 2021, while the total westbound volume of Asia-Mediterranean trade changed by 4.5%. The

overall volume growth rates of 3.4% and 8.1% on the westbound leg of the Asia-Europe trade and Asia-Mediterranean trades are expected respectively in 2022. According to Alphaliner, the Company's 2021 market share of capacity in the Asia-Europe and Asia- Mediterranean trade was approximately 3.3%.

3. Transatlantic Trade

The Company's container business in the Transatlantic trade focus on the development in the container market between Northwestern Europe/Mediterranean and the US East Coast. According to the Drewry Report, the overall volume on the westbound leg of the Transatlantic trade changed by 7.8% in 2021, while the overall volume of the eastbound leg changed by 7.6%. The overall volume on the westbound leg of the Transatlantic trade is expected to increase by 6.3% in 2022, and the overall volume on the eastbound leg is expected to increase by 4.1%.

4. Intra-Asia Trade

According to Global Insight report, the overall volume of the Intra-Asia trade is 34.98 million TEU in 2021. It is expected to reach 35.68 million TEU in 2022, a 2.0% growth from 2021.

5. Asia -Australia Trade

According to Global Insight report, the overall volume of the FE-Australia trade increased by 8.2% in 2021, and the overall volume is expected to increase by 7.6% in 2022. The Company's 2021 market share in the FE-Australia trade was approximately 2.3%.

6. FE-Middle East/Red Sea Trades

According to Global Insight report, the overall volume of the FE-Middle East/Red Sea Trade contracted by 6.3% in 2021, and the overall volume is expected to increase by 4.4% in 2022. The Company's 2021 market share in the FE-Middle East/Red Sea Trade was approximately 6.4%.

7. FE- Sub-Continental Trades

According to Global Insight report, the overall volume of the FE- Sub-Continental Trade increased by 21.3% in 2021, and the overall volume is expected to increase by 5.4% in 2022. The Company's 2021 market share in the FE- Sub-Continental Trade was approximately 2.1%.

8. FE-Central and South America Trades

According to Global Insight report, the overall volume of the FE-Central and South America Trade increased by 24.0% in 2021, and the overall volume is expected to contract by 4.8% in 2022. The Company's 2021 market share in the FE-Central and South America Trade was approximately 2.0%.

◆ Competitive Advantages and Business Visions

1. Favorable Factors

(1) Hyundai Merchant Marine (HMM) joins THE Alliance

The container shipping market has seen a series of mergers and acquisitions in recent years. In 2018, the reorganization of the shipping alliances was divided into three major alliances: 2M, Ocean Alliance, and THE Alliance. Hyundai Merchant Marine (HMM) joined THE Alliance in 2020 with 10 years agreement to strengthen cooperation within alliance and stabilize shipping market.

(2) New Vessels Delivered in Succession, Reducing Operating Costs

In order to increase competitiveness of service routes, the Company has begun operation twenty new 14,000 TEU long-term chartered and energy-saving vessels. From second quarter of 2020 to 2022, fourteen new 11,000 TEU long-term chartered and energy-saving vessels, and ten new self-owned 2,800 TEU feeder type vessels have been successively delivered and joined the YM fleet. These new energy-saving ships will effectively reduce the unit cost and reduce overall emissions.

(3) Continuing to Strengthen Regional Layout and Increase Loading Performance for Service

The Company will continue to strengthen regional market layout. In addition to the European and American segments, THE Alliance will provide more direct services to side ports and adjust the intra-Asia service. The newly-built 2,800 TEU vessels delivered this year will gradually replace the same type chartered-in ones and regional business will be developed through self-operation or exchange of slot in the emerging markets of Asia. To comply with the service route multi-stage utilization policy, we will enhance space utilization by increasing cargo loading to improve synergy of service routes.

(4) Increasing Benefit of Strategic Alliances

In addition to maintaining the existing service routes between Asia, the US, Europe, the Mediterranean and transatlantic, as well as the Middle East and Red Sea service routes, the Company in 2021 continued to rationalize the service route and optimize the shipping service, thereby maximizing the advantages of the service route layout and effectively lowering costs. The Company has also extended the scope of cooperation beyond THE Alliance to expand service layout and vessel deployment. Through the most economical port planning, the Company can significantly reduce the transportation time and operating unit cost MARPOL regulation between the ports and therefore step up competitiveness of the service route.

2. Unfavorable Factors

(1) Continuing rise of charter hire

Given unexpected reversion in the post-pandemic market, port congestion and freight rate upsurge are leading to the rise of charter hire. There is also the approaching date of carbon emission regulations whereby the IMO or EU will require carriers and vessel owners to expedite fleet renewal. The overall vessel demand will probably increase due to comprehensive speed reduction requirements. This could lead to an upsurge of vessels' daily operating costs.

(2) Competition Within the Market

Although the market supply may have been disrupted during the COVID-19 pandemic, the shipping industry has shown a "V-shaped" reversal following the gradual easing of lockdown restrictions. As a result, the strong demand for ocean cargo freight are forcing carriers to charter vessels in the spot chartering market to meet said demand. The thriving charting market leads rate hike, forcing carriers to consider vessels deployment through purchasing second-hand vessels building new ones. As to overall market capacity, an oversupply is still projected over the long period. This is because supply and demand are still very much affected by a market reeling and recovering from the pandemic. The higher charter rate or expansive second-hand vessels in 2020 and 2021 are competitive disadvantage affecting carriers' overall operating performance.

3. Countermeasures

(1) Continuing to Promote Flexible Alliance Strategies

Due to the rise of mergers and acquisitions of large shipping companies and the wave of consolidation in the shipping market will continue. strengthen competitiveness by continuously promoting flexible alliance strategies, reducing operating costs and improving service route service quality. In 2022, the Company, along with THE Alliance partners will carry out optimization of service routes to improve service quality.

(2) Developing Business in Emerging Markets

Due to fierce competition in the main east-west service routes, the Company is continuing its business development in emerging markets, such as Vietnam, the Eastern Mediterranean, the Baltic, South America as well as others to expand service network and efficiently utilize the Company's fleet capacity

(3) Strengthened Cost Control

By keeping ourselves updated on the latest market dynamics and competitor analysis, we cooperate with alliance partners in service, slot exchange, and moderately adjust the service route structure to achieve the goals of cost savings (including fuel and port charges). Other strategies include fuel price hedging, chartering market monitoring, ship flexible operation, and establishing overseas agencies.

(4) Strict Control of Operational Safety and Quality

Operational safety is of utmost importance to the shipping service industry. By completing ISPS certifications for our vessels, we are improving operational safety to ensure service quality. The integration of information systems in the shipping industry operations is gaining momentum in the development of the shipping industry. Therefore, the integration and implementation of information application systems has been accelerated to enhance service quality and management effectiveness.

(5) Complying with New Environmental Regulations and Countermeasures

With the expectation that the carbon emission regulations under IMO and EU structure shall come into force respectively, it is estimated that the carriers will be investing in the next-generation new buildings with low fuel consumption design or adopting low carbon alternative fuels in order to reduce the CO2 emissions while maximizing the overall competitiveness.

5.2.2 Production Procedures and Main Uses of Main Products: not applicable.

5.2.3 Supply Status of Main Materials: not applicable.

5.2.4 Clients (suppliers) Accounting for 10% of Sales (Purchase) or More in the Last Two Years: none.

There were no clients accounting for 10% of sales or more in the last two years.

5.2.5 Production in the Last Two Years: not applicable.

5.2.6 Shipments and Sales in the Last Two Years

Unit: NT\$ thousands

Sales & Volume Items	2021		2020	
	Amount	Volume (TEU)	Amount	Volume (TEU)
Cargo revenue: Deep sea	281,355,505	3,126,460	111,339,516	3,628,378
Cargo revenue: Short sea	25,890,812	1,287,821	19,856,638	1,446,209
Others	6,807,991	-	5,263,300	-
Rental revenue on vessel	2,515,438	-	2,025,636	-
Slottage revenue	3,030,879	-	2,640,645	-
Other operating revenue	14,086,770	-	10,150,948	-
Total	333,687,395	4,414,281	151,276,683	5,074,587

5.2.7 Maritime Key Performance Indicator

The Company's overall performance evaluation is divided into cross-departmental business performance indicators and annual operational indicators. Inter-departmental business performance indicators are controlled by various inter-departmental project meetings. Through the implementation of the Group's project cooperation, the Company is promoting various resources integration, cost control, process improvement, whose strategies cover various functions of the Company, including business, transportation, finance and information. The annual operating indicators aim to control overall profit and loss, and improve operational efficiency and cost savings. In respect of vessels, the relevant works will be completed on time according to the ship docking contract, and resources and industry-university cooperation will be utilized to strengthen the crew's actual functions. By reviewing the unbalanced area of the containers and proposing specific improvement measures, and integrating the support of the information system for stock forecast, we are committed to improving the immediacy and accuracy of containers. Long-term containers lease with higher costs are replaced with those of lower cost upon maturity of contracts. On the information system, there are continuous system promotion and optimization, big data and business intelligence specific applications, Line Manager management information system and ship information system integration development. As per business needs and agency evaluation indicators, agent or proxy line replacement is being set up in the agency system. In respect of information system, we continue to carry out system promotion and optimization, big data and business intelligence specific applications, Line Manager management information system and ship information system integration development. In the agencies' management, we not only set up Yang Ming owned agencies and select qualified new agency to meet business or expansion needs, but also conduct an overall review the agency performance to encourage or to replace the existing agencies according to its performance.

5.3 Employee status from the two most recent fiscal years up to the date of publication of this annual report

Year		2021	2020	2022.03.29
Number of employees	Office service	4,703	4,683	4,715
	Sea service	1,278	1,265	1,276
	Total	5,981	5,948	5,991
Average age		39.27	39.40	39.28
Average service years		8.52	8.45	8.48
Education level	Ph.D.	0.03%	0.07%	0.03%
	Master's degree	8.69%	8.66%	8.63%
	College degree	70.63%	70.11%	70.83%
	High school degree	17.23%	17.70%	17.11%
	Middle school and below	3.42%	3.46%	3.40%

5.4 Expenditure on Environmental Protection

5.4.1 In the most recent year and up to the printing date of the annual report, the Company does not have any major violations of environmental protection regulations.

5.4.2 The Company's countermeasures for future environmental protection.

The Company always treats environmental protection as a duty and responsibility. All newly built vessels comply with the international standards and adopt advanced designs to prevent pollution of ocean and air. We set up our environmental policy and were the first shipping company in Taiwan to be certificated by ISM in 1996, ISO14001 in 2004 and OHSAS 18001 in 2005. In 2006, we joined the Business for Social Responsibility (BSR) and our Clean Cargo Working Group (CCWG) to work with other companies for more responsible business practices, innovation and collaboration. In 2007, we began circulating our annual environment Performance Report via the Company's website to provide related environmental information for the knowledge of our customers and the public. In 2009, we set up an energy conservation team to study and implement environmental protection actions for energy conservation and resource recovery. In 2014, we provided carbon emission calculator service of shipping on our website to help customers achieve the lowest possible carbon emissions from the door-to-door, green-delivery supply chain.

1. The following environmental protection measures are to be developed and carried out this year:

- (1) Implementation of the SEEMP (Ship Energy Efficiency Management Plan) Part I and Part II to achieve the goals of energy-saving and reduced carbon emission.
- (2) Use of low-sulphur fuel oil and reduction of speed by vessels in Emission Control Areas to abide by MARPOL 73/78/97 Regulations and local rules.
- (3) Application for Observant of the Oil Pollution of 1990, Non-Tanker Vessels Response Plan and Financial Guaranty and Financial Responsibility Certificate for all vessels sailing to US ports.
- (4) Acquirement of Bunker Convention Certificates from the signatory states by observing the 2001 Bunker Convention.
- (5) Purchase of the Liability Insurance of the Protection and Indemnity.

- (6) Strict auditing of ISM/ISO14001 codes and corrective measures in order to ensure the safety of personnel, ships, cargoes and environment and to avoid maritime accident and pollution.
- (7) Conduction of organized training courses and practical exercises on environmental protection, risk management and energy saving for all crew members to reinforce personnel's professional knowledge and skill of preventing maritime pollution and accidents.
- (8) Paying close attention to development of international environmental regulations, and observing new regulations coming into effect to ensure the fleet can meet international environmental regulations while voyaging in the world's ports.
- (9) The Company has provided the service of carbon calculator for cargo transportation on our website, to help our customers achieve a door-to-door, green supply chain by keeping the carbon footprint as low as possible.
- (10) The Inventory of Hazardous Materials (IHM) is effective from 12.31.2020. We are prepared to take samples on board for testing to facilitate the identification and control of the location and quantity of hazardous substances on ships.
- (11) January 2020 marked the beginning of an unprecedented transition of the shipping industry into a greener future with a regulation mandating the level of Sulphur content in marine fuels is limited to 0.5%. YangMing fleet has reduced its Sulphur oxide emission by 70% compared to using high Sulphur fuel oil. And the fleet YangMing had met this requirement ahead of time in the fourth quarter of 2019.
- (12) Yang Ming has planned 30% of the vessels in its fleet for scrubber installment to reduce sulphur contents and other substances that may cause acid rain in the exhaust gas.
- (13) In response to the introduction of environmental protection regulations and standards such as EEXI and CII at the IMO MEPC meeting, Yang Ming is strengthening cooperation with the third parties to conduct real-time monitoring, and planning to improve ship condition (entry dry-dock and improve hull performance) every 2.5 years in order to reduce fuel consumption.

2. Estimated capital expenditure on environmental protection for the next three years:

In compliance with MARPOL 73/78/97 Regulations and local rules, facilities for careful treatment of oil, water, sewage and air pollution have been installed on vessels under construction. Expenditure for future purchase/ installment/re-equipment of such facilities will be included in the overall shipbuilding cost.

3. Effects of setting up additional equipment on the Company:

All of the Company's vessels use facilities to prevent oil, sewage and air pollution and are in compliance with international environmental protection standards as required by MARPOL 73/78/97 Regulations and local rules.

5.4.3 The Taiwan Stock Exchange's Letter No.0950007006 dated April 13, 1995 requested disclosure of RoHS Information (EU legislation restricting the use of hazardous substances in electrical and electronic equipment): According to the characteristics of maritime shipping industry, the Company should not be covered by the EU RoHS.

5.5 Employee and Employer Relations

5.5.1 Current Significant Labor Agreements and Implementation

1. Employee welfare measures: the Company allocates 0.075% of its revenue into the employee welfare fund, and carries out welfare tax withholding for employees in the amount of 0.5% of each employee's salary, on a monthly basis. The fund is managed by the Employee Welfare Committee, to organize a variety of welfare events.

2. Education and Trainings

Unit: NT\$

Trainings	Abstract	Total training hours (HR)	Amount
Orientation program	The Company organizes orientation program, maritime studies, maritime management practices, vessel boarding and container yard visits, e-learning courses, and other internal and external training courses for new employees. Through these activities, new employees can understand the Company's philosophy, organization, culture and human resources.	2,596	33,580
Job development training	The Company holds training courses such as the sharing of professional knowledge among departments, problem analysis and solution, non-financial staff accounting practice, AEO and C-TPAT certification scope, prevention of insider trading, Code of Ethical Management & Guidelines on Unethical Conduct Prevention, confidential management guidance courses, prevention of malicious email and social engineering exercises, occupational safety lectures, such as vocational and safety lectures, YM lectures, external professional training, occupational safety training to strengthen employees' professionalism and improve performance. Employees are encouraged to learn foreign languages and attend continued education courses. Through these trainings, the Company wishes to strengthen the basic knowledge and skills of all employees.	9,824	1,139,088
Managing skills training	The Company organizes training course for managers to practice skills such as negotiation so as to elevate their managing and planning skills.	1,138	490,460
Ship Crew training	Ship-related safety management policies and methods are established according to ISM CODE, and EMQM and EMFA. The ship's operational safety is improved by the audit and supervision of the ship or the ship-to-ship mechanism. And ISM CODE training courses are regularly conducted every year. Participants include all crews and cadets.	4,830	2,138,479

3. Retirement system: Please refer to Attachment 1 on Notes 23 for Retirement Benefits Plans.

4. Other significant agreements: None.

5.5.2 Any loss sustained as a result of labor disputes in the most recent fiscal year, and during the current fiscal year up to the date of publication of the annual report, estimate of losses incurred to date or likely to be incurred in the future, and countermeasures:

In the most recent fiscal year and during the current fiscal year up to the date of publication date of the annual report, the Company have sustained related losses as a result of labor disputes that incurred mainly legal costs for handling cases, which took up a very small proportion of the company's revenue. The remaining outstanding litigation cases related to labor disputes are currently being handled by attorneys appointed by the Company. Among them, possible loss are estimated to account for a small proportion of the company's revenue, so it has no significant impact on the Company's finances and business.

5.5.3 Employee Code of Ethics

1. Employees should be committed to their duties, comply with government laws and regulations and company regulations, and obey the management's command, and carry out dispatch from supervisors at all levels.
2. Employees are absolutely obligated to keep the Company's technical and business data in utmost confidentiality, and must not disclose or infringe on the Company's confidential business rights and interests, whether or not they are in charge of the affairs. Salary, for instance, is confidential information. Employees should abide by the obligation not to inquire, comment on the salary of others, and disclose their own.
3. When employees report job-related matters, except for emergency or special circumstances, they should follow the order of the administrative system and must not go over their immediate supervisors.
4. Employees are not allowed to leave their jobs without prior approval.
5. When conducting business, employees shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, including rebates, commissions, palm greasing payments, or offer or accept improper benefits in other ways to or from clients, agents, contractors, suppliers, public servants, or other interested parties.
6. Employees shall not carry ammunition and knives, dangerous goods, contraband or other items that violate workplace safety.
7. Employees shall wear identification cards in the workplace and return the identification card to the Company when they no longer work for the Company.

5.5.4 Procedures for Handling Material Inside Information

In order to strengthen corporate governance, the Company has established the "Procedures for Handling Material Inside Information," the internal information processing and disclosure system, and published the procedures in the corporate governance section under "Investor Services."

5.5.5 Occupational Safety and Health Policies

The Company is a prominent actor in international marine transportation services. Based on the results of risk and opportunity assessment, we focus on the safety of personnel and goods during transportation. Put simply, employees are important assets of the Company. Therefore, we provide a safe and healthy working environment and operating procedures to ensure the safety and health of personnel.

In order to achieve the ideal of zero hazard, zero accident and zero injury, we follow the following policies:

1. Comply with government regulations and the Company's safety and health requirements.
2. Prevent occupational injuries and physical and mental health incidents, and "continue to improve" safety and health management systems and performance.
3. Top management should proactively participate in and supervise safety and health management, and regularly review audits and performance assessments.
4. Organize various safety and health related training and activities so that employees at all levels can fully understand their personal safety and health responsibilities.
5. Encourage employees to participate in workplace safety training and provide necessary resources for safety and health related events.
6. Provide health examinations to maintain the physical and mental health of employees. Health indicators are as important as safety goals.

5.6 Information and Cyber Security Management

5.6.1 Information Cyber security policy and objectives.

The Company established the Information Security and Network Management Team in January 2008 to coordinate the formulation of information security-related policies and the implementation and management of information security management systems. In October of the same year, the Company was awarded the ISO 27001 information security management system (ISMS) certification, and the Chief Information Officer served as the ISMS representative. The ISMS Management Review Meeting is held once a year, presided over by the Company Chairman or his designated personnel, and the participants are the heads or representatives of each relevant department, reporting and reviewing the effectiveness of the implementation of the information security management system and the tracking of proposals, and at the same time, the Audit Office will report its annual audit result of the ISMS.

Considering internal or external deliberate or accidental threats and damage, which may lead to the risk of tampering, disclosure, destruction or loss of business information, at the time of the implementation of ISMS, the information security policy is formulated as "Utilize information technology to integrate the risk control mechanism for ensuring the overall competitiveness of the enterprise's operation", and the relevant strategies are formulated as follows

- ◆ Hardware SCOP - System hardware construction towards Standard specifications, Consistency, Open architecture and Proper-sizing in a way that scales appropriately, at a steady pace.
- ◆ Software and Application System CSCIS - Data Processing and Information Management System Establishment is developed and built with the Common Environment, Standardization, Collaboration compatibility, Integration and Signification importance as the elements.
- ◆ Network STAR- This keeps network services running properly, and it achieve a seamless borderless, Transparent transparency, accessible and Reliable network environment, multiple and automatically converted network connections, and the ultimate goal of zero missing.
- ◆ Customer Service - Maintain the level of information service support business, so that customers can enjoy the convenience of Convergent, timely timeliness, Accurate correctness and Creative information services.

- ◆ Information Security - To ensure the confidentiality of the Company's business information, integrity correct integrity and Availability are improved to achieve, information security protection capabilities, effectively manage organizational risks, and achieve business continuity goals.
- ◆ The information security protection capabilities is improved to stay in line with the Group's security vision and information policy.

Cyber security topics

- ◆ Integrity is to ensure the reliability and correctness of business data.
- ◆ Availability is to offer a high level of assurance that the business data are accessible to authorized subjects.
- ◆ Confidentiality is to ensure the protection of business data and privacy.
- ◆ Following state law and security standard to complete business contingency operation.

5.6.2 The specific management plan is divided into three parts

Basic Security Protection	
Cyber security	Strengthen network firewall and network control to prevent the spread of computer viruses.
Endpoint security	Strengthen endpoint anti-virus software installation and operation to prevent malicious programs from entering the host and personal computers.
Web surf security	Web Browsing Security Import proxy servers to strengthen network control and prevent connecting malicious websites.
Spam prevention	Email Security Strengthens the detection of malicious messages and prevents malicious mail intrusions.
Review and Continuous Improvement Education	
Education and training	Regular social engineering drills are organized to strengthen staff's awareness of information security. Information education and training are held regularly for all employees.
Information Security Effectiveness Monitoring	
Security operation Centre	The Information Security Maintenance and Operation Center entrusts external experts to establish the Security Maintenance and Operation Center, which is a centralized real-time unit that controls the information security status of the organization. The center collects and manages the information security information of the organization in various situations, responds urgently to the management and control mechanism of the security incident, and integrates and analyzes the security incident to ensure the information security of the organization.
Information sharing	Intelligence Acquisition, Joins TWcert for the latest threat intelligence.

5.6.3 Invest in the resources of capital security management

1. Certification

Passed ISO27001 annual certification auditing

2. Training/advocacy

- (1) Completed the education and training of 80 new employees
- (2) Published the information security reports in company's monthly publication
- (3) Completed the company's annual information security basic education
- (4) Completed three times a year employees' e-mail social engineering drills and related re-education

(5) Completed the information security training for expatriate overseas personnel

3. Execution/monitoring

(1) Completed the annual vulnerability scan

(2) Completed the annual off-site backup drill

(3) Completed the weekly security status tracking

5.6.4 As of the date of publication of the annual report, there have been no major information safety incidents or related losses.

5.7 Important Agreements

5.7.1 Joint Party Contract

2022.03.29

Agreement	Counterparty	Period	Major Contents	Restrictions
THE Alliance HOA	Hapag-Lloyd / ONE/HMM	2020.04.01-2030.03.31 Any line shall have the right to issue 12 months prior written notice of withdraw. Such notice may not be given before 36 months having elapsed after the Commencement date.	Asia/Europe, Asia/Mediterranean, Asia/ U.S.West Coast, Asia/U.S.East Coast, Asia/ Middle East, Asia/Red Sea, U.S East Coast/ North Europe, U.S East Coast/Mediterranean	-
THE Alliance OA	Hapag-Lloyd/ ONE/HMM	2020.04.01-2030.03.31 Any line shall have the right to issue 12 months prior written notice of withdraw. Such notice may not be given before 36 months having elapsed after the Commencement date.	Asia/Europe, Asia/Mediterranean, Asia/ U.S.West Coast, Asia/U.S.East Coast, Asia/ Middle East, Asia/Red Sea, U.S East Coast/ North Europe, U.S East Coast/Mediterranean	-
AL6	Hapag-Lloyd/ ONE/HMM/ COSCO/CMA-CGM/OOCL	2018.12.04-now Any Line shall have the right to issue 6 months prior written notice of withdraw. Minimum validity of this Agreement is 24 months.	Mediterranean/ U.S.East Coast	-
EC6 MOU	Hapag-Lloyd/ ONE/HMM/EMC	2021.04.05-2022.04.04 Any Line shall have the right to issue 6 months prior written notice of withdraw. Such notice may not be given before 9 months having elapsed after the Commencement date.	Asia/ U.S.East Coast,Gulf	-
IEX MOU	Hapag-Lloyd/ COSCO/ONE/ OOCL	2019.10.28-now Any Line shall have the right to issue 6 months prior written notice of withdraw. Such notice may not be given before 12 months having elapsed after the Commencement Date of this Agreement.	East India/Mediterranean/North Continental Europe	-
NEX	COSCO	2019.10.01-now Any Line shall have the right to issue 3 months prior written notice of withdraw. Such notice may not be given before 9 months having elapsed after the Commencement Date of this Agreement.	North Continental Europe/Mediterranean	-
IE2	COSCO	2017.04.01-now Any Line shall have the right to issue 3 months prior written notice of withdraw. Such notice may not be given before 6 months having elapsed after the Commencement Date of this Agreement.	Intra Europe	-
IBX	EMES	2018.01.01-now Any Line shall have the right to issue 3 months prior written notice of withdraw. Such notice may not be given before 2 months having elapsed after the Commencement Date of this Agreement.	Intra Black Sea	-

Agreement	Counterparty	Period	Major Contents	Restrictions
KTH	TSL/KMTC	2017.08.13-the indefinite duration Termination of contract requires a ninety-day pre-notice	Korea-Taiwan-Hong Kong service	-
THX	EMC/OOCL	2006.04.04-the indefinite duration Termination of contract requires a ninety-day pre-notice	Taiwan-Ho Chi Minh service	-
PAS	TSL	2014.05.07-the indefinite duration Termination of contract requires a sixty-day pre-notice	Pan Asia service	-
PR5	KWY	2013.01.07-the indefinite duration Effective after the expiration of the contract. Termination of contract requires a thirty-day pre-notice	Intra-Asia service	-
CTI	COSCO/GSL/HMM	2020.11.24-the indefinite duration Termination of contract requires a ninety-day pre-notice	China-Indonesia service	-
JTX	CMA CGM ASIA SHIPPING PTE. LTD.	2009.01.13-the indefinite duration Termination of contract requires a forty-five-day pre-notice	Intra-Asia service	-
NSD/JTH/TPI/JCH	EMC	2009.09.06-the indefinite duration Termination of contract requires a sixty-day pre-notice	Intra-Asia service	-
(RCX+RSE) / ITS	RCL	2020.09.11-the indefinite duration Termination of contract requires a one-month pre-notice	Intra-Asia service	-
TPE/TPS	WHL	2018.10.23-the indefinite duration Termination of contract requires a sixty-day pre-notice	Intra-Asia service	-
FOC	FOS	2017.07.21-the indefinite duration Termination of contract requires a sixty-day pre-notice	Intra-Asia service	-
PA1/CTI	NGS	2017.05.27-the indefinite duration Termination of contract requires a ninety-day pre-notice	Intra-Asia service	-
CTS MOU	OOCL/GSL	2016.08.13-the indefinite duration Termination of contract requires a three-month pre-notice	China-Thailand service	-
CVX MOU	SAS /TSL	2018.01.09-the indefinite duration Termination of contract requires a three-month pre-notice	China (Central China)-Vietnam service	-
JMV	TSL/GSL/KMTC	2019.04.15-the indefinite duration Termination of contract requires a three-month pre-notice	Japan-Malaysia- Vietnam service	-
CTK MOU	WHL/SAS	2020.12.08-the indefinite duration Termination of contract requires a 60-day pre-notice	China-Thailand-Cambodia service	-
SE5	RCL	2020.09.03-the indefinite duration Termination of contract requires a one-month pre-notice	South East Asia service	-
BHX/BH2/BH3	ONE	2018.11.18-the indefinite duration Termination of contract requires a 30-day pre-notice	China-Korea service	-
SE8/SSX	XPF	2020.12.27-the indefinite duration Termination of contract requires a 30-day pre-notice	Intra-Asia service	-
JTS/JCV	PanAsia	2019.05.12-the indefinite duration Termination of contract requires a thirty-day pre-notice	Intra-Asia service	-
CAT	EMC/SNL/TSL/HLC	2020.10.16-the indefinite duration Termination of contract requires a three-month pre-notice	Asia-Australia service	-

Agreement	Counterparty	Period	Major Contents	Restrictions
CA2 MOU	TSL/PIL/SEALEAD	2022.03.06-the indefinite duration Termination of contract requires a three-month pre-notice	Asia-Australia service	-
AR1	HLC/ONE/WHL	2018.04.06-the indefinite duration Termination of contract requires a three-month pre-notice	Asia-Red Sea service	-
CAT/AA1/AA2	PIL	2018.07.27-the indefinite duration Termination of contract requires a two-month pre-notice	Asia-Australia service	-
CPX	OOCL	2009.05.21-the indefinite duration Termination of contract requires a ninety-day pre-notice	Asia-South Asia service	-
SE6/SCS/SBS	SOL	2015.11.03-the indefinite duration Termination of contract requires a twenty-one days pre-notice	Asia-Bangladesh/Kolkata service	-
SA3	EMC/COSCO/CMA CGM	2017.01.20-the indefinite duration Termination of contract requires a six-month pre-notice	Asia-Eastern South America service	-
SA4	EMC/COSCO	2015.12.25-the indefinite duration Termination of contract requires a ninety-day pre-notice	Asia-Western South America service	-

5.7.2 Long-term Loan Contract

2022.03.29

Agreement	Counterparty	Period	Major Contents	Restrictions
Bank Mortgage Loan	The Company and Hua Nan Bank	2021.03.12-2031.03.12	The principal shall be repaid in 14 successive semiannual installments commencing on the date of expiry, four years from the date on which the mortgage loan drawdown.	-
Bank Mortgage Loan	The Company and Taiwan Cooperative Bank	2021.10.26-2031.10.26	The principal shall be repaid in 14 successive semiannual installments commencing on the date of expiry, four years from the date on which the mortgage loan drawdown.	-
Bank Mortgage Loan	Kuang Ming and Chang Hwa Bank	2020.02.27-2025.02.27	The principal shall be repaid in 20 successive quarterly installments commencing on the date of expiry, 3 months from the date on which the initial advance is made.	-
Bank Mortgage Loan	Kuang Ming and The Export-Import Bank of The Republic of China	2016.08.16-2026.08.16	The principal shall be repaid in 15 successive semiannual installments commencing on the date of expiry, 3 years from the date on which the initial advance is made. According to amendment agreement, the fourth (4th) and fifth (5th) installments of the repayment shall be extended to be equally repaid at the remaining installments. And the repayment amounts of the fourth (4th) and fifth (5th) installments shall be equally divided in ten (10) portions.	-
Bank Mortgage Loan	Kuang Ming – Liberia and Taiwan Cooperative Bank	2019.11.14-2025.11.14	The principal shall be repaid in 24 successive quarterly installments commencing on the date of expiry, 3 months from the date on which the initial advance is made.	-
Bank Mortgage Loan	Kuang Ming – Liberia and Taiwan Cooperative Bank	2020.09.28-2026.09.28	The principal shall be repaid in 24 successive quarterly installments commencing on the date of expiry, 3 months from the date on which the initial advance is made.	-

VI Overview of the Company's Financial Status

6.1 The Consolidated Financial Statement and Information for the recent five fiscal years

6.1.1 Condensed Balance Sheet and Condensed Statement of Comprehensive Income — IFRSs

1. Condensed Consolidated Balance Sheet — IFRSs

Unit: NT\$ Thousands

Item \ Year		Financial Data in the Most Recent Five Years (Note)				
		2017	2018	2019	2020	2021
Current Assets		26,887,325	34,639,473	35,818,085	46,261,219	226,556,919
Property, Plant and Equipment		80,987,285	78,371,995	72,258,682	73,663,236	73,895,469
Intangible Assets		106,454	98,222	122,234	88,268	80,847
Other Assets		24,895,346	26,863,409	82,802,838	74,963,262	83,882,649
Total Assets		132,876,410	139,973,099	191,001,839	194,975,985	384,415,884
Current Liabilities	Before Distribution	44,340,702	47,496,628	61,249,304	59,749,354	73,236,883
	After Distribution	-	-	-	-	Note
Non-current Liabilities		62,026,108	72,181,727	112,670,336	98,891,779	76,856,335
Total Liabilities	Before Distribution	106,366,810	119,678,355	173,919,640	158,641,133	150,093,218
	After Distribution	-	-	-	-	Note
Equity Attributable to Shareholders of the Parent		26,033,565	19,828,008	16,463,534	35,678,232	233,691,274
Capital Stock		23,230,248	23,230,248	26,013,357	31,676,622	34,921,043
Capital Surplus		5,571,490	4,739,792	1,939,381	384,106	27,975,030
Retained Earnings	Before Distribution	(1,565,150)	(7,131,851)	(11,462,514)	1,660,919	169,070,638
	After Distribution	-	-	-	-	Note
Other Equity		(1,203,023)	(1,010,181)	(26,690)	1,956,585	1,724,563
Treasury Stocks		-	-	-	-	-
Non-controlling Interests		476,035	466,736	618,665	656,620	631,392
Total Equity	Before Distribution	26,509,600	20,294,744	17,082,199	36,334,852	234,322,666
	After Distribution	-	-	-	-	Note

VI. Overview of the Company's Financial Status

2. Condensed Consolidated Statement of Comprehensive Income — IFRSs

Unit: NT\$ Thousands (Except EPS: NT\$)

Item \ Year	Financial Data in the Most Recent Five Years (Note)				
	2017	2018	2019	2020	2021
Operating Revenue	131,077,812	141,832,929	149,181,262	151,276,683	333,687,395
Gross Profit	6,495,225	42,223	6,074,766	26,084,316	213,131,060
Income (Loss) from Operations	774,786	(5,666,392)	(1,014,685)	19,460,192	203,384,516
Non-operating income and expenses	(139,996)	(1,413,816)	(2,573,130)	(3,310,149)	(1,007,771)
Income (Loss) before income tax	634,790	(7,080,208)	(3,587,815)	16,150,043	202,376,745
Net income (loss) of continuing business units	491,866	(6,306,356)	(3,997,896)	12,186,788	165,601,881
Loss of suspended business unit	-	-	-	-	-
Net Income (Loss)	491,866	(6,306,356)	(3,997,896)	12,186,788	165,601,881
Other comprehensive income for the year, net of income tax	(425,762)	91,690	950,381	1,448,115	1,785,301
Total comprehensive income for the year	66,104	(6,214,666)	(3,047,515)	13,634,903	167,387,182
Net income (loss) attributable to stockholders of the parent	320,849	(6,590,955)	(4,309,957)	11,977,013	165,268,628
Net income attributable to non-controlling interests	171,017	284,599	312,061	209,775	333,253
Total comprehensive income (loss) attributable to stockholders of the parent	(90,971)	(6,473,151)	(3,330,571)	13,476,092	167,177,697
Total comprehensive income attributable to non-controlling interests	157,075	258,485	283,056	158,811	209,485
Earnings (Loss) per share	0.17	(2.53)	(1.66)	4.51	48.73

Note: 1. The most recent financial report signed and reviewed by certified accountants.

2. IAS 33 provides that the calculation of the earnings (loss) per share (EPS) for the period presented shall be adjusted retrospectively when the number of ordinary shares or potential ordinary shares outstanding decreases as a result of a reverse share split.

3. Retained earnings have not yet proposed for distribution by the Shareholders' meeting.

3. Condensed Individual Balance Sheet — IFRSs

Unit: NT\$ Thousands

Item \ Year		Financial Data in the Most Recent Five Years (Note)				
		2017	2018	2019	2020 (Restatement)	2021
Current Assets		18,183,499	25,868,143	25,535,993	29,330,939	198,945,571
Property, Plant and Equipment		34,632,559	34,537,154	34,649,013	40,503,349	43,378,620
Intangible Assets		76,035	57,220	78,223	62,034	51,479
Other Assets		56,556,774	56,331,139	111,116,824	108,775,301	126,091,548
Total Assets		109,448,867	116,793,656	171,380,053	178,671,623	368,467,218
Current Liabilities	Before Distribution	37,630,120	38,706,021	51,826,645	48,782,026	60,970,638
	After Distribution	-	-	-	-	Note
Non-current Liabilities		45,785,182	58,259,627	103,089,874	94,211,365	73,805,306
Total Liabilities	Before Distribution	83,415,302	96,965,648	154,916,519	142,993,391	134,775,944
	After Distribution	-	-	-	-	Note
Capital Stock		23,230,248	23,230,248	26,013,357	31,676,622	34,921,043
Capital Surplus		5,571,490	4,739,792	1,939,381	384,106	27,975,030
Retained Earnings	Before Distribution	(1,565,150)	(7,131,851)	(11,462,514)	1,660,919	169,070,638
	After Distribution	-	-	-	-	Note
Other Equity		(1,203,023)	(1,010,181)	(26,690)	1,956,585	1,724,563
Treasury Stocks		-	-	-	-	-
Total Equity	Before Distribution	26,033,565	19,828,008	16,463,534	35,678,232	233,691,274
	After Distribution	-	-	-	-	Note

VI. Overview of the Company's Financial Status

4. Condensed Individual Statement of Comprehensive Income — IFRSs

Unit: NT\$ Thousands (Except EPS: NT\$)

Item \ Year	Financial Data in the Most Recent Five Years (Note)				
	2017	2018	2019	2020 (Restatement)	2021
Operating revenue	110,458,769	119,440,265	129,368,247	127,808,609	244,723,602
Gross profit (loss)	1,662,460	(4,906,418)	69,135	18,095,761	153,531,906
Income (Loss) from Operations	60,190	(6,335,259)	(2,266,212)	15,803,865	148,880,036
Non-operating income and expenses	154,424	(1,312,668)	(2,037,710)	(304,754)	51,024,810
Income (Loss) before income tax	214,614	(7,647,927)	(4,303,922)	15,499,111	199,904,846
Net income (loss) of continuing business units	320,849	(6,590,955)	(4,309,957)	11,977,013	165,268,628
Loss of suspended business unit	-	-	-	-	-
Net Income (Loss)	320,849	(6,590,955)	(4,309,957)	11,977,013	165,268,628
Other comprehensive income for the year, net of income (loss) tax	(411,820)	117,804	979,386	1,499,079	1,909,069
Total comprehensive income (loss) for the year	(90,971)	(6,473,151)	(3,330,571)	13,476,092	167,177,697
Earnings (Loss) per share	0.17	(2.53)	(1.66)	4.51	48.73

Note: 1. The most recent financial report signed and reviewed by certified accountants.

2. IAS 33 provides that the calculation of the earnings (loss) per share (EPS) for the period presented shall be adjusted retrospectively when the number of ordinary shares or potential ordinary shares outstanding decreases as a result of a reverse share split.
3. Due to the short-form merger of our company and Ching Ming on November 1, 2021. We restated Condensed Individual Financial Statements of 2020. It's based on the Regulation of Accounting Research and Development Foundation.
4. Retained earnings have not yet proposed for distribution by the Shareholders' meeting.

6.1.2 The names of CPAs and their audit opinions

Year	Name of CPA	Audit Opinion
2017	Chin-Tsung Cheng, Yu-Mei Hung	Unqualified opinion with other matters (Note 1)
2018	Chin-Tsung Cheng, Yu-Mei Hung	Unqualified opinion with other matters (Note 1)
2019	Chin-Tsung Cheng, Yu-Mei Hung	Unqualified opinion.
2020	Chin-Tsung Cheng, Yu-Mei Hung	Unqualified opinion.
2021	Chen-Hsiu Yang, Yu-Mei Hung	Unqualified opinion.

Note 1: The CPAs issued the audit opinion in order to distinguish auditors' responsibilities as it was partially based on other auditor's report.

6.2 Financial Analysis for the recent five fiscal years

6.2.1 Financial Analysis in the Most Recent Five Years — IFRSs

1. Financial Analysis (Consolidated) — IFRSs

Item		Year	Financial Analysis in the Most Recent Five Years (Note 2)				
			2017	2018	2019	2020	2021
Capital Structure Analysis	Debts Ratio (%)		80.05	85.50	91.06	81.36	39.04
	Long-term Fund to Property, Plant and Equipment (%)		102.82	110.91	179.57	183.57	421.11
Liquidity Analysis	Current Ratio (%)		60.64	72.93	58.48	77.43	309.35
	Quick Ratio (%)		51.97	62.77	51.21	72.90	303.32
	Times Interest Earned (Times)		1.35	(2.87)	0.10	5.54	79.67
Operating Performance Analysis	Average Collection Turnover (Times)		16.28	16.93	16.06	14.20	20.07
	Days sale outstanding		22.42	21.56	22.72	25.70	18.18
	Average Inventory Turnover (Times) (Note 1)		-	-	-	-	-
	Average Payment Turnover (Times) (Note 1)		-	-	-	-	-
	Average Inventory Turnover Days (Note 1)		-	-	-	-	-
	Property, Plant and Equipment Turnover (times)		1.57	1.78	1.98	2.07	4.52
	Total Asset Turnover (Times)		0.97	1.04	0.90	0.78	1.15
Profitability Analysis	Return on Total Assets (%)		1.48	(3.55)	(0.49)	7.79	57.87
	Return on Equity (%)		2.30	(26.95)	(21.39)	45.63	122.37
	Pre-tax Income to Paid-in Capital Ratio (%)		2.73	(30.48)	(13.79)	50.98	579.53
	Net Margin (%)		0.38	(4.45)	(2.68)	8.06	49.63
	Earnings (Loss) Per Share (NT\$)		0.17	(2.53)	(1.66)	4.51	48.73
Cash Flow	Cash Flow Ratio		4.32	-	18.28	58.65	286.16
	Cash Flow Adequacy Ratio		-	-	2.63	164.02	951.40
	Cash Flow Reinvestment Ratio		1.36	-	6.30	19.22	57.88
Leverage	Operating leverage		26.82	(2.60)	(28.52)	2.51	1.16
	Financial leverage		(0.75)	0.76	0.20	1.22	1.01

Please explain the reasons for changes in financial ratios in the most recent two years:

1. Debts Ratio, current ratio and quick ratio changed mainly due to increase in cash and decrease in loans liabilities.
2. The item “Times Interest Earned”, Profitability ratios, cash flow ratios and leverage ratios changed mainly due to the improvement of operating condition this year.

VI. Overview of the Company's Financial Status



2. Financial Analysis (Non-Consolidated) — IFRSs

Year Item		Financial Analysis in the Most Recent Five Years (Note 2)				
		2017	2018	2019	2020 (Restatement)	2021
Capital Structure Analysis	Debts Ratio (%)	76.21	83.02	90.39	80.03	36.58
	Long-term Fund to Property, Plant and Equipment (%)	207.37	226.10	345.04	320.69	708.87
Liquidity Analysis	Current Ratio (%)	48.32	66.83	49.27	60.13	326.30
	Quick Ratio (%)	39.84	56.76	42.00	56.20	321.22
	Times Interest Earned (Times)	1.19	(6.03)	(0.36)	6.23	91.70
Operating Performance Analysis	Average Collection Turnover (Times)	16.45	19.62	22.68	25.58	35.96
	Days sale outstanding	22.19	18.61	16.09	14.27	10.15
	Average Inventory Turnover (Times) (Note 1)	-	-	-	-	-
	Average Payment Turnover (Times) (Note 1)	-	-	-	-	-
	Average Inventory Turnover Days (Note 1)	-	-	-	-	-
	Property, Plant and Equipment Turnover (times)	3.08	3.45	3.74	3.40	5.83
	Total Asset Turnover (Times)	1.01	1.06	0.90	0.73	0.89
Profitability Analysis	Return on Total Assets (%)	1.17	(5.03)	(1.17)	8.25	61.08
	Return on Equity (%)	1.53	(28.74)	(23.75)	45.94	122.71
	Pre-tax Income to Paid-in Capital Ratio (%)	0.92	(32.92)	(16.55)	48.93	572.45
	Net Margin (%)	0.29	(5.52)	(3.33)	9.37	67.53
	Earnings (Loss) Per Share (NT\$)	0.17	(2.53)	(1.66)	4.51	48.73
Cash Flow	Cash Flow Ratio	-	-	15.05	59.75	311.72
	Cash Flow Adequacy Ratio	-	-	-	228.87	3,456.92
	Cash Flow Reinvestment Ratio	-	-	5.48	18.81	56.52
Leverage	Operating leverage	148.48	(0.47)	(8.22)	2.31	1.16
	Financial leverage	(0.05)	0.85	0.42	1.23	1.02

Please explain the reasons for changes in financial ratios in the most recent two years:

1. Capital structure ratios changed mainly due to the increase in profits this year.
2. Liquidity ratios improved mainly due to the increase in profits this year.
3. Profitability ratios improved mainly due to the increase in profits this year.
4. Cash flow ratios improved mainly due to the increase in cash flow from operating activities.
5. Leverage ratios changed mainly due to the increase in income from operations this year.

Note 1: This is not applied to the international shipping industry.

Note 2: (1) The most recent financial report signed and reviewed by certified accountants.

(2) IAS 33 provides that the calculation of the earnings (loss) per share (EPS) for the period presented shall be adjusted retrospectively when the number of ordinary shares or potential ordinary shares outstanding decreases as a result of a reverse share split.

(3) Due to the short-form merger of our company and Ching Ming on November 1, 2021. We restated Condensed Individual Financial Statements of 2020. It's based on the Regulation of Accounting Research and Development Foundation.

The formula for financial analysis is as follows:

1. Capital Structure Analysis

(1) Debt Ratio = Total Liabilities / Total Assets

(2) Long-term Fund to Property, Plant and Equipment Ratio = (Total Equity + Non-current Liabilities) / Net Property, Plant and Equipment

2. Liquidity Analysis

(1) Current Ratio = Current Assets / Current Liabilities

(2) Quick Ratio = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities

(3) Times Interest Earned = Earnings before Interest and Taxes / Interest Expenses

3. Operating Performance Analysis

(1) Average Collection Turnover (including trade receivables and note receivables arising from operating activities) = Net Sales / Average Trade Receivables (including trade receivables and note receivables arising from operating activities)

(2) Days Sales Outstanding = 365 / Average Collection Turnover

(3) Average Inventory Turnover = Cost of Sales / Average Inventory

(4) Average Payment Turnover (including trade payables and note payables arising from operating activities) = Cost of Sales / Average Trade Payables (including trade payables and note payables arising from operating activities)

(5) Average Inventory Turnover Days = 365 / Average Inventory Turnover

(6) Property, Plant and Equipment Turnover = Net Sales / Average Net Property, Plant and Equipment

(7) Total Assets Turnover = Net Sales / Average Total Assets

4. Profitability Analysis

(1) Return on Total Assets = (Net Income + Interest Expenses * (1 - Effective Tax Rate)) / Average Total Assets

(2) Return on Equity = Net Income / Average Total Equity

(3) Net Margin = Net Income / Net Sales

(4) Earnings (Loss) Per Share = (Net Income Attributable to Shareholders of the Parent - Preferred Stock Dividend) / Weighted Average Number of Shares Outstanding

5. Cash Flow

(1) Cash Flow Ratio = Net Cash Provided by Operating Activities / Current Liabilities

(2) Cash Flow Adequacy Ratio = Five-year Sum of Cash from Operations / Five-year Sum of Capital Expenditures, Inventory Additions, and Cash Dividend

(3) Cash Flow Reinvestment Ratio = (Cash Provided by Operating Activities - Cash Dividends) / (Gross Property, Plant and Equipment + Long-term Investments + Other Noncurrent Assets + Working Capital)

6. Leverage

(1) Operating Leverage = (Net Sales - Variable Cost) / Income from Operations

(2) Financial Leverage = Income from Operations / (Income from Operations - Interest Expenses)

6.3 Audit Committee's Review Report

2021 Audit Committee's Review Report

The Board of Directors has prepared and submitted to the Audit Committee the Company's 2021 business report, stand-alone and consolidated financial statements, and proposal for distribution of earnings. The CPA firm of Deloitte & Touche, Taiwan, was retained to audit Yang Ming Marine Transport Corporation's financial statements and has issued an independent auditors' report relating to the financial statements. In accordance with Article 14-4 of Securities and Exchange Act and Article 219 of Company Act, the undersigned hereby certifies the business report, stand-alone and consolidated financial statements, and proposal for distribution of earnings after thorough examination.

To: 2022 Annual Shareholders' Meeting
YANG MING MARINE TRANSPORT CORP.

Chairman of the Audit Committee: Tar-Shing Tang

Tar-Shing Tang

Independent Director: Tar-Shing Tang

Tar-Shing Tang

Independent Director: Tze-Chun Wang

T. C. Wang

Independent Director: Jei-Fuu Chen

[Signature]

March 14, 2022

6.4 Consolidated Financial Statements 2021

Please refer to attachment 1.

6.5 Individual Consolidated Financial Statements 2021

Please refer to attachment 2.

6.6 If the Company and its Affiliates encountered any financial difficulties in the past year and as of the date of publication of the Annual Report, the Impact on the Company's financial status should be listed : None.

Review of Financial Position, Financial Performance and Risk Management

7.1 Analysis of the Financial Statements

Unit: NT\$ Thousands

Item	Year	2021	2020	Increase/Decrease	
				Amount	%
Current assets		226,556,919	46,261,219	180,295,700	389.73
Properties, plants and equipment		73,895,469	73,663,236	232,233	0.32
Intangible assets		80,847	88,268	(7,421)	(8.41)
Other assets		83,882,649	74,963,262	8,919,387	11.90
Total assets		384,415,884	194,975,985	189,439,899	97.16
Current liabilities		73,236,883	59,749,354	13,487,529	22.57
Other liabilities		76,856,335	98,891,779	(22,035,444)	(22.28)
Total liabilities		150,093,218	158,641,133	(8,547,915)	(5.39)
Capital stock		34,921,043	31,676,622	3,244,421	10.24
Capital surplus		27,975,030	384,106	27,590,924	7,183.15
Retained earnings		169,070,638	1,660,919	167,409,719	10,079.34
Other adjustments		2,355,955	2,613,205	(257,250)	(9.84)
Total stockholders' equity		234,322,666	36,334,852	197,987,814	544.90

Notes:

Analysis of over 20% increase or decrease:

1. Increase in current assets and total assets mainly due to the increase in cash and account receivables.
2. Increase in current liabilities mainly due to the increase in tax payable.
3. Decrease in other liabilities mainly due to the repayment of long term loan.
4. Increase in additional paid in capital due to 2021 issuance of ordinary shares for cash.
5. Increase in retained earnings and total stockholders' equity mainly due to the operating income of 2021.
6. Contingency plans for factors of significant impact: None.

7.2 Analysis of the Company's Financial Performance

Unit: NT\$ Thousands

Item	Year	2021	2020	Increase/Decrease	
				Amount	%
Operating revenue		333,687,395	151,276,683	182,410,712	120.58
Operating costs		120,556,335	125,192,367	(4,636,032)	(3.70)
Gross profit		213,131,060	26,084,316	187,046,744	717.09
Operating expenses		9,975,759	6,985,679	2,990,080	42.80
Other income and gains, expenses and loss		229,215	361,555	(132,340)	(36.60)
Operating income		203,384,516	19,460,192	183,924,324	945.13
Non-operating income and gains		1,564,834	250,148	1,314,686	525.56
Non-operating expenses and losses		(2,572,605)	(3,560,297)	987,692	27.74
Income before tax		202,376,745	16,150,043	186,226,702	1,153.10
Tax expense		36,774,864	3,963,255	32,811,609	827.90
Net income		165,601,881	12,186,788	153,415,093	1,258.86
Cumulative effect of changes in accounting principles		-	-	-	-
Net income for the year		165,601,881	12,186,788	153,415,093	1,258.86

Notes :

Analysis of over 20% increase or decrease:

1. Increase in operating revenue, gross profit, operating income, income before tax, and net income for the year mainly due to the global strong demand.
2. Increase in operating expenses mainly due to the estimate Employee Bonus and Performance Bonus.
3. Decrease in other income and expenses mainly due to Gain of dispose vessels of 2020.
4. Increase of non-operating income and gains mainly due the increase in share of profit or loss of associates and joint ventures.
5. Decrease of non-operating expense and losses mainly due the decrease of finance costs.
6. Increase of tax expense mainly due to the improvement of operating income in 2021.
7. Contingency plans for factors of significant impact: None.

7.3 Analysis of Cash Flows

7.3.1 Cash Flow Analysis for the Past Year

Unit: NT\$ Thousands

Cash and cash equivalents beginning balance j	Net cash flow from operating activities throughout the year k	Cash outflow from investing and financing activities throughout the year l	Cash surplus (deficit) j + k - l	Leverage of cash deficit	
				Investment plan	Financing plan
24,518,721	209,574,765	176,644,808	57,448,678	-	-
Analysis of cash flow and liquidity in 2021:					
1. Operating activities: Net cash inflow from operating activities of NT\$ 209,574,765,000.					
2. Investing activities: Net cash outflow of NT\$ 141,108,194,000 was came from funds and financial assets, container ships, and machine equipment.					
3. Fundraising activities: purchased container ships, paid off debts and conducted fundraising for businesses development needs.					
4. Remedies for cash deficit: not applicable.					

7.3.2 Cash Flow Analysis for the Coming Year (2022)

Unit: NT\$ Thousands

Cash and cash equivalents beginning balance j	Estimated net cash flow from operating activities throughout the year k	Estimated cash outflow from investing and financing activities throughout the year l	Estimated cash surplus (deficit) j + k - l	Leverage of cash deficit	
				Investment plan	Financing plan
57,448,678	45,131,615	48,490,692	54,089,601	-	-
Analysis of cash flow and liquidity for 2022:					
1. Operating activities: Net cash inflow from operating activities is estimated to be NT\$ 45,131,615,000.					
2. Investing activities: Net cash inflow of NT\$ 61,694,000 will be received from funds and financial assets, container ships, and machine equipment.					
3. Fundraising activities: purchased container ships, paid off debts and conducted fundraising for businesses development needs.					
4. Remedies for cash deficit: not applicable.					

7.4 Impact of major capital expenditure on finance and business: None.

7.5 Re-investment Policy in the Past Year, Major Causes of Profit and Loss, Improvement Plans, and Investment Plans for the Coming Year

The Company's re-investment policy is in line with on the Company's business development needs, focusing on the upper stream and downstream industries of marine transportation services. Vertical integration can improve operational efficiency, provide customers with the highest quality of service, and realize the Company's vision. In 2021, the consolidated re-investment profit under the equity method was NT\$ 1,518,973,000, which came mainly from the return on investment in the affiliated company, West Basin Container Terminal. The Company's main investment plan for the next year is to develop investment opportunities globally and expand investments in terminals, container storage and logistics that are in line with the Company's business development strategy and in response to the government's New Southbound Policy.

7.6 Risk Management

7.6.1 Impact of Changes in Interest Rates, Foreign Exchange Rates, and Inflation on Profit and Loss, and Future Response Strategies

1. Impact on profit and loss

(1) Interest rate risk

The net interest expense throughout the year amounts to NT\$ 2,264,356,000, accounting for 0.68% of operating revenue and 1.12% of net income before tax.

Excluding the interest expense of financial assets and liabilities, the net interest expense throughout the year changes to NT\$ 329,060,000, accounting for 0.10% of operating revenue and 0.16% for net income before tax.

(2) Foreign exchange rates risk

The Company operates in multiple countries and as such is subject to exchange rate risks arising from multi-currency, mainly US dollars, euros and Japanese yen

The net foreign exchange loss throughout the year amounts to NT\$ 74,687,000, accounting for 0.02% of operating revenue and 0.04% of net income before tax.

The Group's hedging strategy is to enter into USD-denominated lease liabilities to avoid exchange rate exposure of 100% of highly probable forecast of USD-denominated operating revenue. Those transactions are designated as cash flow hedges, recognized in other comprehensive income NT\$ 641,742,000, accounting for 0.38% of other comprehensive income.

(3) Inflation

Fuel oil prices are tied to inflation. The cost of shipping fuel recognized as operating cost for the year amounts to NT\$16,705,942,000, accounting for 5.01% of operating revenue and 13.86% of operating costs.

2. Future response strategies

(1) Interest rate risk

The Company continues to improve financial structure, strengthen medium and long-term working capital, and control the level of net debt. Moreover, to reduce the risk caused by interest rate fluctuations, the Company continues to monitor interest rate trends, and adjusts loan-deposit ratio of fixed or floating interest rates.

(2) Foreign exchange rates risk

The company strives to maintain a balanced asset-liability and an effective natural hedging by using the same currency for income and expenditure, and uses the characteristics of natural hedging to reduce the risk of exchange rate fluctuations. Any long or short position, the Company trades spot exchange rate to maintain foreign exchange exposure at an acceptable level.

(3) Inflation

The company regularly analyzes the supply, demand and market conditions of the fuel oil market, uses formula pricing and centralized procurement to facilitate the greatest discount, and conducts hedging operations with utmost care. At the same time, the bunker surcharges charged by customers are adjusted according to the market conditions to reduce the risk of fuel oil price fluctuations.

7.6.2 Policies, Main Causes of Profit and Loss, and Future Response Strategies with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Trading

1. The Company does not engage in high-risk, high-leverage investments.
2. The Company provides loans and endorsement guarantees, mainly to subsidiaries and for business development purposes, does so in accordance with the Company's operating procedures for fund lending, procedures for making endorsements and guarantees, and relevant policies.
3. Policies for trading derivatives are focused on hedging. This is in consideration of the Company's position and market prospect and in accordance with the Company's procedure for handling acquisition and disposal of assets and relevant regulations. The objective is to achieve a reasonable gain within bearable risks.

7.6.3 Future Research and Development (R&D) Plans and Estimated Expenditures.

1. Mobile APP software development.
2. API Application Technology.
3. IOT application.
4. Broadband on board and Big Data.
5. Web Application System.
6. Smart ship upgrade project.
7. Ship's VSAT and WIFI and other information infrastructure.
8. Construction of Kongsberg's big data analysis system.
9. Construction of SPECTEC marine management system.
10. Developing APP for vessel auditing (Phase II).
11. E-Learning Phase II.
12. Plan and design of smart ship center Phase II.
13. Optimization of existing ships Energy Efficiency Existing Ship Index, EEXI.
14. Feasibility evaluation of alternative marine fuels.
15. Feasibility evaluation of ship energy saving design.
16. Feasibility evaluation of smart ship application.
17. Digitization of the ship inspection/ newbuilding supervision management system.

The above R&D plans require an estimated investment of NT\$233 million.

7.6.4 Impact of Important Changes in Domestic and International Policies and Regulations on Corporate Finance and Sales, and Response Strategies

1. Finance

Staff from the Company's finance department keep a close watch on the changes in corporate laws and securities regulations. They participate in training, conduct research, and develop contingency plans. As a result, changes in domestic and international policies and regulations have limited impact on the Company's finances.

2. Sales

Changes in domestic and international policies and regulations have limited impact on the Company's main business and sales. The Company abides by the rules and regulations established by governing bodies and pays close attention to any changes in the regulations.

7.6.5 Impact of Changes in Technology (including the risk of Cyber security) and the Industry on Corporate Finance and Sales, and Response Strategies

1. Finance

Thanks to the advancement of science and technology, the company has saved fuel consumption and reduced cost expenditure through construction of smart ships, reefer containers and scrubbers.

2. Sales

- (1) The Company has subsidiaries and agents all around the world. With the rising need for business development and e-commerce, and to increase our competitiveness, the Company regularly updates and upgrades our information system and processes so as to collect real-time information, improve operational efficiency and quality, and reduce communication and operational costs.
- (2) The Company is dedicated to environmental protection: We abide by international treaties and regulations, and spare no effort to increase energy efficiency to reduce emissions and protect the ocean in accordance with requirements from different ports at home and abroad. The Company continues to implement environmental protection and anti-pollution control to our fleet. All new container ships meet the international standards and regulations of low fuel usage and eco-friendly designs and are competitive in the market. In addition, in accordance with anti-terrorism measures at the ports, all our ships are equipped with ship security and alarm system, the updated Electronic Navigation Chart (EVC) and information system, and satellite communication system to ensure shipping security and integrated sailing information.
- (3) The new designs are particularly focused on energy saving and carbon reduction, with a significant fuel consumption saving compared to previous designs of the same segment. Comparing to ship designs in 2007-2009, latest one have improved on fuel consumption by saving up to 25-30%. In order to strengthen global competitiveness, apart from the 20 charter 14,000TEU and 9 charter 11,000TEU energy-efficient ships already being deployed and in operation, there are will be 5 charter 11,000TEU energy-efficient ships which can significantly improve fuel consumption saving in 2022. To reduce fuel consumption and fuel cost, the Company will stay abreast of the latest advancements in fuel technology, ship-building technology, and engine improvement.

7.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures

The Company follows “Regulations Governing Establishment of Internal Control Systems by Public Companies” and sets up our own internal control system. It comprises control environment, risk assessment, control activities, information and communications, and monitoring activities. This system helps the Company operate healthily and effectively. The Company has never ceased to strengthen corporate governance in recent years in order to cope with possible business risks. In doing so, we have never failed to reveal the key elements of information according to the law and regulations. We are devoted to environmental protection and the fulfillment of social responsibility. All these efforts are key to positive corporate image. Besides establishing a mechanism for coping with various kinds of risks, we have worked out a reporting procedure and a communication conduit. When a risk emerges, all concerned departments immediately assess its impact and propose the most appropriate response to it so that corporate image may not be tarnished.

7.6.7 Expected Benefits and Potential Risks of M&A, and Response Strategies:

For the purpose of simplifying the group's investment structure and resource integration, the Boards of Directors of the Company and its wholly owned subsidiary, Ching Ming Investment Corp., approved the merger on July 12, 2021. On record the date for the merger was Nov 1, 2021. The Company is the surviving entity and Ching Ming Investment Corp. is the dissolved entity after the merger. The rights and obligations of the dissolving company are generally assumed by the company. The relevant procedures have been completed on the record date of the merger.

7.6.8 Expected Benefits and Potential Risks of Expanding Fleet and Capacity, and Response Strategies

The expansion of fleet and capacity is primarily deployed in THE Alliance, which is expected to increase our lifting volume and gross profit on the East-West trade-lanes, while the enlargement of ships and re-deploying such resources in best-ship and profiting loops will benefit the Company with lower unit operating costs and increase gross profit. In 2022, as Covid-19 is still raging globally, unpredictability of geopolitical conflict and the uncertainty in global economy recovery are still looming large, but capacity growth remains controlled and limited. This means shortage in capacity supply is expected to continue. Though such shortage caused by global logistics chain disruption may persist for some time, the Company has taken the following measures to stabilize the supply and demand and to lower the risk of supply imbalance.

1. Joint operations

Partnership with the THE Alliance for optimizing route planning and ship deployment. The benefits are better utilized ship resources, lower shipping cost, expanded service coverage, marketing competitiveness and the highest service quality. In addition, we do not exclude any potential business opportunities and collaborations with other shipping companies in niche markets in order to provide more diverse services and to advance our sales performance.

2. Seasonal route adjustments

Adapting to changes in demands during special times such as the Chinese New Year, Labor Day holidays and National Day holidays in China, Golden Week in Japan, or down times such as winter, to perform routes adjustment, vessel cascading and re-allotment of allocation to lower operating costs, enhance punctuality and increase load factors.

3. Temporary route adjustments

Aside from the seasonal adjustment, we adopt necessary measures such as closely tracking the development, performing additional service adjustment and withdrawing redundant capacity appropriately, or look into Extra Loader options to cope with unexpected global trade incidents and potential risk such as pandemic resulted in imbalanced supply-demand, and maximizing load factors and profitability.

7.6.9 Risks of Purchase or Sales Concentration, and Response Strategies

The risk is not significant as the Company does not have a single client accounting for over 10% of total import or export volume.

7.6.10 Impact and Risks of Mass Share Transfer of or Change of Directors, Supervisors, or Shareholders Holding More Than 10% of the Company's Shares, and Response Strategies:

In 2021, Institutional director TIPC had transferred a total of 119,514,708 shares in the centralized market. There is no influence on the company.

7.6.11 Impact and Risks of Change of Management of the Company, and Response Strategies: Not applicable.

7.6.12 Impact of Litigations or Non-litigations

1. The Company imported and put in operation three gantry cranes at the Kaohsiung Port pier in 2006. Due to operational needs, the Company negotiated with the Bureau of Kaohsiung Port (current Port of Kaohsiung, Taiwan International Ports Corporation, Ltd.) and moved the cranes to the container yard of Keelung Port for further usage. However, Kaohsiung Customs (Customs Administration), Ministry of Finance deemed this action a violation of the Act for the Establishment and Management of Free Trade Zones and confiscated said equipment in 2014. The Company objected to this allegation and pursued legal actions. As the Supreme Administrative Court dismissed the Company's appeals request on April 30th, 2018, the Company then followed the order by Kaohsiung Customs. Since large amount of money was involved in this case, the Company submitted the case to Constitutional Court, Judicial Yuan for judicial interpretation in 2019; however, on Dec. 24, 2021, the Constitutional Court determined that this case is not accepted.
2. Korea Fair Trade Commission carried out the investigation of whether the container marine transportation service providers had jointly conducted the illegal cartel activities on China-Korea, Japan-Korea and Southeast Asia-Korea routes and the Company received formal notice of investigation in May, 2019. The Company was recognized in the Examiner Report issued on 7th May 2021 to have jointly set up the ocean freight rate, surcharges and bidding price for large shippers on Southeast Asia-Korea routes from August, 2005 to December 2017 which violates the Monopoly Regulation and Fair Trade Act of Korea. The final decision after the hearing was released on 18 January 2022 which affirms the Company's violation of related laws and Korea Fair Trade Commission decided to impose a penalty of KRW 2,419 million (approximately NT\$ 56 million) but not to make a criminal referral of the Company. The Company is entitled to file an objection or file an administrative appeal against to the decision as the relief measure. As for the investigation of China-Korea and Japan-Korea routes, the Company is excluded from either of the following investigations.
3. Other than the aforementioned case, most of the cases the Company is involved in are damage claims related to goods, ship structure, ship owner responsibility, caused by damage during shipment and operation of ships. As these cases are covered by our insurance policy, the damages and expenses will be compensated by the insurance company according to our contract and therefore, within controllable risks of the Company.

7.6.13 Other Significant Risks and Response Strategies

1. Please refer to Page 66 for the Company's risk management policies.
2. Cyber security risk assessment and analysis:
 - (1) Interruptions of communication network of host computer

External network is supported by the two telecom service providers and jointly monitored by Chunghwa Telecom and BT, with continuous network upgrades overseas. However, due to the magnitude of impact of network interruptions, the risk level cannot be downgraded. At the headquarters, the domestic leased circuit, the international private leased circuit, and the internet are all supported by networks

of two telecom service providers. The communication of the main agents with the headquarters is mainly through the leased circuits, with the internet as backup, and with continuous network upgrades overseas. In addition, multiple VPN (Virtual Private Networks) access points are available to common agents. In the event of inevitable large-scale network interruptions, operations of the Company will likely be affected.

(2) Core application system damage

System of higher security has been installed on the host computer of core database. High availability (HA) is implemented on key host computers, with real-time synchronization of database at offsite backup centers, and daily backup logs available for later inspection. Firewalls and antivirus software have been installed and regular monitoring and checks are performed. Considering recent outbreaks of cyberattacks, risk level remains high. System of higher security has been installed on the host computer of core database. High availability (HA) is implemented on key host computers, with real-time synchronization of database at offsite backup centers, and daily backup logs of available for later inspection. Security measure such as firewalls and antivirus software have been installed, and regular monitoring and checks are performed. Considering heightened needs for cyber security measures and constantly changing tactics of hackers, the Company needs to remain highly alert.

7.6.14 The Organizational Structure in Relation to Risk Management

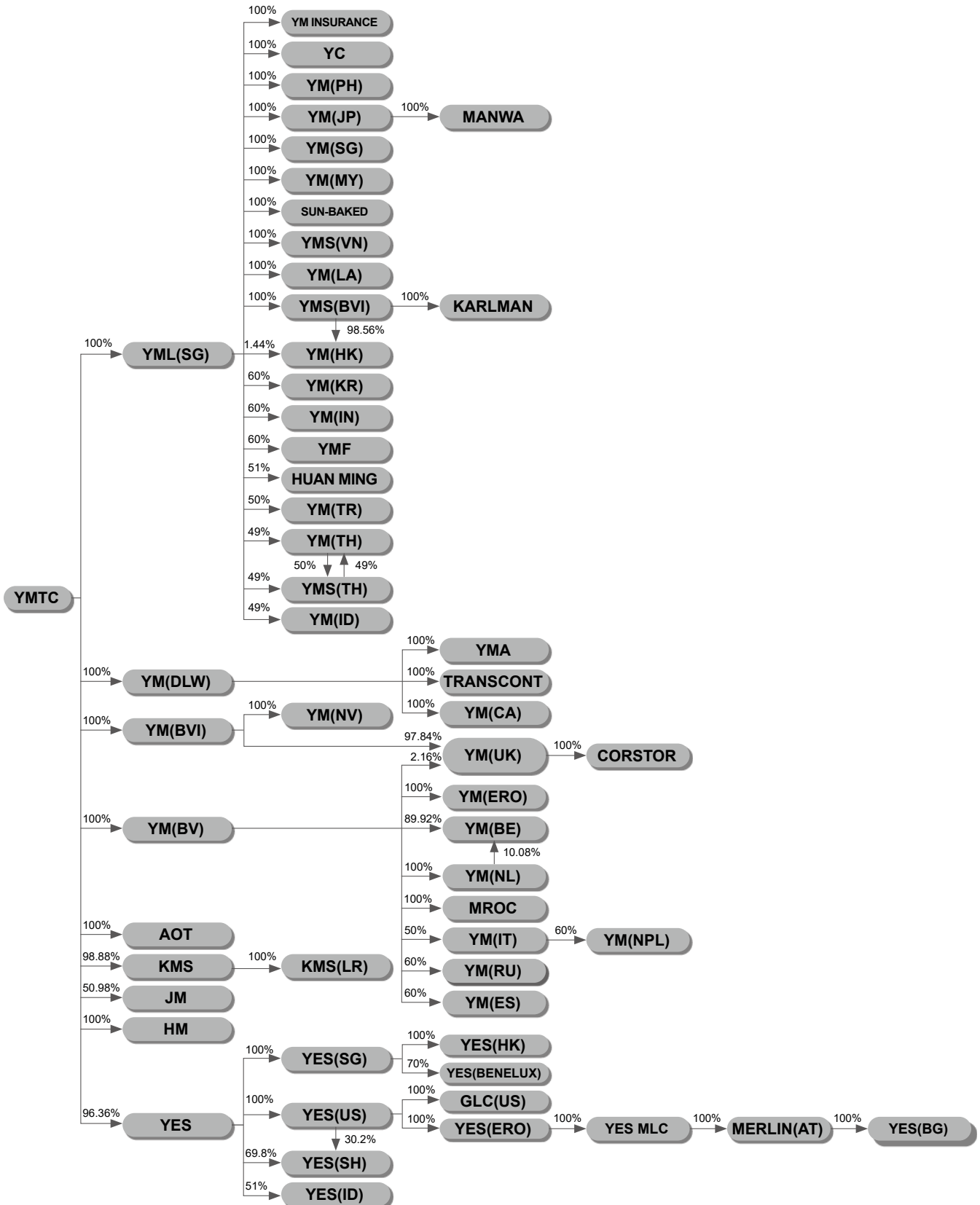
1. The Company established the risk management department in accordance with the latest Criteria for Corporate Governance and Internal Auditing on July 1st 2004. This department oversees all risk management matters in the Company, including regular risk assessments, and subsequent analysis and measures.
2. The organizational structure in relation to risk management is divided by the nature of risks. While the Risk Control Office oversees all risk management related matters, the initial identification of general risks, and the assessment and control of them are the responsibilities of each department. Cases of significant risks will be sent to special review committees, based on their nature and the monetary sum involved. Reviewed cases that meet the standard will then be sent to the Board of Directors for approval.

7.7 Other Important Matters: None.

VIII Special Disclosures

8.1 Information related to the Company's Affiliates

8.1.1 The Chart of the Company's Affiliates as of December 31, 2021



YMTC	: Yang Ming Marine Transport Corp.
YML(SG)	: Yang Ming Line (Singapore) Pte Ltd
YM(HK)	: Yang Ming Line (Hong Kong) Ltd.
YC	: Young-Carrier Company Ltd.
YM(PH)	: Yang Ming Shipping Philippines, Inc.
YM(JP)	: Yangming (Japan) Co., Ltd.
MANWA	: Manwa Co., Ltd.
YM(SG)	: Yang Ming (Singapore) Pte. Ltd.
YM(MY)	: Yang Ming Line (M) Sdn. Bhd.
SUN-BAKED	: Sun-Baked Pte. Ltd.
YMS(VN)	: Yang Ming Shipping (Vietnam) Co. Ltd.
YM(LA)	: Yang Ming (Latin America) Corp.
YMS(BVI)	: Yang Ming Shipping (B.V.I.) Inc.
KARLMAN	: Karlman Properties Limited
YM INSURANCE	: Yang Ming Insurance Co., Ltd.
YM(IN)	: Yang Ming Line (India) Pvt. Ltd.
YM(KR)	: Yang Ming (Korea) Co. Ltd.
YMF	: Yang Ming (France) S.A.S
HUAN MING	: Huan Ming (Shanghai) International Shipping Agency Co., Ltd
YM(TR)	: Yang Ming Anatolia Shipping Agency S.A.
YM(TH)	: Yang Ming Line (Thailand) Co., Ltd.
YMS(TH)	: Yang Ming Line Shipping (Thailand) Co., Ltd.
YM(ID)	: PT Yang Ming Shipping Indonesia
YM(DLW)	: Yang Ming Line Holding Co.
YMA	: Yang Ming (America) Corp.
TRANSCONT	: Transcont Intermodal Logistics, Inc.
YM(CA)	: Yang Ming Shipping (Canada) Ltd.
YM(BVI)	: Yang Ming Line (B.V.I.) Holding Co., Ltd.
YM(NV)	: Yang Ming Line N.V.
YM(BV)	: Yang Ming Line B.V.
YM(ERO)	: Yang Ming Shipping Europe GmbH
YM(UK)	: Yang Ming (UK) Ltd.
YM(BE)	: Yang Ming (Belgium) N.V.
YM(NL)	: Yang Ming (Netherlands) B.V.
MROC	: Yang Ming (Mediterranean) Marine Services Single-member Limited Liability Company
YM(RU)	: Yang Ming (Russia) LLC
YM(ES)	: Yang Ming (Spain), S.L.
YM(IT)	: Yang Ming (Italy) S.p.A
YM(NPL)	: Yang Ming (Naples) S.r.l.
CORSTOR	: Corstor Ltd.
KMS	: Kuang Ming Shipping Corp.
KMS(LR)	: Kuang Ming (Liberia) Corp.
AOT	: All Oceans Transportation Inc.
JM	: Jing Ming Transportation Co., Ltd.
HM	: Hong Ming Terminal & Stevedoring Corp.
YES	: YES Logistics Corp.
YES(SG)	: YES Yangming Logistics (Singapore) Pte. Ltd.
YES(HK)	: Yes Logistics Company Ltd.
YES(BENELUX)	: Yes Logistics Benelux B.V.
YES(US)	: YES Logistics Corporation
GLC(US)	: Golden Logistics USA Corporation
YES(SH)	: Yes Logistics (Shanghai) Corp.
YES(ERO)	: YES Logistics Europe GmbH
YES MLC	: YES MLC GmbH
MERLIN(AT)	: Merlin Logistics GmbH
YES(BG)	: YES Logistics Bulgaria Ltd.
YES(ID)	: PT. YES Logistics Indonesia

8.1.2 Affiliates

2021.12.31

Unit: Original Currency in Thousand

Company	Date of Incorporation	Address	Paid-in Capital	Business Activities
Yang Ming Line (B.V.I.) Holding Co., Ltd.	1996.08.19	Citico Building, Wickhams Cay, P.O.Box 662, Road Town, Tortola, British Virgin Islands	USD 17,565	Investment, shipping agency, forwarding agency and shipping managers
Yang Ming Line (Singapore) Pte Ltd	1996.08.08	50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623	SGD 60,130	Investment, shipping service; chartering, sale and purchase of ships; and forwarding agency
All Oceans Transportation Inc.	1971.11.05	80 Broad Street, Monrovia, Republic of Liberia	USD 53,130	Shipping agency, forwarding agency and shipping managers
YES Logistics Corp.	1999.11.11	4-5F, No.243, Sec. 2, Chongqing N. Rd., Datong District, Taipei City	TWD 1,200,000	Warehouse operation and forwarding agency
Kuang Ming Shipping Corp.	1990.05.01	6F, No.243, Sec. 2, Chongqing N. Rd., Datong District, Taipei City	TWD 999,991	Shipping service, shipping agency and forwarding agency
Hong Ming Terminal & Stevedoring Corp.	1997.12.01	No.10, Ya Tai Rd., Hsiao-Kang District, Kaohsiung City	TWD 100,000	Terminal operation and stevedoring
Jing Ming Transportation Co., Ltd.	1998.08.31	2F, No.999, Sinsheng Rd., Hsiao-Kang District, Kaohsiung City	TWD 169,006	Container transportation
Yang Ming Line Holding Co.	1996.08.23	251 Little Falls Drive, Wilmington DE 19808, New Castle County, USA	USD 4,500	Investment, shipping agency, forwarding agency and shipping managers
Yang Ming Line B.V.	1997.01.28	Albert Plesmanweg 61D, 3088 GB Rotterdam, The Netherlands	EUR 1,134	Investment, shipping agency, forwarding agency and shipping managers
Yang Ming (America) Corp.	2003.07.01	One Newark Center, 1085 Raymond Boulevard, 9th Floor, Newark, NJ 07102, USA	USD 500	Shipping agency, forwarding agency and shipping managers
Transcont Intermodal Logistics, Inc.	2007.07.18	77 Sugar Creek Center Blvd. Ste 450, Sugar Land, TX 77478-3688	USD 10	Inland forwarding agency
Yang Ming Shipping (Canada) Ltd.	2009.06.18	1100-1200 av. McGill College Montreal (Quebec) H3B 4G7, CANADA	CAD 100	Shipping agency, forwarding agency and shipping managers
Yang Ming Line N.V.	1996.09.04	Kaya Flamboyen 9, Willemstad, Curaçao	USD 1,529	Investment, shipping agency, forwarding agency and shipping managers
Yang Ming (UK) Ltd.	1997.01.29	2nd Floor, 210 South Street, Romford, Essex, England, RM1 1TR, U.K.	GBP 69,598	Shipping agency, forwarding agency, shipping managers and shipping lines
Yang Ming Shipping Europe GmbH	1992.06.12	Oberbaumbruecke 1, 20457 Hamburg, Germany	EUR 818	Shipping agency, forwarding agency and shipping managers
Yang Ming (Italy) S.p.A	2002.12.04	Piazza Galeazzo Alessi 2/10, 16128 Genova, Italy	EUR 250	Shipping agency



Company	Date of Incorporation	Address	Paid-in Capital	Business Activities
Yang Ming (Belgium) N.V.	2007.06.01	Molenbergstraat Nr 10–Bus 23, 2000–Antwerpen, Belgium	EUR 62	Shipping agency
Yang Ming (Netherlands) B. V.	2004.01.06	Albert Plesmanweg 61D, 3088 GB Rotterdam, The Netherlands	EUR 400	Shipping agency
Yang Ming (Mediterranean) Marine Services Single –Member Limited Liability Company	2018.01.29	4th Floor, No. 328-330, Leof. Andrea Siggrou, 17673, Kallithea, Greece	EUR 1,100	Shipping agency, forwarding agency and shipping managers
Yang Ming (Russia) LLC	2015.06.23	Zastavskaya street, 22, block 2, lit. A, Office 505, St. Petersburg, 196084, Russia	RUB 10,000	Shipping agency
Yang Ming (Spain), S.L.	2016.06.22	Muelle Principe de España s/n Edificio Mestre 1ª Plta 08039 Barcelona, Spain	EUR 100	Shipping agency
Yang Ming (Naples) S.r.l.	2003.07.01	Via Melisurgo 4 - 80133, Napoli, Italy	EUR 10	Forwarding agency
Corstor Ltd.	1999.08.27	2nd Floor, 210 South Street, Romford, Essex, England, RM1 1TR, U.K.	GBP 1	Warehouse management and Container haulage service
Yangming (Japan) Co., Ltd.	1996.12.06	8F, Shiba 2Chome Building, 2-28-8 Shiba, Minato-ku, Tokyo, 105-0014 Japan	JPY 150,000	Shipping services; chartering, sale and purchase of ships; and forwarding agency
Young-Carrier Company Ltd.	1994.05.11	22 Floor, Ever Gain Plaza, Tower 1, 88 Container Port Road, Kwai Chung, N.T. Hong Kong	HKD 1,000	Investment, shipping agency, forwarding agency and shipping managers
Yang Ming Shipping (B.V.I.) Inc.	2000.08.16	P.O. Box 3174, Road Town, Tortola, British Virgin Islands	USD 1	Forwarding agency and shipping agency
Yang Ming Line (Hong Kong) Ltd.	1998.11.09	22 Floor, Ever Gain Plaza, Tower 1, 88 Container Port Road, Kwai Chung, N.T. Hong Kong	HKD 69,556	Forwarding agency and shipping agency
Yang Ming (Singapore) Pte. Ltd.	1999.11.13	171 CHIN SWEE ROAD, #08-01 CES CENTRE, SINGAPORE 169877	SGD 21,285	Shipping agency, forwarding agency, shipping managers and shipping lines
Yang Ming Line (M) Sdn. Bhd.	2000.01.01	Suite 12.01, Level 12, Menara Trend, Intan Millennium Square, No. 68, Jalan Batai Laut 4 Taman Intan, 41300 Klang, Selangor Darul Ehsa Malaysia	MYR 1,000	Shipping agency, forwarding agency and shipping managers
Yang Ming Line (India) Pvt. Ltd.	2004.03.29	World Trade Centre, Center 1-13 TH Floor Cuffe Parade, Mumbai 400005 India	INR 5,000	Shipping agency, forwarding agency and shipping managers
Yang Ming (Korea) Co. Ltd.	2006.04.01	19TH/20TH Floor, Sebang Bldg, 433, Seolleung-ro, Gangnam-Gu, Seoul, Korea, 06212	KRW 500,000	Shipping agency, forwarding agency and shipping managers
Sun-Baked Pte. Ltd.	2008.02.05	8 Marina View, #09-05, Asia Square Tower 1, Singapore 018960	USD 350	Insurance

Company	Date of Incorporation	Address	Paid-in Capital	Business Activities
Yang Ming Anatolia Shipping Agency S.A.	2008.09.18	Izmir, Konak, Çınarlı Mahallesi, Ankara Asfaltı Caddesi, No: 15/301	TRY 100	Shipping agency, forwarding agency and shipping managers
Yang Ming Shipping (Vietnam) Co. Ltd.	2015.06.15	19th floor, Ree Tower, No. 9, Doan Van Bo street, Ward 12, District 4, Ho Chi Minh City, Vietnam	USD 300	Forwarding agency and shipping managers
Yang Ming Shipping Philippines, Inc.	2016.11.21	Scape Building, Unit 502, 5th Floor, Macapagal Avenue cor. Pearl Drive, Central Business Park 1, Barangay 76, San Rafael, Pasay City, Philippines	PHP 10,000	Forwarding agency and shipping managers
Yang Ming (Latin America) Corp.	2017.03.03	P.H. Torre Global, calle 50, piso 33, oficina 3301, Panamá, República de Panamá	USD 200	Shipping agency, forwarding agency and shipping managers
Yang Ming Line (Thailand) Co., Ltd.	2017.09.25	Singha Complex Bldg., 20th Floor, Unit 2005-2008, 1788 New Phetchaburi Road, Bangkok, Huai Khwang, Bangkok, 10310	THB 8,000	Shipping agency, forwarding agency and shipping managers
Yang Ming Line shipping (Thailand) Co., Ltd.	2017.12.18	Singha Complex Bldg., 20th Floor, Unit 2009, 1788 New Phetchaburi Road, Bangkok, Huai Kwang, Bangkok, 10310	THB 5,000	Shipping agency
Yang Ming Insurance Co., Ltd.	2019.04.05	Power House, 7 Par-La-Ville Rd, Hamilton HM 11, Bermuda	USD 250	Insurance
PT Yang Ming Shipping Indonesia	2018.12.21	Cowell Tower 9th Floor Suite 901 JI. Senen Raya 135 Jakarta Indonesia 10410	IDR 38,500,000	Shipping agency, forwarding agency and shipping managers
Yang Ming (France) SAS	2020.01.21	156 Rue Victor Hugo 76600 Le Havre	EUR 150	Shipping agency, forwarding agency and shipping managers
Huan Ming (Shanghai) International Shipping Agency Co., Ltd	2019.04.24	Room2301, Floor 23, Harbour Ring Plaza, No. 18 Xi Zang Middle Road, Huangpu District, Shanghai, China	USD 1,000	Shipping agency, forwarding agency and shipping managers
Karlman Properties Limited	2001.03.30	22 Floor, Ever Gain Plaza, Tower 1, 88 Container Port Road, Kwai Chung, N.T. Hong Kong	HKD 24,000	Property agency
Manwa Co., Ltd.	2001.03.28	8F, Shiba 2Chome Building, 2-28-8 Shiba, Minato-ku, Tokyo, 105-0014 Japan	JPY 10,000	Forwarding agency and shipping agency
Kuang Ming (Liberia) Corp.	2008.07.16	80 Broad Street, Monrovia, Republic of Liberia	USD 129,691	Forwarding agency
YES Logistics Corporation	2000.02.11	1013 Centre Road Wilmington Delaware 19805	USD 2,173	Shipping agency, forwarding agency and shipping managers
YES Yangming Logistics (Singapore) Pte. Ltd.	2000.06.23	171 CHIN SWEE ROAD #08-01 CES CENTRE SINGAPORE 169877	SGD 1,608	Investment and subsidiaries management

Company	Date of Incorporation	Address	Paid-in Capital	Business Activities
YES Logistics (Shanghai) Corp.	2004.12.08	Room 2305, Harbour Ring Plaza, No. 18 Xi Zang Middle Road, Huangpu District, Shanghai, China	USD 4,300	Forwarding agency
Golden Logistics USA Corporation	2007.01.04	3675 E. Huntington Drive Suite 210, Pasadena, CA 91107 USA	USD 10	Container transportation
YES Logistics Europe GmbH	2002.12.12	Kleine Reichenstrasse 7 - 20457 Hamburg, Germany	EUR 1,025	Forwarding agency
Yes Logistics Company Ltd.	2000.07.19	22/F., Ever Gain Plaza, Tower 1, 88 Container Port Rd., Kwai Chung, N.T., Hong Kong	HKD 7,882	Forwarding agency
Yes Logistics Benelux B.V.	2007.03.22	Albert Plesmanweg 61D, 3088GB Rotterdam Netherlands	EUR 18	Forwarding agency
YES MLC GmbH	2013.02.15	Georg-beatzel-Str.15, 55252 Mainz-Kastel, Germany	EUR 805	Import and export, storage and delivery and other
Merlin Logistics GmbH	2003.06.06	Gluckgasse 3/15; 1010 Vienna Austria	EUR 35	Warehouse operation and logistics
YES Logistics Bulgaria Ltd.	2007.09.24	45 Maria Louisa Blvd., 1202 Sofia, Bulgaria	BGN 5	Cargo consolidation service and forwarding agency
PT. YES Logistics Indonesia	2017.06.16	Cowell Tower Lt. 9 Suite 9.1003A, Jl. Senen Raya No. 135 Jakarta Pusat 10410, Indonesia	USD 1,000	Forwarding agency

8.1.3 Shareholders in Common of the Company and Its Affiliates with Deemed Control and Subordination: None.

8.1.4 Business scope of the Group:

Main business activities of the Company's affiliates are transportation services, including forwarding agency, shipping agency, warehousing, chartering of ships, lease of containers and sales and purchase of ships and containers. Every affiliate endeavors to provide excellent service quality and maximize the synergy of the entire Yang Ming Group through the global transport network.

8.1.5 Rosters of Directors, Supervisors, and Presidents

2021.12.31

Company	Title	Name or Representative	Shareholding	
			Shares	Share percentage(%)
Yang Ming Line (B.V.I.) Holding Co., Ltd.	Director	Representative of Yang Ming Marine Transport Corp.: Cheng-Mount Cheng, Shu-Chin Tu, Yu-Wen Su	1,757	100.00
Yang Ming Line (Singapore) Pte Ltd	Director	Representative of Yang Ming Marine Transport Corp. Cheng-Mount Cheng, Shu-Chin Tu, Yu-Wen Su, Baey Cheng Song	60,130,000	100.00
All Oceans Transportation Inc.	Director	Representative of Yang Ming Marine Transport Corp.: Yeoung-Shuenn Ho, Chung-Hsien Chan, Shu-Hui Ou	1,000	100.00
	General Manager	Yeoung-Shuenn Ho	-	-
YES Logistics Corp.	Director	Representative of Yang Ming Marine Transport Corp.: Tsang-Ta Tsai, Jeng-Shong Jeng, Hsiu-Chi Ho, Chao-Feng Chang, Ying-Tung Lin	115,630,977	96.36
	General Manager	Ying-Tung Lin	1,000	0.001
Kuang Ming Shipping Corp.	Director	Representative of Yang Ming Marine Transport Corp.: Shu-Chin Tu, Yeoung-Shuenn Ho, Jeng-Shong Jeng, Hsiu-Chi Ho, Chih-Cheng Kuo	98,882,111	98.88
	Supervisor	Yu-Wen Su	487	-
	General Manager	Chih-Cheng Kuo	637	-
Hong Ming Terminal & Stevedoring Corp.	Director	Representative of Yang Ming Marine Transport Corp.: Chia-Wen Chiang, Cheng-Hsing Yang, Shih-Fang Hsu	10,000,000	100.00
	Supervisor	Representative of Yang Ming Marine Transport Corp.: Yu-Wen Su	-	-
	General Manager	Chu-Yieh Chao	-	-
Jing Ming Transportation Co., Ltd.	Director	Representative of Yang Ming Marine Transport Corp.: Hsiu-Chi Ho, Yaung-Tai Lin Chia-Wen Chiang, Chao-Feng Chang	8,615,923	50.98
	Director	Zhong Yeh	2,138,058	12.65
	Director	Jin-Xing Wang	-	-
	Director	Chi-Fong Peng	11,320	0.07
	Supervisor	Yi-Xing Juang	447,191	2.65
	Supervisor	Yu-Wen Su	-	-
	General Manager	Yaung-Tai Lin	-	-
Yang Ming Line Holding Co.	Director	Representative of Yang Ming Marine Transport Corp.: Cheng-Mount Cheng, Shu-Chin Tu, Yu-Wen Su	13,500	100.00
Yang Ming Line B.V.	Director	Representative of Yang Ming Marine Transport Corp.: Cheng-Mount Cheng, Tzu-Lin Chiu	2,500	100.00
Yang Ming (America) Corp.	Director	Representative of Yang Ming Line Holding Co.: Hung-Chung Chien, Tair-Shing Chia, Shu-Chin Tu	5,000	100.00
	General Manager	Tair-Shing Chia	-	-

Company	Title	Name or Representative	Shareholding	
			Shares	Share percentage(%)
Transcont Intermodal Logistics, Inc.	Director	Representative of Yang Ming Line Holding Co.: Wen-Jin Lee, Hung-Chung Chien, Pao-Lin Lee	200	100.00
	General Manager	Wen-Jin Lee	-	-
Yang Ming Shipping (Canada) Ltd.	Director	Representative of Yang Ming Line Holding Co.: Tair-Shing Chia, Hung-Chung Chien, Chen-Yun Lu	1,000	100.00
	General Manager	Chen-Yun Lu	-	-
Yang Ming Line N.V.	Director	Representative of Yang Ming Line (B.V.I.) Holding Co., Ltd. Yu-Wen Su	1,528,803	100.00
	Director	Representative of Yang Ming Line (B.V.I.) Holding Co., Ltd. (None)	68,097,591	97.84
Yang Ming (UK) Ltd.	Director	Representative of Yang Ming Line B.V.: Tien-Shun Wu, Yi-Ta Wu, Ming-Feng Wu	1,500,000	2.16
	General Manager	Ming-Feng Wu	-	-
Yang Ming Shipping Europe GmbH	General Manager	Representative of Yang Ming Line B.V.: Tsai-Ding Chou	(Note 1)	100.00
	Director	Representative of Yang Ming Line B.V.: Tien-Shun Wu, Kuen-Rong Pai, Chi-Hao Lin	125,000	50.00
Yang Ming (Italy) S.p.A	Director	Finsea S.p.A. : Aldo Felice Negri, Rieci Francesco	125,000	50.00
	General Manager	Chi-Hao Lin	-	-
Yang Ming (Belgium) N.V.	Director	Representative of Yang Ming Line B.V.: Tsai-Ding Chou, Wen-Hao Chen	553	89.92
	Director	Representative of Yang Ming (Netherlands) B.V.: Tien-Shun Wu	62	10.08
Yang Ming (Netherlands) B.V.	General Manager	Wen-Hao Chen	-	-
	Director	Representative of Yang Ming Line B.V.: Tsai-Ding Chou, Tien-Shun Wu, Tzu-Lin Chiu	400,000	100.00
Yang Ming (Russia) LLC	General Manager	Tzu-Lin Chiu	-	-
	Director	Representative of Yang Ming Line B.V.: Tsai-Ding Chou, Tien-Shun Wu, Wen-Fong Wu	(Note 2)	60.00
	Director	Igor Sergeyevich Luzinov		20.00
	Director	Aleksey Sergeyevich Luzinov		20.00
	General Manager	Wen-Fong Wu	-	-
	Director	Representative of Yang Ming Line B.V.: Tien-Shun Wu, Kuen-Rong Pai, Zong-Yi Lin	60,000	60.00
Yang Ming (Spain), S.L.	Director	Representative of Catalana Del Mar, S.A.: Carlos Mestre López, Sergio Prat Artal	40,000	40.00
	General Manager	Zong-Yi Lin	-	-

Company	Title	Name or Representative	Shareholding	
			Shares	Share percentage(%)
Yang Ming (Mediterranean) Marine Services Single-member Limited Liability Company	General Manager	Representative of Yang Ming Line B.V.: Kuen-Rong Pai	11,000	100.00
Yang Ming (Naples) S.r.l.	Director	Representative of Yang Ming (Italy) S.p.A.: Chi-Hao Lin, Ricci Francesco, Luigi Negri	(Note 3)	60.00
	Director	Marinter : Andrea Mastellone	(Note 4)	40.00
	Director	Representative of Yang Ming (UK) Ltd.: Tsai-Ding Chou, Pao-Lin Lee, Ming-Feng Wu, Williams, Simon John	1,000	100.00
Corstor Ltd.	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Chao-Feng Chang, An-Chung Ku, Yi-Ta Wu	3,000	100.00
Yangming (Japan) Co., Ltd.	Supervisor	Representative of Yang Ming Line (Singapore) Pte Ltd: Kuan-Sheng Fu		
Yang Ming Shipping (B.V.I.) Inc.	General Manager	Yi-Ta Wu	-	-
	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: An-Chung Ku, Shun-Ming Lai	1,000	100.00
Young-Carrier Company Ltd.	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Cheng-Mount Cheng, Shu-Chin Tu, Chao-Feng Chang, Mei-Chi Shih	1,000,000	100.00
	General Manager	Mei-Chi Shih	-	-
Yang Ming Line (Hong Kong) Ltd.	Director	Representative of Yang Ming Line (B.V.I.) Holding Co., Ltd. (None)	68,556,347	98.56
	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Mei-Chi Shih, Shun-Ming Lai, An-Chung Ku	1,000,000	1.44
	General Manager	Shun-Ming Lai	-	-
	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Tai-Chi Tsai, Shih-Chou Lee	21,285,000	100.00
Yang Ming (Singapore) Pte. Ltd.	General Manager	Shih-Chou Lee	-	-
	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Tai-Chi Tsai, Cheng-Chan Shih, Chieh Lee	1,000,000	100.00
Yang Ming Line (M) Sdn. Bhd.	General Manager	Cheng-Chan Shih	-	-
	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Chao-Feng Chang, Jeng-Shong Jeng, Hsi-Hung Chang	300,000	60.00
Yang Ming Line (India) Pvt. Ltd.	Director	Marine Container Services (India) Pvt. Ltd. : Avinash Chander Batra, Somesh Chander Batra	190,000	38.00
	General Manager	Hsi-Hung Chang	-	-

Company	Title	Name or Representative	Shareholding	
			Shares	Share percentage(%)
Yang Ming (Korea) Co. Ltd.	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Chao-Feng Chang, An-Chung Ku, Hsieh-Wen Liu	60,000	60.00
	Supervisor	Representative of Yang Ming Line (Singapore) Pte Ltd: Kuan-Sheng Fu		
	Director	Representative of Sebang Co., Ltd.: Jong-Seon Kim, Sang-Woong Lee	40,000	40.00
	Supervisor	Representative of Sebang Co., Ltd.: Jong Il Choi		
	General Manager	Hsieh-Wen Liu	-	-
Sun-Baked Pte. Ltd.	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Hsiu-Chi Ho, Shu-Hui Ou, Stuart Sidney Herbert	350,000	100.00
Yang Ming Anatolia Shipping Agency S.A.	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Chien-Lu Chang	50,000	50.00
	Director	Tien-Shun Wu	-	-
	Director	Kuen-Rong Pai	-	-
	Director	Lucien Arkas	2,000	2.00
	Director	Bernard Arkas	1,000	1.00
	General Manager	Chien-Lu Chang	-	-
	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: An-Chung Ku, Chien-Chang Tzeng, Ming-Sheng Lin	(Note 5)	100.00
Yang Ming Shipping (Vietnam) Co. Ltd.	General Manager	Ming-Sheng Lin	-	-
	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Wan-Ting Chang	99,995	100.00
	Director	An-Chung Ku	1	-
	Director	Chien-Chang Tzeng	1	-
	Director	Kuan-Yu Chen	1	-
	Director	Michelle M. Delica	1	-
	General Manager	Wan-Ting Chang	1	-
Yang Ming (Latin America) Corp.	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Hsiang Chun Cheng, Chao-Feng Chang, Tai-Chi Tsai	200	100.00
	General Manager	Hsiang Chun Cheng	-	-
	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: An-Chung Ku, Yu-Hua Chang, Inkornkul Mapaiboonkij	3,920	49.00
Yang Ming Line (Thailand) Co., Ltd.	General Manager	Yu-Hua Chang	-	-
	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: An-Chung Ku, Yu-Hua Chang, Punnada Tuesue	2,450	49.00
	General Manager	Yu-Hua Chang	-	-



Company	Title	Name or Representative	Shareholding	
			Shares	Share percentage(%)
Yang Ming Insurance Co., Ltd.	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Hsiu-Chi Ho, Shu-Hui Ou, Chyi-Yu Chou, Davis Maranga	250,000	100.00
PT Yang Ming Shipping Indonesia	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Jui-Hsiang Wu, An-Chung Ku	18,865	49.00
	Supervisor	Kuan-Sheng Fu	-	-
	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Mei-Chi Shih, Shu-Chin Tu, Jeng-Shong Jeng, Chao-Feng Chang		51.00
Huan Ming (Shanghai) International Shipping Agency Co., Ltd	Supervisor	Yang Ming Line (Singapore) Pte Ltd : Yu-Wen Su	(Note 6)	
	Director	Young-Carrier (Shanghai) Logistics Co., Ltd: Xin Feng, Chen Zhou		49.00
	Supervisor	Young-Carrier (Shanghai) Logistics Co., Ltd: Yong-Qian Wang		
Yang Ming (France) SAS	Manager Director	Representative of Yang Ming Line (Singapore) Pte Ltd : Chih-Hui Ka	90,000	60.00
Karlman Properties Limited	Director	Representative of Yang Ming Shipping (B.V.I.) Inc. Shun-Ming Lai, Ping-Jen Tseng	24,000,000	100.00
Manwa Co., Ltd.	Director	Yangming (Japan) Co., Ltd. : Lung-Fu Chen, Yi-Ta Wu, Ryo Yonekura	200	100.00
	Supervisor	Yangming (Japan) Co., Ltd. : Mikiyo Fujiwara		
Kuang Ming (Liberia) Corp.	Director	Representative of Kuang Ming Shipping Corp. : Chih-Cheng Kuo, Kao-Chia Hung, Hung-Tzu Chen, Keh-Yeun Tai	5	100.00
Yes Logistics Corporation	Director	Representative of YES Logistics Corp. : Ying-Tung Lin, Ming-Chih Tseng, Helen Chao	2,173,411	100.00
YES Yangming Logistics (Singapore) Pte. Ltd.	Director	Representative of YES Logistics Corp. : Cheng-Chih Hsu, Shih-Chou Lee, Ying-Tung Lin	1,607,984	100.00
	General Manager	Shih-Chou Lee	-	-
	Director	Representative of Yes Logistics Corporation. : Chun-Nan Chou, Ming-Chih Tseng		30.20
Yes Logistics (Shanghai) Corp.	Director	Representative of YES Logistics Corp. : Mei-Chi Shih, Ying-Tung Lin, Chih-Chung Chang	(Note 7)	69.80
	Supervisor	Representative of YES Logistics Corp. : Cheng-Chih Hsu		
	General Manager	Chih-Chung Chang	-	-
Golden Logistics USA Corporation	Director	Representative of Yes Logistics Corporation : Wen-Ping Chen, Chun-Nan Chou, Cheng-Chih Hsu	100	100.00
	General Manager	Chun-Nan Chou	-	-

Company	Title	Name or Representative	Shareholding	
			Shares	Share percentage(%)
YES Logistics Europe GmbH	General Manager	Ying-Tung Lin	(Note 8)	100.00
Yes Logistics Company Ltd.	Director	Representative of YES Yangming Logistics (Singapore) Pte. Ltd. : Ying-Tung Lin, Cheng-Chih Hsu	7,882,278	100.00
Yes Logistics Benelux B.V.	Commissioner	YES Yangming Logistics (Singapore) Pte. Ltd. : Cheng-Chih Hsu, Torsten Kruse	12,600	70.00
	Commissioner	Royal Burger Group : George Marie Broeders	5,400	30.00
	General Manager	Ming-Chih Tseng	-	-
	Director	Representative of YES Logistics Corp. : Wen-Kao Pi, Chun-Nan Chou, Ying-Tung Lin	510,000	51.00
PT. YES Logistics Indonesia	Supervisor	Representative of YES Logistics Corp. : Wei-Nan Chen	-	-
	Director	IRWANTO SALIM	-	-
	Supervisor	LIO KURNIAWAN	490,000	49.00
	Director	HANDY KORNIAWAN	-	-
YES MLC GmbH	General Manager	Torsten Kruse	-	-
Merlin Logistics GmbH	General Manager	Peter Poots	-	-
YES Logistics Bulgaria Ltd.	General Manager	Peter Poots	-	-

Note 1: Yang Ming Line B.V held 100% shares, which amounted to EUR818,067.

Note 2: Investment of Yang Ming Line B.V. amounted to RUB6,000,000, investment of Igor Sergeyevich Luzinov amounted to RUB2,000,000, and investment of Aleksey Sergeyevich Luzinov amounted to RUB2,000,000.

Note 3: Yang Ming (Italy) S.p.A held 60% shares, which amounted to EUR6,000.

Note 4: Marinter held 40% shares, which amounted to EUR4,000.

Note 5: Yang Ming Line (Singapore) Pte Ltd held 100% shares, which amounted to USD300,000.

Note 6: Yang Ming Line (Singapore) Pte Ltd held 51% shares, which amounted to USD510,000; Young-Carrier (Shanghai) Logistics Co.,Ltd held 49% shares, which amounted to USD490,000.

Note 7: Yes Logistics Corporation held 100% shares, which amounted to USD5,000,000. Its capital decreased to USD1,300,000 in January 2016, and then Yes Logistics Corp. injected USD3,000,000 on February 17, 2017.

Note 8: Yes Logistics Corporation held 100% shares, which amounted to EUR1,025,000.



8.1.6 Operational Highlights of the Company's Affiliates

2021.12.31

Unit: NT\$ Thousands, except EPS (NT\$)

Company	Capital Stock	Asset	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Earnings (Loss) Per Share	Note
All Oceans Transportation Inc.	1,500,181	5,571,086	4,299,952	1,271,134	2,328,253	8,195	67,445	67,445.00	
Hong Ming Terminal & Stevedoring Corp.	100,000	908,586	746,822	161,764	840,738	23,991	14,472	1.45	
Jing Ming Transportation Co., Ltd.	169,006	506,162	242,994	263,168	942,296	6,610	10,626	0.63	
Yang Ming Line (Singapore) Pte Ltd	1,229,609	13,216,610	5,543,898	7,672,712	0	(12,147)	43,461,198	722.79	
Yang Ming Line Holding Co.	124,560	3,150,435	101,978	3,048,457	0	(2,064)	845,723	62,646.15	
Yang Ming Line (B.V.I.) Holding Co., Ltd.	486,200	7,380,735	0	7,380,735	0	(188)	6,899,221	3,927,815.96	
Kuang Ming Shipping Corp.	999,991	7,517,768	5,550,337	1,967,431	2,060,338	386,860	1,097,797	10.98	
YES Logistics Corp.	1,200,000	3,144,228	1,512,829	1,631,399	4,539,413	240,020	408,148	3.40	
Yang Ming Shipping (B.V.I.) Inc.	28	64,080	5,328	58,752	0	(371)	21,675	21,675.00	
Yang Ming Line (Hong Kong) Ltd.	246,880	275,660	329,262	(53,602)	197,114	7,179	8,647	8.65	
Karlman Properties Limited	85,185	81,958	1,363	80,595	0	(8,443)	92	0.00	
Yang Ming Line (India) Pvt. Ltd.	1,860	237,102	233,702	3,400	100,509	(5,805)	(3,329)	(6.66)	
Yang Ming (Korea) Co. Ltd.	11,638	108,857	53,220	55,637	188,718	(1,636)	3,278	32.78	
Young-Carrier Company Ltd.	3,549	208,190	4,809	203,381	0	(1,419)	(5,413)	(5.41)	
Yang Ming (Japan) Co., Ltd.	36,053	500,463	493,642	6,821	214,248	(14,576)	(19,711)	(6,570.33)	
Manwa Co., Ltd.	2,404	18,311	16,137	2,174	983	95	65	325.00	
Yang Ming (Singapore) Pte. Ltd.	435,261	16,859,943	11,507,463	5,352,480	69,415,683	43,151,062	43,090,612	2,024.46	
Yang Ming Line (M) Sdn. Bhd.	6,626	315,250	260,370	54,880	81,609	2,996	1,996	2.00	
Sun-Baked Pte. Ltd.	9,688	8,184	1,726	6,458	0	(2,695)	(3,270)	(9.34)	
Yang Ming Shipping (Vietnam) Co. Ltd.	7,648	1,757,687	1,676,763	80,924	89,553	7,140	31,393	Note 1	
Yang Ming Anatolia Shipping Agency S.A.	215	728,315	460,976	267,339	890,508	377,758	390,797	3,907.97	
Yang Ming Shipping Philippines, Inc.	5,422	165,840	174,102	(8,262)	44,944	(654)	2,412	24.12	
Yang Ming (Latin America) Corp.	5,536	12,952	5,545	7,407	19,619	353	280	1,400.00	
Yang Ming Line (Thailand) Co., Ltd.	6,641	331,470	296,343	35,127	89,949	4,858	5,865	733.13	
Yang Ming Line Shipping (Thailand) Co., Ltd.	4,150	25,663	4,236	21,427	16,841	1,362	4,274	854.80	
Yang Ming Insurance Co., Ltd.	6,920	610,452	465,606	144,846	97,843	92,611	91,549	366.20	
PT Yang Ming Shipping Indonesia	74,701	350,197	271,619	78,578	93,555	(6,918)	1,722	44.73	
Huan Ming (Shanghai) International Shipping Agency Co., Ltd	27,680	7,466,776	7,426,223	40,553	859,883	17,001	9,426	Note 1	
YangMing (France) S.A.S	4,694	528,463	503,920	24,543	132,675	28,252	21,720	144.80	
Yang Ming (America) Corp.	13,840	627,234	397,770	229,464	1,212,197	26,626	12,966	2,593.20	

Company	Capital Stock	Asset	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Earnings (Loss) Per Share	Note
Transcont intermodal Logistics, Inc.	277	214	0	214	0	(12)	(12)	(60.00)	
Yang Ming Shipping (Canada) Ltd.	2,162	35,069	11,278	23,791	41,655	1,213	648	648.00	
Yang Ming Line N.V.	42,317	0	0	0	0	(660)	(660)	(0.43)	
Yang Ming Line B.V.	35,505	1,510,078	0	1,510,078	0	(403)	710,562	284,224.80	
Yang Ming (Belgium) N.V.	1,925	291,952	269,151	22,801	155,237	(1,037)	(823)	(1,338.21)	
Yang Ming (Netherlands) B.V.	12,519	569,473	473,121	96,352	171,412	43,202	71,394	178.49	
Yang Ming (Italy) S.p.A.	7,824	1,453,542	1,382,836	70,706	289,677	42,142	35,168	140.67	
Yang Ming (Naples) S.r.l.	313	46,417	39,608	6,809	20,744	2,449	2,616		Note 1
Yang Ming (UK) Ltd.	2,594,463	13,597,517	6,087,713	7,509,804	19,285,290	8,871,846	7,350,406	105.61	
Yang Ming Shipping Europe GmbH	25,603	601,672	442,126	159,546	323,043	(622)	3,375		Note 1
Yang Ming (Russia) LLC	3,721	127,645	99,877	27,768	61,078	30,030	24,582		Note 1
Yang Ming (Spain), S.L.	3,130	1,328,953	999,757	329,196	300,786	199,078	148,249	1,482.49	
Yang Ming (Mediterranean) Marine Services Single-member Limited Liability Company	34,426	46,003	8,600	37,403	58,738	1,228	1,214	110.36	
Corstor Ltd.	37	31,950	7,813	24,137	24,065	5,858	4,104	4,104.00	
Kuang Ming (Liberia) Corp.	3,589,854	4,080,591	1,411,116	2,669,475	1,895,508	819,534	737,084	147,416,800.00	Note 2
YES Logistics Europe GmbH	32,079	79,291	152,434	(73,143)	443,401	4,799	24,584		Note 1
YES Logistics Corporation	60,160	325,788	155,741	170,047	1,276,018	101,473	162,961	74.98	
YES Yangming Logistics (Singapore) Pte. Ltd.	32,882	33,454	0	33,454	34	(71)	11,876	7.39	
Yes Logistics Company Ltd.	27,977	69,421	49,487	19,934	23,531	(1,115)	(1,112)	(0.14)	
Yes Logistics Benelux B.V.	563	47,798	42,813	4,985	264,905	7,416	7,119	395.50	
Yes Logistics (Shanghai) Corp.	119,024	1,989,509	1,607,745	381,764	8,916,811	256,502	211,529		Note 1
Golden Logistics USA Corporation	277	6,606	2,812	3,794	31,954	818	818	8,180.00	
YES MLC GmbH	25,197	374,219	397,270	(23,051)	264,271	23,864	18,930		Note 1
Merlin Logistics GmbH	1,095	2,176	2,268	(92)	0	0	(70)		Note 1
YES Logistics Bulgaria Ltd.	80	1,296	3,527	(2,231)	0	0	0	0.00	
PT YES Logistics Indonesia	27,680	28,682	6,951	21,731	130,833	2,629	2,594	2.59	

Note 1 : Unissued shares.

Note 2 : Issued five shares

8.1.7 Consolidated Financial Statements

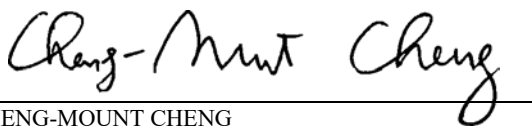
DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2021 are the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies as of and for the year ended December 31, 2021. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

YANG MING MARINE TRANSPORT CORPORATION

By:



CHENG-MOUNT CHENG

March 14, 2022

8.1.8 Affiliated Companies Report: None.

8.2 Private Securities in the past year and as of the Date of Publication of the Annual Report:

The company had delivered the mandatory convertibles bonds in 2012 (converted into privately placed common shares in 2019 complying with the conditions of issuance) and the common shares for a cash in private placement in 2017 (delivered in 2017 and 2018 respectively). They are total 697,394,379 shares. They were approved by the Taiwan Stock Exchange Co., Ltd. on December 28, 2021 with the official document No. 1100025923 to convert private shares into public offerings, and they have been listed for trading since January 3, 2022.

8.3 Holding or Disposal of the Company's Shares by Affiliates in the past year and as of the Date of Publication of the Annual Report: None.

8.4 Other necessary supplementary notes: None.

8.5 Matters in the past year and as of the Date of Publication of the Annual Report which have a substantial impact on Owners' Equity as stipulated in Item 2, Paragraph 3 of Article 36 of the Securities and Exchange Act: None.

**Attachment 1 Consolidated Financial Statements 2021****INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders
Yang Ming Marine Transport Corporation

Opinion

We have audited the accompanying consolidated financial statements of Yang Ming Marine Transport Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the consolidated financial statements of the Group for the year ended December 31, 2021 are as follows:

Audit of the Percentage-of-completion

Since the recognition of the cargo revenue is material and complex, we deemed the percentage-of-completion method of revenue recognition as a key audit matter.

The recognition depends on the expected time frame for the completion of the voyage. The judgment of the percentage-of-completion estimation may lead to an incorrect calculation of revenue recognized or an inconsistency in revenue recognition.

The judgment of cargo revenue recognition included critical accounting judgments and key sources of estimation uncertainty disclosed in Notes 5 and 25 to the accompanying consolidated financial statements.

We tested the accuracy of the timing of the revenue recognition. Through subsequent information on voyages, berthing reports, sailing schedules and report of the estimation of the bill of landing revenue, we reviewed the basis of estimates and verified the validity of the voyage dates calculated by Group's management and of the revenue resulting from voyages.

Other Matter

We have audited the parent company only financial statements of Yang Ming Marine Transport Corporation as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion with an emphasis of matter paragraphs.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

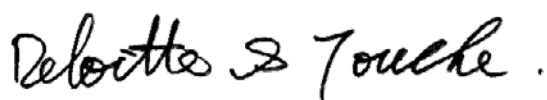
1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chen-Hsiu Yang and Yu-Mei Hung.



Deloitte & Touche
Taipei, Taiwan
Republic of China

March 14, 2022

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.



YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 34)	\$ 57,448,678	15	\$ 24,518,721	13
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	76,048	-	1,743,413	1
Financial assets at amortized cost - current (Notes 4, 9, 34 and 35)	136,068,631	35	2,191,233	1
Contract assets, net (Notes 4, 25 and 34)	5,465,334	2	2,890,274	1
Notes receivable, net (Notes 4, 10 and 34)	5,124	-	8,245	-
Trade receivables, net (Notes 4, 10 and 25)	21,642,929	6	11,004,046	6
Trade receivables from related parties (Notes 4, 10, 25, and 34)	412,055	-	173,823	-
Finance lease receivables, net (Notes 4 and 11)	20,204	-	19,938	-
Shipping fuel (Notes 4 and 12)	3,408,707	1	2,189,744	1
Prepayments (Notes 4 and 34)	545,143	-	412,350	-
Prepayments to shipping agents (Note 34)	462,440	-	102,610	-
Other current assets (Notes 4, 27 and 34)	1,001,626	-	1,006,822	1
Total current assets	226,556,919	59	46,261,219	24
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (FVTPL) - non-current (Notes 4 and 7)	13,871	-	-	-
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4 and 8)	497,931	-	1,998,531	1
Financial assets at amortized cost - non-current (Notes 4, 9, 34 and 35)	33,461	-	103,439	-
Investments accounted for using equity method (Notes 4 and 14)	11,081,905	3	6,972,400	3
Property, plant and equipment (Notes 4, 15, 34 and 35)	73,895,469	19	73,663,236	38
Right-of-use assets (Notes 4, 16 and 34)	63,139,955	17	55,853,713	29
Investment properties (Notes 4, 17, 34 and 35)	7,083,726	2	6,317,219	3
Other intangible assets (Note 4)	80,847	-	88,268	-
Deferred tax assets (Notes 4 and 27)	1,341,237	-	3,162,100	2
Prepayments for equipment (Notes 4 and 34)	295,430	-	127,805	-
Refundable deposits	219,109	-	199,452	-
Finance lease receivables - non-current (Notes 4 and 11)	127,016	-	147,220	-
Other financial assets - non-current (Note 4)	21,704	-	63,202	-
Other non-current assets	27,304	-	18,181	-
Total non-current assets	157,858,965	41	148,714,766	76
TOTAL	\$ 384,415,884	100	\$ 194,975,985	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 18 and 34)	\$ 1,393,760	-	\$ 2,072,156	1
Short-term bills payable (Notes 18 and 34)	436,131	-	12,113,626	6
Financial liabilities for hedging - current (Notes 4, 16 and 33)	7,585,691	2	7,370,742	4
Contract liabilities - current (Notes 4, 25 and 34)	903,453	-	134,998	-
Notes payable	33,852	-	25,404	-
Trade payables (Note 20)	19,106,729	5	15,677,632	8
Trade payables to related parties (Notes 20 and 34)	376,954	-	425,388	-
Other payables (Notes 21 and 34)	7,846,672	2	4,328,266	2
Current tax liabilities (Notes 4 and 27)	29,497,739	8	264,165	-
Provisions - current (Notes 4 and 22)	56,307	-	-	-
Lease liabilities - current (Notes 4, 16 and 34)	3,306,188	1	2,146,472	1
Current portion of long-term liabilities (Notes 4, 18, 19, 34 and 35)	1,400,430	1	14,315,643	8
Other advance account	218,711	-	217,218	-
Other current liabilities	1,074,266	-	657,644	-
Total current liabilities	73,236,883	19	59,749,354	30
NON-CURRENT LIABILITIES				
Financial liabilities for hedging - non-current (Notes 4, 16 and 33)	33,835,186	9	40,383,562	21
Bonds payable (Notes 4, 19, 34 and 35)	10,822,014	3	4,945,877	3
Long-term borrowings (Notes 4, 18, 34 and 35)	5,068,879	1	41,096,387	21
Provisions - non-current (Notes 4 and 22)	1,348	-	1,396	-
Deferred tax liabilities (Notes 4 and 27)	6,143,436	2	2,573,337	1
Lease liabilities - non-current (Notes 4, 16 and 34)	17,236,619	4	6,089,430	3
Other advance account - non-current	84,431	-	163,942	-
Net defined benefit liabilities - non-current (Notes 4 and 23)	2,828,346	1	3,027,709	2
Other non-current liabilities	836,076	-	610,139	-
Total non-current liabilities	76,856,335	20	98,891,779	51
Total liabilities	150,093,218	39	158,641,133	81
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital - ordinary shares	34,921,043	9	31,676,622	16
Capital surplus	27,975,030	7	384,106	-
Retained earnings				
Legal reserve	166,092	-	-	-
Special reserve	1,494,827	-	-	-
Unappropriated earnings	167,409,719	44	1,660,919	1
Total retained earnings	169,070,638	44	1,660,919	1
Other equity	1,724,563	1	1,956,585	1
Total equity attributable to owners of the Company	233,691,274	61	35,678,232	18
NON-CONTROLLING INTERESTS	631,392	-	656,620	1
Total equity	234,322,666	61	36,334,852	19
TOTAL	\$ 384,415,884	100	\$ 194,975,985	100

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

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 5, 16, 25 and 34)	\$ 333,687,395	100	\$ 151,276,683	100
OPERATING COSTS (Notes 4, 12, 16, 26 and 34)	<u>120,556,335</u>	<u>36</u>	<u>125,192,367</u>	<u>83</u>
GROSS PROFIT	<u>213,131,060</u>	<u>64</u>	<u>26,084,316</u>	<u>17</u>
OPERATING EXPENSES (Notes 4, 10, 16, 25, 26 and 34)				
Selling and marketing expenses	8,209,836	2	5,889,749	4
General and administrative expenses	1,615,424	1	1,060,383	-
Expected credit loss	<u>150,499</u>	<u>-</u>	<u>35,547</u>	<u>-</u>
Total operating expenses	<u>9,975,759</u>	<u>3</u>	<u>6,985,679</u>	<u>4</u>
OTHER OPERATING INCOME AND EXPENSES (Notes 4 and 26)	<u>229,215</u>	<u>-</u>	<u>361,555</u>	<u>-</u>
PROFIT FROM OPERATIONS	<u>203,384,516</u>	<u>61</u>	<u>19,460,192</u>	<u>13</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 16, 26 and 34)				
Interest income	308,249	-	133,458	-
Other income	94,730	-	144,889	-
Other gains and losses	(357,118)	-	(400,445)	-
Finance costs	(2,572,605)	(1)	(3,560,297)	(2)
Share of profit of associates and joint ventures	<u>1,518,973</u>	<u>1</u>	<u>372,246</u>	<u>-</u>
Total non-operating income and expenses	<u>(1,007,771)</u>	<u>-</u>	<u>(3,310,149)</u>	<u>(2)</u>
PROFIT BEFORE INCOME TAX	202,376,745	61	16,150,043	11
INCOME TAX EXPENSE (Notes 4 and 27)	<u>(36,774,864)</u>	<u>(11)</u>	<u>(3,963,255)</u>	<u>(3)</u>
NET PROFIT FOR THE YEAR	<u>165,601,881</u>	<u>50</u>	<u>12,186,788</u>	<u>8</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 16, 23, 24 and 27)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(58,881)	-	(603,380)	-
Unrealized gain on investments in equity instruments at FVTOCI	2,845,465	1	231,000	-

(Continued)



YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	\$ (170,960)	-	\$ 22,098	-
Income tax related to items that will not be reclassified subsequently to profit or loss	<u>11,776</u>	<u>-</u>	<u>120,832</u>	<u>-</u>
	<u>2,627,400</u>	<u>1</u>	<u>(229,450)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(1,027,307)	(1)	(559,738)	-
Gain on hedging instruments	641,742	-	2,237,303	1
Income tax related to items that may be reclassified subsequently to profit or loss	<u>(456,534)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(842,099)</u>	<u>(1)</u>	<u>1,677,565</u>	<u>1</u>
Other comprehensive income for the year, net of income tax	<u>1,785,301</u>	<u>-</u>	<u>1,448,115</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 167,387,182</u>	<u>50</u>	<u>\$ 13,634,903</u>	<u>9</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 165,268,628	50	\$ 11,977,013	8
Non-controlling interests	<u>333,253</u>	<u>-</u>	<u>209,775</u>	<u>-</u>
	<u>\$ 165,601,881</u>	<u>50</u>	<u>\$ 12,186,788</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 167,177,697	50	\$ 13,476,092	9
Non-controlling interests	<u>209,485</u>	<u>-</u>	<u>158,811</u>	<u>-</u>
	<u>\$ 167,387,182</u>	<u>50</u>	<u>\$ 13,634,903</u>	<u>9</u>
EARNINGS PER SHARE (Note 28)				
Basic	<u>\$ 48.73</u>		<u>\$ 4.51</u>	
Diluted	<u>\$ 48.28</u>		<u>\$ 3.64</u>	

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

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company									
	Retained Earnings (Accumulated Deficits) (Note 24)			Other Equity			Non-controlling			Total Equity
	Legal Reserve	Special Reserve	Unappropriated Earnings (Deficit to Be Compensated)	Exchange Differences on Translating the Financial Statements of Foreign Operations (Notes 4 and 24)	Valuation Gain (Loss) on Financial Assets Through Other Comprehensive Income (Notes 4 and 24)	Gain (Loss) on Hedging Instruments (Notes 4 and 24)	Total	Interests (Note 24)		
Share Capital (Notes 4, 19 and 24)	Capital Surplus (Notes 4, 19 and 24)									
Shares (In Thousands)	Amount									
BALANCE AT JANUARY 1, 2020	2,601,336	\$ 26,013,357	\$ 1,939,381	\$ -	\$ (11,462,514)	\$ (205,946)	\$ (1,039,266)	\$ 1,218,522	\$ 618,665	\$ 17,082,199
Capital surplus used to offset accumulated deficits	-	-	(1,630,616)	-	1,630,616	-	-	-	-	-
Net profit for the year ended December 31, 2020	-	-	-	-	11,977,013	-	-	-	209,775	12,186,788
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	(484,196)	(507,564)	253,536	2,237,303	(50,964)	1,448,115
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	11,492,817	(507,564)	253,536	2,237,303	158,811	13,634,903
Convertible bonds converted to ordinary shares	566,326	5,663,265	75,341	-	-	-	-	-	-	5,738,606
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	(120,856)	(120,856)
BALANCE AT DECEMBER 31, 2020	3,167,662	31,676,622	384,106	-	1,660,919	(713,510)	(785,730)	3,455,825	656,620	36,334,852
Appropriation of 2020 earnings	-	-	-	166,092	(166,092)	-	-	-	-	-
Legal reserve	-	-	-	-	(1,494,827)	-	-	-	-	-
Special reserve	-	-	-	1,494,827	(1,494,827)	-	-	-	-	-
Net profit for the year ended December 31, 2021	-	-	-	-	165,268,628	-	-	-	333,253	165,601,881
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	(47,336)	(540,488)	2,674,664	(177,771)	(123,768)	1,785,301
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	165,221,292	(540,488)	2,674,664	(177,771)	209,485	167,387,182
Issuance of ordinary shares for cash	160,000	1,600,000	27,520,000	-	-	-	-	-	-	29,120,000
Convertible bonds converted to ordinary shares	164,442	1,644,421	19,551	-	-	-	-	-	-	1,663,972
Share-based payments (Note 29)	-	-	51,373	-	-	-	-	-	-	51,373
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (loss) by the Group, associates and joint ventures	-	-	-	-	2,188,427	-	(2,188,427)	-	-	-
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	(234,713)	(234,713)
BALANCE AT DECEMBER 31, 2021	3,492,104	\$ 34,921,043	\$ 27,975,030	\$ 1,494,827	\$ 167,409,719	\$ (1,253,998)	\$ (299,493)	\$ 3,278,054	\$ 631,392	\$ 234,322,666

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



YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 202,376,745	\$ 16,150,043
Adjustments for:		
Depreciation expenses	17,454,705	17,149,693
Amortization expenses	55,923	52,192
Expected credit loss recognized	150,499	35,547
Net gain on fair value change of financial assets/liabilities at FVTPL	(12,704)	(65,415)
Finance costs	2,572,605	3,560,297
Interest income	(308,249)	(133,458)
Dividend income	(4,969)	(58,469)
Compensation cost of employee share options	51,373	-
Share of profit of associates and joint ventures	(1,518,973)	(372,246)
Gain on disposal of property, plant and equipment	(81,870)	(299,609)
Loss on disposal of associates	-	689
Impairment loss recognized on associates	623,259	1,027,207
(Reversal gain) impairment loss recognized on right-of-use assets	(593,059)	511,539
(Reversal of) write-downs of shipping fuel	(179,027)	172,303
Net gain on foreign currency exchange	(859,237)	(518,098)
Gain on changes in fair value of investment properties	(329,065)	(3,899)
(Gain) loss on lease modification	(9,524)	3,448
Recognized of provisions	56,307	30,620
Gain from bargain purchase	(3,171)	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at FVTPL	1,655,002	(1,423,483)
Contract assets	(2,626,976)	(1,109,216)
Notes receivable	3,121	(3,453)
Trade receivables	(10,717,841)	(1,053,489)
Trade receivables from related parties	(238,232)	(28,082)
Shipping fuel	(1,038,236)	1,432,115
Prepayments	(107,307)	153,047
Prepayments to shipping agents	(359,830)	(21,295)
Other current assets	26,399	185,542
Financial liabilities held for trading	-	(9,987)
Notes payable	8,448	7,011
Trade payables	3,426,646	3,411,123
Trade payables to related parties	(48,434)	(46,037)
Other payables	3,136,508	613,236
Contract liabilities	768,455	13,172
Provision	-	(1,058,370)
Other advance account	(78,018)	37,301
Other current liabilities	481,750	145,734
Net defined benefit liabilities	(258,244)	(79,342)
Cash generated from operations	213,474,779	38,407,911
Interest received	264,959	148,402
Dividends received	909,805	356,200
		(Continued)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Interest paid	\$ (2,503,211)	\$ (3,431,303)
Income tax paid	<u>(2,571,567)</u>	<u>(438,584)</u>
Net cash generated from operating activities	<u>209,574,765</u>	<u>35,042,626</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at FVTOCI	(20,000)	-
Proceeds from sale of financial assets at FVTOCI	282	-
Capital reduction and withdrawal of shares of financial assets at FVTOCI	-	5,362
Purchase of financial assets at amortized cost	(137,386,246)	(1,888,352)
Proceeds from sale of financial assets at amortized cost	3,471,642	3,200,427
Acquisition of associates and joint ventures	(891)	(1,791)
Proceeds from disposal of associates	-	3,675
Net cash inflow on acquisition of subsidiary (Note 30)	8,442	-
Payments for property, plant and equipment	(7,028,669)	(8,396,372)
Proceeds from disposal of property, plant and equipment	134,724	1,160,981
Increase in refundable deposits	(19,657)	(57,715)
Payments for intangible assets	(56,376)	(21,992)
Payments for investment property	(3,074)	-
Decrease in financial lease receivables	19,938	19,675
Decrease in other financial assets	41,498	8,121
Increase in other non-current assets	(13,570)	(1,944)
Increase in prepayments for equipment	<u>(256,237)</u>	<u>(158,993)</u>
Net cash used in investing activities	<u>(141,108,194)</u>	<u>(6,128,918)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(678,396)	(2,548,878)
Repayments of short-term bills payable	(11,702,500)	(1,390,000)
Proceeds from issuance of bonds payable	5,900,000	-
Repayments of bonds payable	-	(5,900,000)
Proceeds from long-term borrowings	2,977,100	25,686,492
Repayments of long-term borrowings	(50,228,138)	(24,127,921)
Repayments of the principal portion of lease liabilities	(10,125,691)	(10,475,160)
Decrease in other financial liabilities	-	(2,671,657)
Increase in other non-current liabilities	240,937	324,113
Proceeds from issuance of ordinary shares	29,120,000	-
Net change in non-controlling interests	<u>(234,713)</u>	<u>(120,856)</u>
Net cash used in financing activities	<u>(34,731,401)</u>	<u>(21,223,867)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>(805,213)</u>	<u>(348,459)</u>
		(Continued)



YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 32,929,957	\$ 7,341,382
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>24,518,721</u>	<u>17,177,339</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 57,448,678</u>	<u>\$ 24,518,721</u>

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

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Yang Ming Marine Transport Corporation (the “Company” or YMTC), established in December 1972, was majority-owned by the Ministry of Transportation and Communications (MOTC) of the Republic of China (ROC) until February 15, 1996 when the MOTC began reducing its holdings in the Group following the Group’s listing of its shares on the Taiwan Stock Exchange.

YMTC mainly engages in the shipping, repair, chartering, sale and purchase of ships, containers and chassis and operates as a shipping agency.

YMTC’s shares have been listed on the Taiwan Stock Exchange since April 1992. The Company issued global depositary receipts (GDRs), which have been listed on the London Stock Exchange (ticker symbol: YMTD) since November 1996. The GDRs listed on London Stock Exchange were delisted on December 5, 2019.

To simplify investment structure and integrate resources, YMTC plans to restructure the Group. In July 2021, the board of directors resolved to merge with Ching Ming Investment Corp. The base date for the merger was November 1, 2021. The Company would be the surviving company while Ching Ming Investment Corp would be dissolved in the merger.

The consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) are presented in YMTC’s functional currency, the New Taiwan dollar.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the YMTC’s board of directors on March 14, 2022.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies:

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

The Group elected to apply the amendment that extends the availability of the practical expedient to lease payments due on or before June 30, 2022. Refer to Note 4 for the relevant accounting policies of the practical expedient.

The Group applies the amendments from January 1, 2021.



- b. The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 1)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 2)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 3)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”

The amendments specify that when assessing whether a contract is onerous, the “cost of fulfilling a contract” includes both the incremental costs of fulfilling that contract (for example, direct labor and materials) and an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of depreciation for an item of property, plant and equipment used in fulfilling the contract).

The Group will recognize the cumulative effect of the initial application of the amendments in the retained earnings at the date of the initial application on January 1, 2022.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group’s financial position and financial performance.

- c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 2)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 3)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 4)
	(Concluded)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

1) Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”

The amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right. The amendments also clarify that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date.

The amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group’s own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Group’s own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 “Financial Instruments: Presentation”, the aforementioned terms would not affect the classification of the liability.

2) Amendments to IAS 1 “Disclosure of Accounting Policies”

The amendments specify that the Group should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose consolidated financial statements make on the basis of those consolidated financial statements. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

- The Group may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the consolidated financial statements if that information relates to material transactions, other events or conditions and:

- a) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the consolidated financial statements;
 - b) The Group chose the accounting policy from options permitted by the standards;
 - c) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies
 - d) The accounting policy relates to an area for which the Group is required to make significant judgements or assumptions in applying an accounting policy, and the Group discloses those judgements or assumptions; or
 - e) The accounting is complex and users of the consolidated financial statements would otherwise not understand those material transactions, other events or conditions.
- 3) Amendments to IAS 8 “Definition of Accounting Estimates”

The amendments define that accounting estimates are monetary amounts in consolidated financial statements that are subject to measurement uncertainty. In applying accounting policies, the Group may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments and investment properties which are measured at fair value, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

See Note 13 and Tables G and H for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred and the fair value of the acquirer's previously held interests in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

When a business combination is achieved in stages, the Group's previously held equity interest in an acquiree is remeasured to fair value at the acquisition date, and the resulting gain or loss is recognized in profit or loss.

f. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including subsidiaries, associates and joint ventures in other countries that use currencies which are different from the currency of the Company) are translated into the New Taiwan dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

g. Shipping fuel

Shipping fuel is stated at the lower of cost or net realizable value. Any write-down is made item by item. Shipping fuel is recorded at weighted-average cost.

h. Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group uses the equity method to account for its investments in associates and joint ventures.

Under the equity method, investments in an associate and a joint venture are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group's share of the equity of associates and joint ventures attributable to the Group.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate and a joint venture at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized.

When the Group's share of losses of an associate and a joint venture equals or exceeds its interest in that associate and joint venture (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate and joint venture), the Group discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate and joint venture.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate and a joint venture. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate and joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate and joint venture. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate and joint venture on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

i. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties include land held for a currently undetermined future use.

Freehold investment properties are measured initially at cost, including transaction costs, and are subsequently measured using the fair value model. Changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

k. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

l. Impairment of property, plant and equipment, right-of-use assets and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

m. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI.



Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 33.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

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

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivables and trade receivables at amortized cost, time deposits with original maturities of more than 3 months, repurchase agreements, restricted bank balance, other receivables and long-term receivables, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits and repurchase agreements with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), finance lease receivables, other receivables, as well as contract assets.

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables, finance lease receivables, other receivables and contract assets. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group considers that when internal or external information shows that the debtor is unlikely to pay its creditors, it is indicated that a financial asset is in default (without taking into account any collateral held by the Group).

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Group's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the following situation, all the financial liabilities are measured at amortized cost using the effective interest method:

i. Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liabilities are held for trading.

Financial liabilities held for trading are stated at fair value, and any remeasurement gains or losses on such financial liabilities are recognized in other profit or loss. Fair value is determined in the manner described in Note 33.

ii. Financial guarantee contract

Financial guarantee contracts issued by the Group, if not designated as at FVTPL, are subsequently measured at the higher of:

- i) The amount of the loss allowance reflecting expected credit losses; and
- ii) Amortized cost.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Convertible bonds

The component parts of compound instruments (i.e., mandatory convertible bonds and convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component, and amortize by using the effective method in subsequent periods.

5) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate and oil price variation risks, including foreign exchange option, cross-currency swap contract, oil swap and oil swap option.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts, and the host contracts are not measured at FVTPL.

n. Hedge accounting

The Group designates certain hedging instruments, which include non-derivatives in respect of foreign currency risk, as cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

Cash flow hedges

The effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as reclassification adjustments in the line items relating to the hedged item in the same period in which the hedged item affects profit or loss. If a hedge of a forecasted transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and included in the initial cost of the non-financial asset or non-financial liability.

The Group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that was previously recognized in other comprehensive income (from the period in which the hedge was effective) remains separately in equity until the forecasted transaction occurs. When a forecasted transaction is no longer expected to occur, the gains or losses accumulated in equity are recognized immediately in profit or loss.

o. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

p. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

For contracts entered into with the same customer (or related parties of the customer) at or near the same time, those contracts are accounted for as a single contract if the services promised in the contracts are a single performance obligation.

1) Revenue from container shipping service

Revenue from contracts with customers comes from providing container shipping services. As the Group provides container shipping services, customers simultaneously receive and consume the benefits provided by the Group's performance. The Group recognizes the cargo revenue and contract asset on the basis of the percentage-of-completion. The contract assets are reclassified to trade receivables when the voyage is completed.

2) Other operating revenue

a) Terminal operating revenue

Terminal and stevedoring revenue is recognized when the service is provided; berthing revenue is recognized by reference to berthing hour and at berthing rate.

b) Forwarding agency revenue

Forwarder revenue is recognized upon the completion of packing for shipment. The revenue from cargo arrangement services is recognized upon the completion of service.

c) Other service revenue

Other service revenue is recognized on an accrual basis for service rendered or upon the completion of service.

q. Leasing

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

For a contract that contains a lease component and non-lease components, the Group allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Under finance leases, the lease payments comprise fixed payments. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. However, if leases transfer ownership of the underlying assets to the Group by the end of the lease terms or if the costs of right-of-use assets reflect that the Group will exercise a purchase option, the Group depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise that option, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the balance sheets.

The Group negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease substantially less than the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Group elects to apply the practical expedient to all of these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, The Group recognizes the reduction in lease payment in profit or loss as a deduction of expenses of variable lease payments, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

For sale and leaseback transactions, if the transfer of an asset satisfies the requirements of IFRS 15 to be accounted for as a sale, the Group recognizes only the amount of any gain or loss which relates to the rights transferred to the buyer-lessor, and adjusts the off-market terms to measure the sale proceeds at fair value. If the transfer does not satisfy the requirements of IFRS 15 to be accounted for as a sale, it is accounted for as a financing transaction.

r. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

s. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

The benefit of a government loan received at a below-market rate of interest is treated as a government grant measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

t. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liability are recognized as employee benefits expense in the period in which they occur or when the plan amendment or curtailment occurs. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for a defined benefit plan except that remeasurement is recognized in profit or loss.

4) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

u. Employee share options

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees is the date on which the board of directors approves the transaction.

v. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carry forward to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. If investment properties measured using the fair value model are non-depreciable assets, or are held under a business model whose objective is not to consume substantially all of the economic benefits embodied in the assets over time, the carrying amounts of such assets are presumed to be recovered entirely through sale.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

Revenue recognition

Revenue from delivery service is recognized under the percentage-of-completion method. The Group evaluates the percentage-of-completion and estimates the revenue and related costs as of the financial reporting date.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2021	2020
Cash on hand	\$ 323,766	\$ 202,651
Checking accounts and demand deposits	43,506,240	10,158,750
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	13,341,872	12,522,568
Repurchase agreements	<u>276,800</u>	<u>1,634,752</u>
	<u>\$ 57,448,678</u>	<u>\$ 24,518,721</u>

The market rate intervals of time deposits and repurchase agreements at the end of the year were as follows:

	December 31	
	2021	2020
Time deposits	0.04%-15.75%	0.10%-6.30%
Repurchase agreements	0.30%-0.42%	0.38%-0.55%

7. FINANCIAL INSTRUMENTS AT FVTPL

	December 31	
	2021	2020
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Call option of bonds payable	\$ -	\$ 8,636
Oil option contracts	-	-
Non-derivative financial assets		
Domestic listed shares	70,016	23,923
Mutual funds	<u>6,032</u>	<u>1,710,854</u>
	<u>\$ 76,048</u>	<u>\$ 1,743,413</u>

Financial assets at FVTPL - non-current

Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic limited partnership	<u>\$ 13,871</u>	<u>\$ -</u>



The Group's purpose for trading oil option contracts was to reduce the cost burden from oil price increase. The Group entered into oil option contract which was settled every month. Hedge accounting was not applied.

The Group did not have outstanding oil option contracts for the years ended December 31, 2021 and 2020.

8. FINANCIAL ASSETS AT FVTOCI - NON-CURRENT

	December 31	
	2021	2020
<u>Domestic investments in equity instruments</u>		
Listed shares and emerging market shares		
Ordinary shares - Taiwan Navigation Co., Ltd. (Note)	\$ -	\$ 1,492,999
Unlisted shares		
Ordinary shares - Taipei Port Container Terminal Co., Ltd.	477,936	496,702
Ordinary shares - United Stevedoring Corp.	5,315	6,024
Ordinary shares - United Raw Material Solutions Inc.	2,281	1,564
Ordinary shares - Ascentek Venture Capital Corporation	-	1,242
Ordinary shares - Pro-Ascentek Investment Corporation	12,399	-
	<u>\$ 497,931</u>	<u>\$ 1,998,531</u>

Note: The Group appointed two directors after the re-election in the shareholders meeting of Taiwan Navigation Co., Ltd. on July 12, 2021. The Group has a significant influence on Taiwan Navigation Co., Ltd. Therefore, the Group reclassified investments in equity instruments into investments accounted for using equity method on the effective date and reclassified unrealized gain on investments in financial assets at FVTOCI of \$2,175,840 thousand into retained earnings.

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

Dividends of \$2,480 thousand and \$57,505 thousand were recognized during 2021 and 2020, respectively.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2021	2020
Time deposits with original maturities of more than 3 months (a)	\$ 133,277,495	\$ 468,391
Restricted bank balance (Note 35)	117,493	271,779
Repurchase agreements (b)	2,707,104	1,534,502
Corporate bonds (c)	-	20,000
	<u>\$ 136,102,092</u>	<u>\$ 2,294,672</u>
Current	<u>\$ 136,068,631</u>	<u>\$ 2,191,233</u>
Non-current	<u>\$ 33,461</u>	<u>\$ 103,439</u>

- a. The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 0.07%-6.85% and 0.01%-6.85% per annum as of December 31, 2021 and 2020, respectively.
- b. The ranges of interest rates for repurchase agreements were approximately 0.35%-0.44% and 0.50%-0.55% per annum as of December 31, 2021 and 2020, respectively.
- c. In June 2019, the Group purchased corporate bonds issued by Cathay Life Insurance Co., Ltd. at a par value of \$20,000 thousand with a coupon rate and an effective interest rate of 3.00%.

10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31	
	2021	2020
<u>Notes receivable - operating</u>	\$ 5,124	\$ 8,245
<u>Trade receivables</u>		
At amortized cost		
Trade receivable - non-related parties	\$ 21,779,506	\$ 11,055,284
Trade receivable - related parties	412,055	173,823
Less: Allowance for impairment loss	(136,577)	(51,238)
	<u>\$ 22,054,984</u>	<u>\$ 11,177,869</u>

The average credit period of notes receivable and trade receivables from cargo business is 14 to 28 days. For logistics, terminal, and warehousing services, the average credit period is within 90 days.

The Group measures the loss allowance for notes receivable, trade receivable, and contract assets at an amount equals to lifetime ECLs. The expected credit losses on notes receivable, trade receivables and contract assets are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, and the Group's customers are scattered around the world and not related to each other. The management believes there is no significant concentration of credit risk for trade receivables. The provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base. The Group recognize contract assets by completion ratio of transportation. According to historical experience, the completion of transportation period is within 60 days. The recognition method of the Group to assess contract assets which have expected credit loss is same as the trade receivables, and to assess within 60 days after invoice date.

The Group writes off notes receivable, trade receivables and contract assets when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables, notes receivable and contract assets that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

For the notes receivable and trade receivables balances that were past due at the end of the reporting period, the Group did not recognize an allowance for impairment loss, because there was not a significant change in credit quality and the amounts were still considered recoverable. The Group acquired bank's guaranteed letter from agencies or received security deposit from clients; for the rest of the receivables, the Group did not hold any collateral or other credit enhancements for these balances.



The following table details the loss allowance of notes receivable and trade receivables based on the Group's provision matrix.

December 31, 2021

	No Signs of Default by Client					Signs of Default by Client	Total
	Less than 60 Days	61 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days		
Expected credit loss rate	0.00%-0.88%	0.50%-1.88%	0.50%-5.38%	0.50%-10.38%	0.50%-20.38%	100.00%	
Gross carrying amount	\$ 21,602,609	\$ 490,243	\$ 82,870	\$ 8,549	\$ 4,791	\$ 7,623	\$ 22,196,685
Loss allowance (Lifetime ECLs)	<u>(122,638)</u>	<u>(3,428)</u>	<u>(2,343)</u>	<u>(241)</u>	<u>(304)</u>	<u>(7,623)</u>	<u>(136,577)</u>
Amortized cost	<u>\$ 21,479,971</u>	<u>\$ 486,815</u>	<u>\$ 80,527</u>	<u>\$ 8,308</u>	<u>\$ 4,487</u>	<u>\$ -</u>	<u>\$ 22,060,108</u>

December 31, 2020

	No Signs of Default by Client					Signs of Default by Client	Total
	Less than 60 Days	61 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days		
Expected credit loss rate	0%-0.63%	0.50%-1.63%	0.50%-5.13%	0.50%-10.13%	0.50%-20.13%	100.00%	
Gross carrying amount	\$ 10,956,011	\$ 175,532	\$ 78,726	\$ 15,262	\$ 7,504	\$ 4,317	\$ 11,237,352
Loss allowance (Lifetime ECLs)	<u>(41,598)</u>	<u>(2,239)</u>	<u>(1,786)</u>	<u>(128)</u>	<u>(1,170)</u>	<u>(4,317)</u>	<u>(51,238)</u>
Amortized cost	<u>\$ 10,914,413</u>	<u>\$ 173,293</u>	<u>\$ 76,940</u>	<u>\$ 15,134</u>	<u>\$ 6,334</u>	<u>\$ -</u>	<u>\$ 11,186,114</u>

The movements of the loss allowance of notes receivable and trade receivables were as follows:

	December 31	
	2021	2020
Balance at January 1	\$ 51,238	\$ 50,419
Add: Acquisitions through business combinations	372	-
Add: Net remeasurement of loss allowance	98,309	28,328
Less: Amounts written off	(4,050)	(14,230)
Less: Reclassified to allowance of overdue receivables	(3,423)	(12,549)
Foreign exchange gains and losses	<u>(5,869)</u>	<u>(730)</u>
Balance at December 31	<u>\$ 136,577</u>	<u>\$ 51,238</u>

11. FINANCE LEASE RECEIVABLES

The composition of finance lease receivables was as follows:

	December 31	
	2021	2020
<u>Undiscounted lease payments</u>		
Year 1	\$ 22,011	\$ 22,011
Year 2	22,011	22,011
Year 3	22,011	22,011
Year 4	22,011	22,011
Year 5	22,011	22,011
Year 6 onwards	<u>44,019</u>	<u>66,030</u>
	154,074	176,085
Less: Unearned finance income	<u>(6,854)</u>	<u>(8,927)</u>
Net investment in leases presented as finance lease receivables	<u>\$ 147,220</u>	<u>\$ 167,158</u>
Current	<u>\$ 20,204</u>	<u>\$ 19,938</u>
Non-current	<u>\$ 127,016</u>	<u>\$ 147,220</u>

The Group has been subleasing its container yard located in Keelung with monthly fixed lease payments of \$1,834 thousand. As the Group subleases the container yard for all the remaining lease term of the main lease to the sublessee, the sublease contract is classified as a finance lease.

The interest rates inherent in leases are fixed at the contract dates for the entire term of the lease. The interest rate inherent in the finance lease was approximately 1.33% per annum as of December 31, 2021 and 2020.

The Group measures the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. The respective leased equipment served as collateral for the finance lease receivables. At the end of the reporting period, no finance lease receivable was past due. The Group has not recognized a loss allowance for finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables.

12. SHIPPING FUEL

	December 31	
	2021	2020
Shipping fuel	<u>\$ 3,408,707</u>	<u>\$ 2,189,744</u>

The cost of shipping fuel recognized as operating cost for the years ended December 31, 2021 and 2020 was \$16,705,942 thousand and \$16,335,986 thousand, respectively.

The cost of shipping fuel recognized as operating cost for the years ended December 31, 2021 and 2020 included reversals of shipping fuel write-downs of \$179,027 thousand and shipping fuel write-downs of \$172,303 thousand, respectively. Previous write-downs were reversed as a result of increased profit from marine operations.

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		Notes
			December 31		
			2021	2020	
Yang Ming Marine Transport Corporation	Yang Ming Line (B.V.I.) Holding Co., Ltd. (YML-BVI)	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	
"	Yang Ming Line B.V. (YML-BV)	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	Note a
"	Yang Ming Line (Singapore) Pte. Ltd. (YML-Singapore)	Investment, shipping service, chartering, sale and purchase of ships, and forwarding agency	100.00	100.00	
"	Ching Ming Investment Corp. (Ching Ming)	Investment	-	100.00	Note b
"	All Oceans Transportation Inc. (AOT)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
"	Yes Logistics Corp. (Yes Logistics)	Warehouse operation and forwarding agency	96.36	50.00	Note b
"	Kuang Ming Shipping Corp. (Kuang Ming)	Shipping service, shipping agency and forwarding agency	98.88	98.88	
"	Honming Terminal & Stevedoring Co., Ltd. (Honming)	Terminal operation and stevedoring	100.00	79.17	Note b
"	Jing Ming Transportation Co., Ltd. (Jing Ming)	Container transportation	50.98	50.98	
"	Yang Ming Line Holding Co. (YML Holding)	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	
Ching Ming	Honming	Terminal operation and stevedoring	-	20.83	Note b
"	Yes Logistics	Warehouse operation and forwarding agency	-	46.36	Note b
YML Holding	Yang Ming (America) Co. (Yang Ming-America)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
"	Triumph Logistics, Inc.	Container transportation	-	100.00	Note c
"	Topline Transportation, Inc.	Container transportation	-	100.00	Note c
"	Transcont Intermodal Logistics, Inc.	Inland forwarding agency	100.00	100.00	
"	Yang Ming Shipping (Canada) Ltd.	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
YML-BVI	Yang Ming Line N.V. (YML-NV)	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	Note d
"	Yangming (UK) Ltd. (Yangming-UK)	Shipping agency, forwarding agency and shipping managers	97.84	-	Note e
YML-NV	Yang Ming Line B.V. (YML-BV)	Investment, shipping agency, forwarding agency and shipping managers	-	-	Note a
YML-BV	Yangming-UK	Shipping agency, forwarding agency and shipping managers	2.16	100.00	Note e
"	Yang Ming Shipping Europe GmbH	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
"	Yang Ming Italy S.p.A. (Yang Ming-Italy)	Shipping agency	50.00	50.00	
"	Yang Ming (Netherlands) B.V.	Shipping agency	100.00	100.00	
"	Yang Ming (Belgium) N.V.	Shipping agency	89.92	89.92	
"	Yang Ming (Russia) LLC.	Shipping agency	60.00	60.00	
"	Yang Ming (Spain), S.L.	Shipping agency	60.00	60.00	
"	Yang Ming (MEDITERRANEAN) Marine Services Single-Member Limited Liability Company	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
Yang Ming (Netherlands) B.V.	Yang Ming (Belgium) N.V.	Shipping agency	10.08	10.08	
Yang Ming-Italy	Yang Ming Naples S.r.l.	Forwarding agency	60.00	60.00	
Yangming-UK	Corstor Ltd.	Warehouse management and container haulage services	100.00	-	Note f

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		Notes
			December 31		
			2021	2020	
YML-Singapore	Young-Carrier Company Ltd.	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	
"	Yang Ming Shipping (B.V.I.) Inc. (YMS-BVI)	Forwarding agency and shipping agency	100.00	100.00	
"	Yangming (Japan) Co., Ltd. (Yangming-Japan)	Shipping services, chartering, sale and purchase of ships, and forwarding agency	100.00	100.00	
"	Sun-Baked Pte. Ltd.	Insurance	100.00	100.00	Note g
"	Yang Ming Line (Hong Kong) Ltd. (YML-Hong Kong)	Forwarding agency and shipping agency	1.44	100.00	Note h
"	Yangming Shipping (Singapore) Pte. Ltd. (Yangming-Singapore)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	Note i
"	Yang Ming Line (M) Sdn. Bhd.	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
"	Yang Ming Line (India) Pvt. Ltd.	Shipping agency, forwarding agency and shipping managers	60.00	60.00	
"	Yang Ming (Korea) Co., Ltd.	Shipping agency, forwarding agency and shipping managers	60.00	60.00	
"	Yang Ming Anatolia Shipping Agency S.A. (Yang Ming Anatolia)	Shipping agency, forwarding agency and shipping managers	50.00	50.00	
"	Yang Ming Shipping (Vietnam) Co., Ltd.	Forwarding agency and shipping managers	100.00	100.00	
"	Yang Ming Shipping Philippines, Inc.	Forwarding agency and shipping managers	100.00	100.00	
"	Yang Ming (Latin America) Corp.	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
"	Yang Ming Line (Thailand) Co., Ltd. (YML-Thailand)	Shipping agency, forwarding agency and shipping managers	49.00	49.00	
"	Yang Ming Line shipping (Thailand) Co., Ltd.	Shipping agency	49.00	49.00	
"	Yang Ming Insurance Co., Ltd.	Insurance	100.00	100.00	
"	PT Yang Ming Shipping Indonesia (PT Yang Ming Indonesia)	Shipping agency, forwarding agency and shipping managers	49.00	49.00	
"	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Shipping agency, forwarding agency and shipping managers	51.00	51.00	
"	Yang Ming (France) SAS (Yangming-France)	Shipping agency, forwarding agency and shipping managers	60.00	60.00	Note j
YML-Thailand	Yang Ming Line shipping (Thailand) Co., Ltd.	Shipping agency	50.00	50.00	
Yang Ming Line shipping (Thailand) Co., Ltd.	YML-Thailand	Shipping agency, forwarding agency and shipping managers	49.00	49.00	
Yangming (Japan)	Manwa & Co., Ltd.	Shipping agency and forwarding agency	100.00	100.00	
YMS-BVI	Karlman Properties Limited	Property agency	100.00	100.00	
"	YML-Hong Kong	Forwarding agency and shipping agency	98.56	-	Note h
Kuang Ming	Kuang Ming (Liberia) Corp.	Forwarding agency	100.00	100.00	
Yes Logistics	Yes Logistics Corp. USA (Yes-USA)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
"	Yes Yangming Logistics (Singapore) Pte. Ltd. (Yes-Singapore)	Investment and subsidiaries management	100.00	100.00	
"	Yes Logistics (Shanghai) Corp. (Yes-Shanghai)	Forwarding agency	69.80	69.80	
"	PT. YES Logistics Indonesia	Forwarding agency	51.00	51.00	
Yes-USA	Yes Logistics (Shanghai) Corp. (Yes-Shanghai)	Forwarding agency	30.20	30.20	
"	Golden Logistics USA Corporation	Container transportation	100.00	100.00	
"	Yes Logistics Europe GmbH (Yes-ERO)	Forwarding agency	100.00	100.00	
Yes-Singapore	Yes Logistics Company, Ltd.	Forwarding agency	100.00	100.00	
"	Yes Logistics Benelux B.V.	Forwarding agency	70.00	70.00	

(Continued)



Investor	Investee	Nature of Activities	Proportion of Ownership (%)		Note
			December 31		
			2021	2020	
Yes-ERO	Yes MLC GmbH	Import and export, storage and delivery, and other warehousing related business	100.00	100.00	
Yes MLC GmbH	Merlin Logistics GmbH	Warehouse operation and logistics	100.00	100.00	
Merlin Logistics GmbH	YES Logistics Bulgaria Ltd.	Cargo consolidation service and forwarding agency	100.00	100.00	
(Concluded)					

(Concluded)

Note a: The Group reorganized the organization in December 2020 and adjusted the holding structure of the Group in Europe. YMTC acquired equity of YML-BV from YML-NV.

Note b: The Group's board of directors resolved in July 2021 to apply for a short-form merger of YMTC and Ching Ming in order to simplify the investment structure and integrate resources. The base date of the merger was November 1, 2021.

Note c: The Group's board of directors resolved in March 2020 to liquidate Triumph Logistics, Inc. and Topline Transportation, Inc. The liquidation had completed in May 2021.

Note d: The Group's board of directors resolved on August 12, 2021 to liquidate Yang Ming Line N.V.

Note e: The Group's board of directors resolved in January 2021 to apply for capital increase of YM (UK) by transferring the accounts receivable of YML-BVI to YM (UK). YML-BVI acquired about 68,098 thousand shares of YM (UK) in the amount of GBP68,098 thousand and completed the registration in March 2021.

Note f: The Group acquired 500 shares of Corstor Ltd. in the amount of GBP190 thousand in July 2021 and the shareholding ratio was increased from 50% to 100% after the acquisition. The Group obtained control of the abovementioned company and listed it as a subsidiary since July 2021. The information about acquisition is disclosed in Note 30.

Note g: The Group's board of directors resolved in January 2020 to liquidate Sun-Baked Pte. Ltd.

Note h: The Group's board of directors resolved in January 2021 to apply for capital increase of YML-Hong Kong by the accounts receivable of YMS-BVI to YML-Hong Kong. YMS-BVI acquired about 68,556 thousand shares of YML-Hong Kong in the amount of HK\$68,556 thousand and completed the registration in March 2021.

Note i: Due to operational strategy and management considerations, the board of directors of the Group approved an organizational restructuring in January 2022, and its parent company acquired 100% of the equity interest of Yangming-Singapore from YML-Singapore for US\$16,061 thousand.

Note j: The Group's board of directors resolved to establish Yangming-France in August 2018 and had completed registration in January 2020.

Although YMTC directly or indirectly owns less than 50% of shares with voting rights of Yang Ming-Italy, Yang Ming Anatolia and PT Yang Ming Indonesia, it should regard the investees as its subsidiaries and incorporate the investees into the consolidated group under certain premises which are as follows:

- The Company has the right of control through owning more than 50% of the voting rights of the boards of directors of the investees, and the boards of directors have control over the Company, or
- The Company has the right of control over the investees' finances, operations or human resources.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2021	2020
Investment in associates	\$ 10,697,507	\$ 6,602,649
Investments in joint ventures	<u>384,398</u>	<u>369,751</u>
	<u>\$ 11,081,905</u>	<u>\$ 6,972,400</u>

a. Investment in associates

	December 31	
	2021	2020
Associates that are not individually material		
Kao Ming Container Terminal Corp.	\$ 4,928,086	\$ 4,759,757
Taiwan Navigation Co., Ltd. (Note a)	3,483,454	-
West Basin Container Terminal LLC	1,429,384	1,049,619
United Terminal Leasing LLC	269,593	271,175
Sino Trans PFS Cold Chain Logistics Co., Ltd.	68,524	108,384
Yunn Wang Investment Co., Ltd.	239,695	132,962
Taiwan Foundation International Pte. Ltd.	96,463	98,219
Shanghai United Cold Chain logistics Co., Ltd.	56,556	51,882
Yang Ming Shipping (Egypt) S.A.E.	50,351	49,170
Yang Ming (U.A.E.) LLC	40,942	43,616
Yang Ming (Australia) Pty. Ltd.	29,250	23,938
Corstor Ltd. (Note b)	-	8,513
PT. Formosa Sejati Logistics	5,209	5,414
Yang Ming (Vietnam) Corp. (Note c)	<u>-</u>	<u>-</u>
	<u>\$ 10,697,507</u>	<u>\$ 6,602,649</u>

Note a: The Group appointed two directors after the re-election in the shareholders' meeting of Taiwan Navigation Co., Ltd. on July 12, 2021. The Group has a significant influence over Taiwan Navigation Co., Ltd.

Note b: The Group acquired Corstor Ltd. in July 2021 and the shareholding ratio increased from 50% to 100% after acquisition. The Group obtained control of Corstor Ltd. and listed it as a subsidiary since July 2021.

Note c: Yang Ming (Vietnam) Corp. had been liquidated in May 2020.

Refer to Table G and Table H for main business and locations of the associates.

All the associates are accounted for using the equity method.

Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2021	2020
The Group's share of:		
Net profit for the year	\$ 1,502,597	\$ 369,113
Other comprehensive income (loss)	<u>(171,144)</u>	<u>22,249</u>
Total comprehensive income for the year	<u>\$ 1,331,453</u>	<u>\$ 391,362</u>

On December 31, 2021, the carrying amount of associates that are not individually material, Taiwan Navigation Co., Ltd and Sino Trans PFS Cold Chain Logistics Co., Ltd. was higher than recoverable amount which was measured by determining the value in use of the investments using the income approach with the discounted cash flow method at the discount rate of 8.70%-12.70%. An impairment loss recognized for the year ended December 31, 2021 was \$623,259 thousand.

On December 31, 2020, the carrying amount of Kao Ming Container Terminal Corp., the associate that is not individually material, was higher than recoverable amount which was measured by determining the value in use of the investment using the income approach with the discounted cash flow method at the discount rate of 6.10%. An impairment loss recognized for the year ended December 31, 2020 was \$1,027,207 thousand.

b. Investments in joint ventures

	December 31	
	2021	2020
Joint ventures that are not individually material		
Chang Ming Logistics Company Limited	\$ 275,202	\$ 273,663
YES LIBERAL Logistics Corp.	77,227	74,430
LogiTrans Technology Private Limited	19,982	18,886
Jambatan Merah Formosa Depot Sdn Bhd. (Note)	2,933	1,733
Yes And HQL Logistics Company	<u>9,054</u>	<u>1,039</u>
	<u>\$ 384,398</u>	<u>\$ 369,751</u>

Note: The Group's board of directors resolved to establish Jambatan Merah Formosa Depot Sdn Bhd. in March 2019 and had completed registration in July 2020.

All the joint ventures are accounted for using the equity method.

Aggregate information of joint ventures that are not individually material

	For the Year Ended December 31	
	2021	2020
The Group's share of:		
Net profit for the year	\$ 16,376	\$ 3,133
Other comprehensive income (loss)	<u>184</u>	<u>(151)</u>
Total comprehensive income for the year	<u>\$ 16,560</u>	<u>\$ 2,982</u>

15. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2021	2020
Assets used by the Group	\$ 65,739,551	\$ 66,746,767
Assets leased under operating leases	<u>8,155,918</u>	<u>6,916,469</u>
	<u>\$ 73,895,469</u>	<u>\$ 73,663,236</u>

a. Assets used by the Group

	Land	Buildings	Container and Chassis	Ships	Leasehold Improvements	Miscellaneous Equipment	Property under Construction	Total
Cost								
Balance at January 1, 2021	\$ 697,586	\$ 1,511,544	\$ 24,866,453	\$ 88,649,976	\$ 285,249	\$ 3,221,794	\$ 1,591,930	\$ 120,824,532
Additions	-	428	2,455,957	998,477	43,022	154,430	3,187,564	6,839,878
Disposals	-	-	(393,182)	(182,243)	(12,861)	(565,718)	-	(1,154,004)
Transfers from assets leased under operating leases	-	-	-	503,735	-	7,445	-	511,180
Transfers to assets leased under operating leases	-	-	-	(2,206,497)	-	-	-	(2,206,497)
Acquisitions through business combinations	-	-	-	-	-	3,934	-	3,934
Reclassification	-	-	-	4,863,824	-	1,314	(4,779,494)	85,644
Effects of foreign currency exchange differences	(996)	(18,981)	(34)	(5,166)	(3,581)	(24,365)	-	(53,123)
Balance at December 31, 2021	<u>\$ 696,590</u>	<u>\$ 1,492,991</u>	<u>\$ 26,929,194</u>	<u>\$ 97,627,106</u>	<u>\$ 311,829</u>	<u>\$ 2,798,834</u>	<u>\$ -</u>	<u>\$ 124,851,544</u>
Accumulated depreciation and impairment								
Balance at January 1, 2021	\$ -	\$ 568,553	\$ 14,095,711	\$ 36,424,426	\$ 248,339	\$ 2,740,736	\$ -	\$ 54,077,765
Disposals	-	-	(345,368)	(182,243)	(11,881)	(496,530)	-	(1,036,022)
Transfers from assets leased under operating leases	-	-	-	292,225	-	7,445	-	299,670
Transfers to assets leased under operating leases	-	-	-	(261,961)	-	-	-	(261,961)
Depreciation expenses	-	31,650	1,571,226	4,295,821	16,746	143,656	-	6,059,099
Acquisitions through business combinations	-	-	-	-	-	3,934	-	3,934
Effects of foreign currency exchange differences	-	(6,528)	-	(1,479)	(2,289)	(20,196)	-	(30,492)
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 593,675</u>	<u>\$ 15,321,569</u>	<u>\$ 40,566,789</u>	<u>\$ 250,915</u>	<u>\$ 2,379,045</u>	<u>\$ -</u>	<u>\$ 59,111,993</u>
Carrying amounts at December 31, 2021	<u>\$ 696,590</u>	<u>\$ 899,316</u>	<u>\$ 11,607,625</u>	<u>\$ 52,055,317</u>	<u>\$ 60,914</u>	<u>\$ 419,789</u>	<u>\$ -</u>	<u>\$ 65,739,551</u>
Cost								
Balance at January 1, 2020	\$ 697,331	\$ 1,529,835	\$ 23,773,568	\$ 87,389,224	\$ 566,091	\$ 3,384,184	\$ 2,851,888	\$ 120,192,121
Additions	-	4,166	1,740,950	511,189	10,685	103,565	5,941,271	8,311,826
Disposals	-	(2,485)	(840,995)	(6,453,870)	(290,519)	(262,155)	-	(7,850,024)
Transfers to assets leased under operating leases	-	-	-	(75,685)	-	-	-	(75,685)
Reclassification	-	-	193,004	7,428,892	-	2,299	(7,201,229)	422,966
Effects of foreign currency exchange differences	255	(19,972)	(74)	(149,774)	(1,008)	(6,099)	-	(176,672)
Balance at December 31, 2020	<u>\$ 697,586</u>	<u>\$ 1,511,544</u>	<u>\$ 24,866,453</u>	<u>\$ 88,649,976</u>	<u>\$ 285,249</u>	<u>\$ 3,221,794</u>	<u>\$ 1,591,930</u>	<u>\$ 120,824,532</u>
Accumulated depreciation and impairment								
Balance at January 1, 2020	\$ -	\$ 547,236	\$ 13,239,912	\$ 38,300,508	\$ 486,100	\$ 2,854,325	\$ -	\$ 55,428,081
Disposals	-	(2,227)	(743,417)	(5,683,772)	(290,518)	(232,686)	-	(6,952,620)
Transfers to assets leased under operating leases	-	-	-	(7,884)	-	-	-	(7,884)
Depreciation expenses	-	32,323	1,599,216	3,931,454	53,195	123,949	-	5,740,137
Effects of foreign currency exchange differences	-	(8,779)	-	(115,880)	(438)	(4,852)	-	(129,949)
Balance at December 31, 2020	<u>\$ -</u>	<u>\$ 568,553</u>	<u>\$ 14,095,711</u>	<u>\$ 36,424,426</u>	<u>\$ 248,339</u>	<u>\$ 2,740,736</u>	<u>\$ -</u>	<u>\$ 54,077,765</u>
Carrying amounts at December 31, 2020	<u>\$ 697,586</u>	<u>\$ 942,991</u>	<u>\$ 10,770,742</u>	<u>\$ 52,225,550</u>	<u>\$ 36,910</u>	<u>\$ 481,058</u>	<u>\$ 1,591,930</u>	<u>\$ 66,746,767</u>

The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	53-56 years
Container and chassis	6-10 years
Ships	20-25 years
Dry dock	2.5-5 years
Leasehold improvements	2-10 years
Miscellaneous equipment	3-18 years

The dry dock is a significant component of ships.



Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 35.

b. Assets leased under operating leases

	Ship	Miscellaneous Equipment	Total
<u>Cost</u>			
Balance at January 1, 2021	\$ 10,144,723	\$ 7,445	\$ 10,152,168
Additions	74,932	-	74,932
Disposals	(63,428)	-	(63,428)
Transfers from assets used by the Group	2,206,497	-	2,206,497
Transfers to assets used by the Group	(503,735)	(7,445)	(511,180)
Reclassification	2,774	-	2,774
Effects of foreign currency exchange differences	<u>(173,875)</u>	<u>-</u>	<u>(173,875)</u>
Balance at December 31, 2021	<u>\$ 11,687,888</u>	<u>\$ -</u>	<u>\$ 11,687,888</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2021	\$ 3,228,254	\$ 7,445	\$ 3,235,699
Disposals	(63,428)	-	(63,428)
Transfers from assets used by the Group	261,961	-	261,961
Transfers to assets used by the Group	(292,225)	(7,445)	(299,670)
Depreciation expenses	469,781	-	469,781
Effects of foreign currency exchange differences	<u>(72,373)</u>	<u>-</u>	<u>(72,373)</u>
Balance at December 31, 2021	<u>\$ 3,531,970</u>	<u>\$ -</u>	<u>\$ 3,531,970</u>
Carrying amounts at December 31, 2021	<u>\$ 8,155,918</u>	<u>\$ -</u>	<u>\$ 8,155,918</u>
<u>Cost</u>			
Balance at January 1, 2020	\$ 10,391,147	\$ 7,445	\$ 10,398,592
Transfers from assets used by the Group	75,685	-	75,685
Effects of foreign currency exchange differences	<u>(322,109)</u>	<u>-</u>	<u>(322,109)</u>
Balance at December 31, 2020	<u>\$ 10,144,723</u>	<u>\$ 7,445</u>	<u>\$ 10,152,168</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2020	\$ 2,896,505	\$ 7,445	\$ 2,903,950
Transfers from assets used by the Group	7,884	-	7,884
Depreciation expenses	449,521	-	449,521
Effects of foreign currency exchange differences	<u>(125,656)</u>	<u>-</u>	<u>(125,656)</u>
Balance at December 31, 2020	<u>\$ 3,228,254</u>	<u>\$ 7,445</u>	<u>\$ 3,235,699</u>
Carrying amounts at December 31, 2020	<u>\$ 6,916,469</u>	<u>\$ -</u>	<u>\$ 6,916,469</u>

The maturity analysis of lease payments receivable under operating lease payments was as follows:

	December 31	
	2021	2020
Year 1	\$ 1,568,842	\$ 651,800
Year 2	9,313	16,807
Year 3	1,811	9,833
Year 4	-	1,912
Year 5 onwards	-	-
	<u>\$ 1,579,966</u>	<u>\$ 680,352</u>

At the end of the lease terms of ships under operating leases, the Group assessed the demand of voyage line deployment to determine whether they should be reclassified to freehold or should be adjusted based on the market rent to continue leasing. At the end of the lease terms of equipment under operating leases, the Group adjusts the rent by market rent and continues leasing to reduce the risk of the residual assets of the lease assets.

In addition to fixed lease payments, the lease contracts also indicate that the leases should make variable payments which shall be determined daily at 104%-120% of Baltic Dry Index average daily rent.

The above items of property, plant and equipment leased under operating leases are depreciated on a straight-line basis over their estimated useful lives as follows:

Ships	20-25 years
Dry dock	2.5-5 years
Miscellaneous equipment	3-18 years

The dry dock is a significant component of ships.

Property, plant and equipment leased under operating leases and pledged as collateral for bank borrowings are set out in Note 35.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	2020
<u>Carrying amounts</u>		
Land	\$ 41,710	\$ 50,412
Buildings	2,086,132	2,400,451
Container and chassis	2,598,243	121,302
Ships	58,329,877	53,214,935
Miscellaneous equipment	<u>83,993</u>	<u>66,613</u>
	<u>\$ 63,139,955</u>	<u>\$ 55,853,713</u>



	For the Year Ended December 31	
	2021	2020
Additions to right-of-use assets	\$ 17,860,598	\$ 10,235,839
Depreciation charge for right-of-use assets		
Land	\$ 8,703	\$ 8,674
Buildings	476,899	477,688
Container and chassis	184,978	324,986
Ships	10,221,384	10,113,852
Miscellaneous equipment	33,861	34,835
	<u>\$ 10,925,825</u>	<u>\$ 10,960,035</u>
Income from the subleasing of right-of-use assets (presented in operating revenue and other income)	<u>\$ 968,469</u>	<u>\$ 825,505</u>

Foreseeing the recoverable in bulk shipping market price in 2021, the Group expected the future cash flows from right-of-use assets of bulk shipping department to increase. Therefore, the recoverable amount will be higher than the carrying amount after recognizing an impairment loss. The review led to the recognition of an impairment reversal gain of \$593,059 thousand which was recognized as a reduction of operating costs for the year ended December 31, 2021. The Group determined the recoverable amounts of the relevant right-of-assets on the basis of their value in use. The range of discount rate used in measuring the value in use was 7.93%-8.45% per annum in 2021.

As a result of the continued decline in bulk shipping market price, the Group expected the future cash flows from right-of-use assets of bulk shipping department to decrease. Therefore, the recoverable amount will be lower than the carrying amount. The review led to the recognition of an impairment loss of \$511,539 thousand, which were recognized in operating costs for the year ended December 31, 2020. The Group determined the recoverable amounts of the relevant right-of-use assets on the basis of their value in use. The range of discount rate used in measuring the value in use was 7.33%-8.02% per annum in 2020.

b. Lease liabilities

	December 31	
	2021	2020
Carrying amounts		
Current	\$ 3,306,188	\$ 2,146,472
Non-current	<u>\$ 17,236,619</u>	<u>\$ 6,089,430</u>
Lease liabilities designated as hedging (included in financial liabilities for hedging)		
Current	\$ 7,585,691	\$ 7,370,742
Non-current	<u>\$ 33,835,186</u>	<u>\$ 40,383,562</u>

Financial liabilities designated as hedging

The Group designated certain USD-denominated lease liabilities as hedging instruments to hedge future volatility of USD-denominated operating revenue, and the accounting treatment is applicable to cash flow hedges. The information on the contracts are summarized as follow:

	Maturity Period	Account	Carrying Amount
December 31, 2021	2025/01/31-2031/01/31	Financial liabilities for hedging	\$ 41,420,877
December 31, 2020	2025/01/31-2030/09/30	Financial liabilities for hedging	47,754,304

Impact on comprehensive income (loss):

	Recognized in Other Comprehensive Income	Amount Reclassified to Profit or Loss
For the year ended December 31, 2021	<u>\$ 1,312,294</u>	<u>\$ (670,552)</u>
For the year ended December 31, 2020	<u>\$ 2,489,548</u>	<u>\$ (252,245)</u>

There was no other source of hedge ineffectiveness during hedging period.

The range of discount rate for lease liabilities (including USD-denominated lease contracts designated as hedge instruments) was as follows:

	December 31	
	2021	2020
Land	1.12%-1.49%	1.12%-1.49%
Buildings	0.85%-10.00%	0.85%-10.00%
Container and chassis	0.08%-1.47%	3.65%-3.87%
Ships	0.09%-7.24%	1.51%-7.24%
Miscellaneous equipment	0.84%-13.00%	1.23%-13.00%

c. Material lease-in activities and terms

Many of the ship leases across the Group contain extension options, some of them also contain purchase options. These terms are used to maximize operational flexibility in terms of managing contracts. When the rents are lower than the market price of lease market, the Group will extend the lease term; when the purchase option prices are better than the market price, the Group will consider if the purchase options are exercised or not. These terms are not reflected in measuring lease liabilities in many cases because the options are not reasonably certain to be exercised. The table below summarizes potential future rental payments relating to periods following the exercise dates of extension and purchase options.

Containership Department	Lease Liabilities Recognized (Discounted)	Potential Future Lease Payments and Purchase Option Not Included in Lease Liabilities (Discounted)	Historical Rate of Exercise of Extension and Purchase Options
<u>December 31, 2021</u>			
Ships	<u>\$ 47,809,568</u>	<u>\$ 20,756,101</u>	0.91%
<u>December 31, 2020</u>			
Ships	<u>\$ 42,961,304</u>	<u>\$ 18,406,588</u>	0%

For the purpose of managing the storage, reforming, processing, transfer and distribution of goods, YMTC collaborated with the Port of Kaohsiung, Taiwan International Ports Corporation, Ltd. on the construction and operation of the First and Second Logistics Centers of the Kaohsiung Third Container Center. YMTC is entitled to the use of the First and Second Logistics Centers for 30 years and 28 years and 9 months, respectively, based on the initial investment made by YMTC. The centers are amortized over the period in use. Furthermore, in accordance with the requirements, YMTC should pay land-use fees and administration fees for every month of the lease term (based on the actual volume of cargo stevedored). Administration fees depend on the lowest guaranteed volumes for each respective logistics center, which are 1 million and 0.85 million tons. If YMTC is unable to reach the lowest guaranteed volumes, it should calculate the payment for the administration fees based on the volumes of 1 million and 0.85 million, respectively, and the administration fees will be adjusted according to the annual Wholesale Price Index in Taiwan.

The Group signed a leaseback contract of YM Uberty in August 2008. After evaluation in 2019, the ship's repurchase option price in the contract was higher than market price. The Group had returned the ship to its owner in August 2020. However, according to the lease contract, the Group was responsible for the ship owner's outstanding principal and interest and paid the compensation of approximately \$1,009,194 thousand when returning the ship. The Group had recognized the loss in 2019.

The Group signed a leaseback contract of YM Utopia in December 2009. After evaluation in 2019, the ship's repurchase option price in the contract was higher than market price and the Group had returned the ship to its owner in February 2020. However, the ship owner does not have enough capital to settle the creditor bank's loan and may not have the ability to return the Group's refundable deposits of \$310,866 thousand. The Group is unable to reasonably estimate the recoverable amount of refundable deposits. Hence, it recognized an expected credit loss from refundable deposits in the amount of \$310,866 thousand in 2019.

d. Subleases

In addition to the sublease transactions described in Note 11, the other sublease transactions are set out below.

Sublease of right-of-use assets

The Group subleases its right-of-use assets for property, plant and equipment under operating leases with lease terms of 1 to 2 years. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The leases do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

In addition to fixed lease payments, the lease contracts also indicate that the leases should make variable payments which shall be determined daily at 104%-120% of Baltic Dry Index average daily rent.

The maturity analysis of lease payments receivable under operating subleases was as follows:

	December 31	
	2021	2020
Year 1	\$ 339,630	\$ 300,031
Year 2	7	662
Year 3 onwards	-	-
	<u>\$ 339,637</u>	<u>\$ 300,693</u>

e. Other lease information

	For the Year Ended December 31	
	2021	2020
Expenses relating to short-term leases	<u>\$ 992,501</u>	<u>\$ 1,726,889</u>
Expenses relating to low-value asset leases	<u>\$ 3,250,080</u>	<u>\$ 3,645,707</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ (77,207)</u>	<u>\$ (97,147)</u>
Expenses relating to service cost payments not included in the measurement of lease liabilities	<u>\$ 3,586,186</u>	<u>\$ 3,418,248</u>
Total cash outflow for leases	<u>\$ (20,239,348)</u>	<u>\$ (21,583,112)</u>

The Group has elected to apply the recognition exemption of short-term leases and low-value asset leases and thus, did not recognize right-of-use assets and lease liabilities for these leases.

The amounts of lease commitments for short-term leases and low-value asset lease for which the recognition exemption is applied were \$8,710,202 thousand and \$14,844,828 thousand as of December 31, 2021 and 2020, respectively.

The amounts of lease commitments for future service cost which was recognized as non-lease components of contracts were \$19,478,096 thousand and \$18,242,252 thousand as of December 31, 2021 and 2020, respectively.

17. INVESTMENT PROPERTIES

	Completed Investment Property
Balance at January 1, 2020	\$ 6,313,320
Additions	-
Gain on change in fair value of investment properties	<u>3,899</u>
Balance at December 31, 2020	6,317,219
Additions	437,442
Gain on change in fair value of investment properties	<u>329,065</u>
Balance at December 31, 2021	<u>\$ 7,083,726</u>

The Group's properties located in Zhongzheng District, Taipei City were offered to Chunghwa Post Co., Ltd. for construction of Zhongnan Post Office. The Group needs to obtain approval from Chunghwa Post Co., Ltd. and Ministry of Transportation and Communication for reclaiming the property in the future. The Group had negotiated with Chunghwa Post Co., Ltd. on the value of the property that would be ceded, which was \$449,368 thousand. The two parties had agreed to proceed in accordance with approved procedures. In February 2022, the two parties completed negotiations and signed an agreement to implement related matters such as the allocation and the return of the property.

The investment properties are leased out for 1 to 10 years. All lease contracts contain market review clauses in the event that the lessees exercise their option to extend. The lessees do not have a bargain purchase option to acquire the investment property at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating lease of investment properties at December 31, 2021 and 2020 was as follows:

	December 31	
	2021	2020
Year 1	\$ 69,348	\$ 56,384
Year 2	50,820	37,490
Year 3	23,124	18,852
Year 4	12,257	9,186
Year 5	5,241	5,671
Year 6 onwards	<u>3,200</u>	<u>4,114</u>
	<u>\$ 163,990</u>	<u>\$ 131,697</u>

To reduce the residual asset risk related to investment properties at the end of the relevant lease, the lease contract includes lessee's use limitation, guarantee deposit, punishment of breaching contracts, and responsibilities of maintenance, and the Group follows its general risk management strategy.

The fair values of investment properties measured on a recurring basis were as follows:

	December 31	
	2021	2020
Independent valuation	\$ 7,083,726	\$ 6,309,844
Valuation by the Group	<u>-</u>	<u>7,375</u>
	<u>\$ 7,083,726</u>	<u>\$ 6,317,219</u>

As of December 31, 2021, the fair value was based on the valuations carried out on January 14, 2022, by independent qualified professional valuers, certified real estate appraisers in the ROC and real estate appraisal firm from China Credit Information Service Limited.

As of December 31 2020, the fair value was based on the valuations carried out on January 12, 2021 by independent qualified professional valuers, Mr. Zhang, Yi-Zhi, Mr. Zhang, Hong-Kai and Ms. Ye, Yu-Fen, all Certified Real Estate Appraisers in the ROC, from Savills, Real Estate Appraisal Firm.

The fair value of the other investment properties was determined by the Group's management by reference to rentals of similar properties in the vicinity.

The fair value of investment properties was estimated using unobservable inputs (Level 3). The movements in the fair value were as follows:

	Keelung	Taipei	Kaohsiung	Total
Balance at January 1, 2020	\$ 330,240	\$ 5,384,168	\$ 598,912	\$ 6,313,320
Recognized in profit or loss (gain (loss) arising from the change in fair value of investment property)	(7,184)	2,310	8,773	3,899
Addition	-	-	-	-
Balance at December 31, 2020	323,056	5,386,478	607,685	6,317,219
Recognized in profit or loss (gain arising from the change in fair value of investment property)	56,400	189,600	83,065	329,065
Addition	3,074	434,368	-	437,442
Balance at December 31, 2021	<u>\$ 382,530</u>	<u>\$ 6,010,446</u>	<u>\$ 690,750</u>	<u>\$ 7,083,726</u>

The fair value of investment properties, except for undeveloped land, is measured by the income approach. The significant assumptions used were stated below. An increase in estimated future net cash inflows or a decrease in discount rates would result in an increase in the fair value.

	December 31	
	2021	2020
Expected future cash inflows	\$ 5,215,203	\$ 4,975,722
Expected future cash outflows	(350,609)	(409,697)
Expected future cash inflows, net	<u>\$ 4,864,594</u>	<u>\$ 4,566,025</u>
Discount rate	1.995%-3.900%	3.595%-4.095%

The market rentals in the area where the investment property is located were between \$0.4-\$2.1 thousand and \$0.5-\$3 thousand per ping in 2021 and 2020, respectively. The market rentals for comparable properties were between \$0.4-\$2.7 thousand and \$0.4-\$2.5 thousand per ping in 2021 and 2020, respectively.

The expected future cash inflows generated by investment property included rental income, interest income on rental deposits and disposal value. The rental income was extrapolated using the Group's current rental rate, taking into account the annual rental growth rate; the income analysis covers 4-year to 10-year period, the interest income on rental deposits was extrapolated using the average deposit interest rate of the top five banks announced by the Central Bank of the Republic of China for a year; the disposal value was determined using the direct capitalization method under the income approach. The expected future cash outflows incurred by investment property included expenditure such as land value taxes, house taxes, insurance premium, and maintenance costs. The expenditure was extrapolated on the basis of the current level of expenditure, taking into account the future adjustment to the government-announced land value, the tax rate promulgated under the House Tax Act.

The discount rate was determined by reference to the interest rate for two-year time deposits as posted by Chunghwa Post Co., Ltd., plus 0.75%, and any asset-specific risk premiums of 0.4%-2.3%.

The fair value of undeveloped land located in area Keelung, Taipei, and Kaohsiung was measured by land development analysis. The increase in estimated total sale price, the increase in rate of return, or the decrease in overall capital interest rate would result in increase in the fair value. The significant assumptions used were as follows:

	December 31	
	2021	2020
Estimated total sale price	<u>\$ 7,879,587</u>	<u>\$ 7,535,602</u>
Rate of return	12%-20%	15%-20%
Overall capital interest rate	1.05%-3.56%	1.32%-4.47%

The rate of returns was determined by reference to the annual profit rate and construction period of the similar product constructed by competitors. Overall capitalization rate referred to current average benchmark interest rate and deposit interest rate of the top five banks, and to the proportion of equity funds and borrowed funds. The cost of the equity funds and borrowed funds is determined by the deposit and benchmark interest rate, respectively.

The total sale price is estimated on the basis of the most effective use of land or property available for sale after development is completed, taking into account the related regulations, domestic macroeconomic prospects, local land use, and market rates.

All of the Group's investment property was held under freehold interests.

The carrying amounts of investment properties pledged by the Group to secure borrowings granted to the Group were reflected in Note 35.

18. BORROWINGS

a. Short-term borrowings

	December 31	
	2021	2020
<u>Unsecured borrowings</u>		
Line of credit borrowings	\$ 1,151,760	\$ 1,401,276
Loans from related parties (Note 34)	<u>242,000</u>	<u>670,880</u>
	<u>\$ 1,393,760</u>	<u>\$ 2,072,156</u>

- 1) The range of weighted average effective interest rate on credit borrowings was 1.30%-2.50% and 1.35%-2.50% per annum as of December 31, 2021 and 2020, respectively.
- 2) Loans from related parties of the Group were the amounts repayable to government-related entities. Interest rates were 1.28%-1.50% and 1.32%-2.20% per annum as of December 31, 2021 and 2020, respectively.

b. Short-term bills payable

	December 31	
	2021	2020
Commercial paper	\$ 387,500	\$ 9,940,000
Less: Unamortized discount on bills payable	<u>1,282</u>	<u>17,575</u>
	<u>386,218</u>	<u>9,922,425</u>
Loans from related parties (Note 34)	50,000	2,200,000
Less: Unamortized discount on bills payable	<u>87</u>	<u>8,799</u>
	<u>49,913</u>	<u>2,191,201</u>
	<u>\$ 436,131</u>	<u>\$ 12,113,626</u>

Interest rates of the outstanding short-term bills payable were 1.39% and 0.69%-2.27% per annum as of December 31, 2021 and 2020, respectively.

Interest rates of the outstanding related parties' short-term bills payable were 1.39% and 1.02%-2.00% per annum as of December 31, 2021 and 2020, respectively.

c. Long-term borrowings

	December 31	
	2021	2020
Secured borrowings (Note 35)		
Secured bank loans	\$ 415,396	\$ 2,331,332
Loans from related parties (Note 34)	4,236,308	15,197,848
Other borrowings	<u>317,324</u>	<u>469,644</u>
	<u>4,969,028</u>	<u>17,998,824</u>
Unsecured borrowings		
Line of credit borrowings	100,798	371,043
Loans from related parties (Note 34)	<u>99,839</u>	<u>13,743,344</u>
	<u>200,637</u>	<u>14,114,387</u>
Commercial paper		
Line of credit borrowings	1,300,000	20,150,000
Less: Unamortized discount on bills payable	<u>356</u>	<u>23,735</u>
	<u>1,299,644</u>	<u>20,126,265</u>
Loans from related parties (Note 34)	-	1,500,000
Less: Unamortized discount on bills payable	-	<u>1,255</u>
	-	<u>1,498,745</u>
	<u>1,299,644</u>	<u>21,625,010</u>
	6,469,309	53,738,221
Less: Current portion	<u>1,400,430</u>	<u>12,641,834</u>
Long-term borrowings	<u>\$ 5,068,879</u>	<u>\$ 41,096,387</u>



Bank loans are repayable in installments at varying amounts or fully repaid at maturity in New Taiwan dollars, U.S. dollars, MYR, and CAD. The Group's loan features and terms are as follows:

	December 31	
	2021	2020
<u>NT\$</u>		
Amount	\$ 4,416,452	\$ 48,480,221
Interest rate	1.12%-4.00%	1.02%-4.00%
Contract term	2016/03/25- 2031/10/26	2012/08/10- 2031/05/15
<u>US\$</u>		
Foreign currency amount	73,808	184,147
New Taiwan dollar amount	\$ 2,043,028	\$ 5,245,008
Interest rate	1.16%-2.81%	1.00%-2.84%
Contract term	2015/01/07- 2027/01/13	2011/04/19- 2028/02/09
<u>MYR</u>		
Foreign currency amount	1,353	1,707
New Taiwan dollar amount	\$ 8,964	\$ 12,098
Interest rate	3.25%	3.25%
Contract term	2019/08/26- 2034/04/01	2019/08/26- 2034/04/01
<u>CAD</u>		
Foreign currency amount	40	40
New Taiwan dollar amount	\$ 865	\$ 894
Interest rate	5.00%	5.00%
Contract term	2020/06/03- 2022/12/31	2020/06/03- 2022/12/31

Secured borrowings

1) Secured bank loans

The secured bank loans of the Group will be repaid in U.S. dollars, MYR and New Taiwan dollars. The loans are repayable in installment at varying amounts before April 1, 2034. Interest rates were 1.33%-3.25% and 1.25%-3.25% on December 31, 2021 and 2020, respectively. The Group's buildings, ships, containers, and investment properties are pledged as collaterals for the secured loans.

2) Loans from related parties

The Group's loans from related parties are borrowings repaid in New Taiwan dollars and U.S. dollars from government-related entities. The loans are repayable in installment at varying amounts before October 26, 2031. Interest rates were 1.12%-1.47% and 1.13%-1.83% on December 31, 2021 and 2020, respectively. The Group's buildings, ships, containers and investment properties are pledged as collaterals for the secured loans.

3) Other borrowings

Other borrowings were secured loans from a finance company. The loans are repayable in installment at varying amounts before March 25, 2022. Interest rates were 4.00% on December 31, 2021 and 2020. The Group's containers are pledged as collateral for the secured loans.

Unsecured borrowings

1) Line of credit borrowings

The Group's unsecured bank loans will be repaid in New Taiwan dollars, U.S. dollars and CAD dollars in installments at very amounts or repaid in one-lump sum payment at maturity as the borrowing terms. The loans are expected to be fully repaid before November 21, 2024. Interest rates were 1.45%-5.00% and 1.00%-5.00% on December 31, 2021 and 2020, respectively.

2) Loans from related parties

The Group's loans from related parties are borrowings repaid in New Taiwan dollars and U.S. dollars from government-related entities, and will be repaid in installments at varying amounts or repaid in one-lump sum payment as the borrowing terms. The loans are expected to be fully repaid before September 24, 2022. Interest rates were 1.50% and 1.02%-2.46% on December 31, 2021 and 2020, respectively.

In accordance with the "Regulations on Relief and Revitalization Measures for Industries and Enterprises Affected by Severe Pneumonia with Novel Pathogens" endorsed by the Ministry of Transportation and Communications, "Operational Guides on Relief Loan Guarantees for Ailing Marine Industry Affected by Severe Pneumonia with Novel Pathogens", and the "Operational Guides on Subsidized Interest of Relief Loan for Marine Industry Affected by Severe Pneumonia with Novel Pathogens", the Group applied for project finance loans from financial institutions to maintain its operations. Special funds, credit guarantees along with subsidized interest rates at 1-Year Time Variable Savings Deposits Rate posted by Chunghwa Post Co., Ltd. till June 30, 2021 were provided by the government. The total amount of the loans is \$8,500,000 thousand, which shall be repaid within 2 years from the date of initial drawdown. The Group has made a drawdown of \$99,839 thousand with the same amount available as of December 31, 2021, and \$7,636,500 thousand with \$8,500,000 thousand available as of December 31, 2020. The loan had been repaid in the amount of \$7,500,000 thousand on January 25, 2021.

Commercial paper

YMTC signed 3 years underwriting contracts for the issuance of commercial paper with a bill finance institution. YMTC can issue the commercial papers in a revolving scheme during the period of the financing contracts. The commercial papers expected to be fully repaid before May 2023. During the issuance period, YMTC's short-term and long-term credit ratings (rated by Taiwan ratings or other rating organization recognized by authority) should be maintained at a certain level specified in the contracts. As of December 31, 2021 and 2020, YMTC had met the above requirements.

1) Line of credit borrowings

The Group's commercial paper will be fully repaid in the New Taiwan dollar before May 24, 2023. Interest rates were 1.43%-1.59% and 1.41%-1.59% on December 31, 2021 and 2020, respectively.

2) Loans from related parties

The Group's loans from related parties are borrowings repaid in the New Taiwan dollars from government-related entities. The loans were fully repaid in advance on August 23, 2021. Interest rates were 1.40%-1.45% on December 31, 2020.



19. BONDS PAYABLE

	December 31	
	2021	2020
Secured domestic bonds	\$ 10,822,014	\$ 4,945,877
Unsecured domestic bonds	-	-
Domestic secured convertible bonds	-	1,673,809
	10,822,014	6,619,686
Less: Current portion	-	1,673,809
	<u>\$ 10,822,014</u>	<u>\$ 4,945,877</u>

a. Secured domestic bonds

YMTC issued five-year domestic secured bonds with an aggregate par value of \$4,000,000 thousand on October 12, 2015 (the October 2015 Bonds).

The bond features and terms are as follows:

Bonds issued in October 2015:	Type A - aggregate par value: \$2,000,000 thousand; repayments: 50% - October 12, 2019 and 50% - October 12, 2020, an annual simple interest rate of 1.10%.
	Type B - aggregate par value: \$1,000,000 thousand; repayments: 50% - October 12, 2019 and 50% - October 12, 2020, an annual simple interest rate of 1.10%.
	Type C - aggregate par value: \$500,000 thousand; repayments: 50% - October 12, 2019 and 50% - October 12, 2020, an annual simple interest rate of 1.10%.
	Type D - aggregate par value: \$500,000 thousand; repayments: 50% - October 12, 2019 and 50% - October 12, 2020, an annual simple interest rate of 1.10%.

The October 2015 bonds had been fully repaid.

YMTC issued five-year domestic secured bonds with an aggregate par value of \$5,000,000 thousand on November 28, 2019 (the November 2019 Bonds).

The bond features and terms are as follows:

Bonds issued in November 2019:	Type A - aggregate par value: \$1,000,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.
	Type B - aggregate par value: \$1,500,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.
	Type C - aggregate par value: \$1,000,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.
	Type D - aggregate par value: \$1,000,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.
	Type E - aggregate par value: \$500,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.

YMTC issued five-year to seven-year domestic secured bonds with an aggregate par value of \$5,900,000 thousand on April 28, 2021 (the April 2021 Bonds).

The bond features and terms are as follows:

Bonds issued in April 2021:	Type A - aggregate par value: \$1,000,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type B - aggregate par value: \$1,000,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type C - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type D - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type E - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type F - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type G - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.

(Continued)



Type H - aggregate par value: \$400,000 thousand; repayments: 50% - April 28, 2027 and 50% - April 28, 2028, an annual simple interest rate of 0.49%.

Type I - aggregate par value: \$1,000,000 thousand; repayments: 50% - April 28, 2027 and 50% - April 28, 2028, an annual simple interest rate of 0.49%.

(Concluded)

The bonds are guaranteed by banks, of which \$3,000,000 thousand, \$5,000,000 thousand, and \$4,400,000 thousand, respectively are guaranteed by government-related banks.

b. Domestic unsecured bonds

On various dates, YMTC issued domestic unsecured bonds; the dates and the aggregate par values were as follows: \$5,000,000 thousand on November 1, 2013 (the November 2013 Bonds).

The bond features and terms were as follows:

Bonds issued in November 2013:	Type A - aggregate par value: \$1,100,000 thousand and maturity on November 1, 2018. The principal will be repaid in a lump sum on November 1, 2018; 2.20% annual interest is repayable annually.

Type B - aggregate par value: \$3,900,000 thousand and maturity on November 1, 2020. The principal will be repaid in a lump sum on November 1, 2020; 2.45% annual interest is repayable annually.

The Type A Bonds had been repaid \$1,100,000 thousand as of October 30, 2018 and the Type B Bonds had been repaid \$3,900,000 thousand as of November 2, 2020.

The November 2013 Bonds had been fully repaid.

c. Domestic secured convertible bonds

On May 29, 2018, YMTC issued five-year domestic secured bonds (the 2018 Convertible Bonds) with an aggregate par value of \$7,600,000 thousand, and the issuance price was 101% of the par value. Bond settlement is as follows:

- 1) Lump-sum payment to the holders upon maturity at the par value;
- 2) Conversion by the holders, from August 30, 2018 to May 29, 2023 before the due date, into YMTC's common shares at the prevailing conversion price;
- 3) Reselling to YMTC by the holders before maturity.
- 4) Redemption by YMTC, under certain conditions, at par value before bond maturity.
- 5) Repurchase and write-off by YMTC from securities dealer office.

The initial conversion price was \$10.40 as of the date of issuance. The bonds contained liability component and equity component to recognize capital surplus - share warrants of \$308,765 thousand. The bondholders could request YMTC to repurchase bonds at par value before 30 days of the issuance for 3 years. There were \$7,600,000 thousand of bonds converted into 730,768 thousand ordinary shares as of March 12, 2021.

The bond is guaranteed by banks, of which \$7,100,000 thousand is guaranteed by government-related banks.

20. TRADE PAYABLES

	December 31	
	2021	2020
<u>Trade payables - operating</u>		
Trade payables - non-related parties	\$ 19,106,729	\$ 15,677,632
Trade payables - related parties	<u>376,954</u>	<u>425,388</u>
	<u>\$ 19,483,683</u>	<u>\$ 16,103,020</u>
Payable for cost of voyage in sailing	\$ 10,219,909	\$ 10,656,203
Payable for fuel	2,029,203	1,735,049
Payable for space hire	6,844,147	3,263,589
Payable for freight expenses	310,566	347,550
Payable for stevedoring expenses	75,049	95,829
Payable for management expenses	<u>4,809</u>	<u>4,800</u>
	<u>\$ 19,483,683</u>	<u>\$ 16,103,020</u>

21. OTHER PAYABLES

	December 31	
	2021	2020
Payable for container lease	\$ 558,222	\$ 889,476
Payable for salary and bonus	4,496,556	1,188,057
Payable for interest expenses	125,917	75,517
Payable for equipment M&R expenses	106,021	211,143
Payable for annual leave	130,097	220,137
Payable for vessel charter hire	49,156	142,381
Payable for equipment	93,089	214,910
Others	<u>2,287,614</u>	<u>1,386,645</u>
	<u>\$ 7,846,672</u>	<u>\$ 4,328,266</u>

22. PROVISIONS

	December 31	
	2021	2020
Restoration cost for leased assets (a)	\$ 1,348	\$ 1,396
Others (b)	<u>56,307</u>	<u>-</u>
	<u>\$ 57,655</u>	<u>\$ 1,396</u>
Current	\$ 56,307	\$ -
Non-current	<u>1,348</u>	<u>1,396</u>
	<u>\$ 57,655</u>	<u>\$ 1,396</u>



	Restoration Cost for Leased Assets	Others	Total
Balance at January 1, 2021	\$ 1,396	\$ -	\$ 1,396
Additional provision recognized	-	56,307	56,307
Effect of foreign currency exchange differences	(48)	-	(48)
Balance at December 31, 2021	<u>\$ 1,348</u>	<u>\$ 56,307</u>	<u>\$ 57,655</u>
Balance at January 1, 2020	\$ 1,444	\$ 1,032,332	\$ 1,033,776
Additional provision recognized	-	49,176	49,176
Amount used	-	(1,058,370)	(1,058,370)
Reversal of unused balance	-	(18,556)	(18,556)
Effect of foreign currency exchange differences	(48)	(4,582)	(4,630)
Balance at December 31, 2020	<u>\$ 1,396</u>	<u>\$ -</u>	<u>\$ 1,396</u>

- a. When returning operating leased assets, lessees have legal or construction obligation to restore operating leased assets to original status. Lessees need to accrue restoration costs provision over the lease term on a straight-line basis.
- b. Other provisions are mainly due to (1) The possible fine of \$56,307 thousand which the Group may be punished by The Korea Fair Trade Commission for violating the Korea Fair Trade Act. After receiving the award, the Group will take further measures to ensure maximum benefit. (2) The Group did not enforce the right to repurchase ships. When the lease expires, the Group assesses the risk arises from compensation of the unpaid principal and interest of the shipowner's creditor bank. Please refer to Note 16(3) for the possible loss if the Group terminated the capital lease agreements of ship before expiration.

23. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

YMTC and domestic subsidiaries' pension plans under the Labor Pension Act (the "Act") for onshore employees and shipping crews are defined contribution schemes. Starting on July 1, 2005, the Group makes monthly contributions to the employees' individual pension accounts in the Bureau of Labor Insurance at 6% of employees' salaries every month.

For domestic crews providing service in foreign ships, pension plan is based on hiring contracts, the Group makes monthly contributions to the employees' account together with salaries.

Yang Ming (America) Corp. has entered into an agreement with the ILWU office and Clerical Employees Local 63 to provide medical care covered by the agreement, and it was defined benefit pension plan. However, according to collective bargaining agreements, effective June 1, 2008, a new Taft-Hartely trust, named "OCU Health Trust" will replace the 2003 YML/ILWU agreement's framework for the above stated benefits, which is a defined contribution plan. Starting from 2008, the contribution made to the OCU trust was calculated based on US\$5.89 per working hour. In addition to the US\$5.89 per hour contribution, the Company does have a contractual obligation to fund the unfunded liability transferred to the OCU multiemployer trust over a period of no more than ten years from 2009. As of December 31, 2019, the unfunded liability had been fully funded.

Some consolidated subsidiaries, which are mainly for investment holding purpose, have either very few or no staff. These subsidiaries have no pension plans and thus do not contribute to pension funds and do not recognize pension costs.

Except for these companies, the consolidated subsidiaries all contribute to pension funds and recognize pension costs based on local government regulations.

b. Defined benefit plans

1) Pension plan of the Group

YMTC has adopted three pension plans since it was privatized on February 15, 1996. Before YMTC's privatization, qualified employees received pension payments for service years before the start of the privatization. The service years of the employees who received pre-privatization pension payments and continued to work in YMTC after privatization will be excluded from the calculation of pension payments after privatization. These plans are as follows:

The pension plan under the Labor Standards Law for onshore employees is a defined benefit plan. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributed amounts equal to 3% of salaries every month. The pension fund is administered by the pension fund monitoring committee and deposited in the committee's name in the Bank of Taiwan. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is insufficient to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the Bureau); the Group has no right to influence the investment policy and strategy.

Pension plan under the Maritime Labor Law for shipping crews is a defined benefit plan. Before the adoption of the ROC Maritime Labor Law, benefits were based on the amounts stated in the crew's hiring contracts. Under the Law, benefits are based on service years and average basic salary of the six months before retirement.

Pension plan for retired employees of China Merchants Steamship Navigation Company (CMSNC) provides benefits based on service years and level of monthly basic salary at the time of retirement.

Because of spin-off, the service years of the employees transferred to Kuang Ming Shipping Corp. are continued from the service years in YMTC. Benefits are based on the proportion of service years between YMTC and Kuang Ming Shipping Corp. and are paid by individual pension accounts.

2) Pension plan of subsidiaries

Domestic subsidiaries' pension plan under the Labor Standards Law is a defined benefit scheme. Benefits are based on service years and average basic salary of the six months before retirement. The Subsidiaries contribute certain percentage of total salaries and wages every month, to each pension fund, which is administered by each pension plan committee and deposited in each committee's name in the Bank of Taiwan.

The Yangming (Japan) Co., Ltd.'s pension plan is defined benefit plan. Pension benefits are calculated on the basis of the length of service and the basic salary of the month before retirement. Employees can accumulate two base points for every service year within the first 12 years and one base point for every service year thereafter. Employees can accumulate up to 40 base points.



All Oceans Transportation Inc. and Yang Ming (UK) Ltd.'s pension plan under the Maritime Labor Law for shipping crews are defined benefit plans. Before the adoption of the ROC Maritime Labor Law, benefits were based on the amounts stated in the crews hiring contracts. Under the Law, benefits are based on service years and average monthly salary of the six months before retirement.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2021	2020
Present value of defined benefit obligation	\$ 3,746,590	\$ 3,865,364
Fair value of plan assets	<u>(918,244)</u>	<u>(837,655)</u>
Net defined benefit liability	<u>\$ 2,828,346</u>	<u>\$ 3,027,709</u>

Movements in net defined benefit liability were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability
Balance at January 1, 2020	<u>\$ 3,328,129</u>	<u>\$ (824,458)</u>	<u>\$ 2,503,671</u>
Service cost			
Current service cost	83,470	-	83,470
Past service cost	153	-	153
Net interest expense (income)	<u>25,719</u>	<u>(6,234)</u>	<u>19,485</u>
Recognized in profit or loss	<u>109,342</u>	<u>(6,234)</u>	<u>103,108</u>
Remeasurement			
Return on plan assets	-	(28,520)	(28,520)
Actuarial loss			
Changes in demographic assumptions	79	-	79
Changes in financial assumptions	139,550	-	139,550
Experience adjustments	<u>492,271</u>	<u>-</u>	<u>492,271</u>
Recognized in other comprehensive loss (income)	<u>631,900</u>	<u>(28,520)</u>	<u>603,380</u>
Contributions from the employer	-	(17,719)	(17,719)
Benefits paid	(213,159)	39,276	(173,883)
Exchange differences on foreign plans	<u>9,152</u>	<u>-</u>	<u>9,152</u>
Balance at December 31, 2020	<u>3,865,364</u>	<u>(837,655)</u>	<u>3,027,709</u>
Service cost			
Current service cost	86,721	-	86,721
Past service cost	4,196	-	4,196
Net interest expense (income)	<u>15,432</u>	<u>(3,045)</u>	<u>12,387</u>
Recognized in profit or loss	<u>106,349</u>	<u>(3,045)</u>	<u>103,304</u>

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability
Remeasurement			
Return on plan assets	\$ -	\$ (12,188)	\$ (12,188)
Actuarial loss (gain)			
Changes in demographic assumptions	86,472	-	86,472
Changes in financial assumptions	(145,013)	-	(145,013)
Experience adjustments	<u>129,610</u>	<u>-</u>	<u>129,610</u>
Recognized in other comprehensive income (loss)	<u>71,069</u>	<u>(12,188)</u>	<u>58,881</u>
Contributions from the employer	-	(131,211)	(131,211)
Benefits paid	(280,438)	65,855	(214,583)
Exchange differences on foreign plans	<u>(15,754)</u>	<u>-</u>	<u>(15,754)</u>
Balance at December 31, 2021	<u>\$ 3,746,590</u>	<u>\$ (918,244)</u>	<u>\$ 2,828,346</u> (Concluded)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2021	2020
Current service cost	\$ 86,721	\$ 83,470
Past service cost	4,196	153
Net interest expense	<u>12,387</u>	<u>19,485</u>
	<u>\$ 103,304</u>	<u>\$ 103,108</u>
An analysis by function		
Operating costs	\$ 57,741	\$ 57,099
Selling and marketing expenses	36,359	37,735
General and administrative expenses	<u>9,204</u>	<u>8,274</u>
	<u>\$ 103,304</u>	<u>\$ 103,108</u>

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic/and foreign/equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.



The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2021	2020
Discount rates	0.50%-0.90%	0.40%-0.90%
Expected rates of salary increase	1.50%-2.50%	1.50%-2.50%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2021	2020
Discount rates		
0.25%-0.50% increase	<u>\$ (174,262)</u>	<u>\$ (182,559)</u>
0.25%-0.50% decrease	<u>\$ 188,671</u>	<u>\$ 198,281</u>
Expected rates of salary increase		
0.25%-0.50% increase	<u>\$ 184,768</u>	<u>\$ 193,329</u>
0.25%-0.50% decrease	<u>\$ (172,516)</u>	<u>\$ (180,014)</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2021	2020
The expected contributions to the plan for the next year	<u>\$ 134,382</u>	<u>\$ 18,050</u>
The average duration of the defined benefit obligation	6.3-16.5 years	6.9-16.1 years

- c. In an effort to encourage employee retirement, improve human resource structure and enhance vitality within organization, the Group calculates favorable retirement benefits according to the retirement policies. The Group recognized pension cost of \$27,669 thousand and \$54,421 thousand for the years ended December 31, 2021 and 2020, respectively.

24. EQUITY

a. Share capital

1) Ordinary shares

	December 31	
	2021	2020
Numbers of shares authorized (in thousands)	<u>4,500,000</u>	<u>4,500,000</u>
Shares authorized	<u>\$ 45,000,000</u>	<u>\$ 45,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>3,492,104</u>	<u>3,167,662</u>
Shares issued	<u>\$ 34,921,043</u>	<u>\$ 31,676,622</u>

Fully paid ordinary shares, which have a par value at \$10, carry one vote per share and carry a right to dividends.

The board of directors resolved on May 19, 2021 to implement a capital increase by cash through the issuance of 160,000 thousand ordinary shares with a par value at \$10 by book building. The ordinary shares were issued at premium price of \$182 per share, which had been resolved by the board of directors on July 12, 2021 and the share capital was increased to \$34,921,043 thousand. The above transaction was approved by the FSC on June 23, 2021. The board of directors had determined the subscription base date to be July 16, 2021 and completed change registration in August 2021. For the compensation cost incurred by this cash capital increase in shares reserved for subscription of employees, see Note 28 for detailed information.

The secured domestic convertible bonds had been converted into YMTC's ordinary shares in the amount of \$1,644,421 thousand (164,442 thousand shares) in 2021. The board of directors had determined the subscription base date to be May 12, 2021 and completed change registration in June 2021.

The change in YMTC's share capital in 2020 was mainly due to the conversion of domestic secured convertible bonds into ordinary shares. Bonds were converted into YMTC's ordinary shares in the amount of \$5,663,265 thousand (566,326 thousand shares). The board of directors determined the subscription base date to be November 12, 2020 and January 27, 2021 and completed the change registration in December 2020 and February 2021, respectively.

On December 31, 2020, there were still 697,394 thousand privately placed ordinary shares not converted into publicly placed shares. The board of directors resolved to convert the privately placed ordinary shares into publicly placed shares on November 11, 2021. The above transaction was approved by the FSC on December 28, 2021 and listed on January 3, 2022.

The rights and obligations of privately issuing ordinary shares are the same as those of the issuance of ordinary shares, except for a restriction on negotiation in accordance with the Securities and Exchange Act and the application for public listing after 3 years from the trade date.

2) Preference shares

The board of directors resolved on May 6, 2020 to privately place Type A preference shares with a limit of 300,000,000 shares and approved by 2020 Annual Shareholders Meeting. However, this plan was not executed and became unnecessary as YMTC's financial status has been significantly improving.

3) Global depositary receipts

On November 14, 1996, YMTC issued 10 million units of global depositary receipts (GDRs), representing 100 million shares, at an issue price of US\$11.64 dollar per unit. The board of directors resolved to cancel the GDRs on August 13, 2019 and delisted them on December 5, 2019. There were no outstanding GDRs after June 2020.



b. Capital surplus

	May Be Used to Offset A Deficit, Distributed as Cash Dividends, or Transferred to Share Capital (1)	May Be Used to Offset a Deficit Only Changes in Percentage of Ownership Interests in Subsidiaries (2)	May Not Be Used for Any Purpose Share Warrants	Total
Balance at January 1, 2020	\$ 1,630,593	\$ 23	\$ 308,765	\$ 1,939,381
Convertible bonds converted to ordinary shares	314,626	-	(239,285)	75,341
Capital surplus used to offset accumulated deficit	<u>(1,630,593)</u>	<u>(23)</u>	<u>-</u>	<u>(1,630,616)</u>
Balance at December 31, 2020	<u>\$ 314,626</u>	<u>\$ -</u>	<u>\$ 69,480</u>	<u>\$ 384,106</u>
Balance at January 1, 2021	\$ 314,626	\$ -	\$ 69,480	\$ 384,106
Convertible bonds converted to ordinary shares	89,031	-	(69,480)	19,551
Share-based payment	-	-	51,373	51,373
Issuance of ordinary shares for cash	<u>27,571,373</u>	<u>-</u>	<u>(51,373)</u>	<u>27,520,000</u>
Balance at December 31, 2021	<u>\$ 27,975,030</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,975,030</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).
- 2) Such capital surplus arises from the effect of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Articles, when Company makes profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the expansion of transportation equipment and improvement of financial structure, and then any remaining profit together with any undistributed retained earnings, distributed at least 25%, shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and of bonus of shareholders. For the policies on distribution of compensation of employees and remuneration of directors and supervisors before and after amendment, refer to Note 26 h. compensation of employees and remuneration of directors.

YMTC should consider certain factors, including YMTC's profits, the change in the environment of the industry, potential growth of the Group, costs, expenditures and the working capital for operation in proposing stock dividend appropriation plan. YMTC shall declare at least 20% of the amount declared as dividends in the form of cash as opposed to stock.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset a deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The statements of deficit compensation for 2019 approved in the shareholders' meeting on June 17, 2020, were as follows:

	Offsetting of Deficit
Capital surplus - issuance of ordinary shares	\$ 1,630,593
Capital surplus - changes in percentage of ownership interest in subsidiaries	<u>23</u>
	<u>\$ 1,630,616</u>

The appropriation of earnings for 2020 approved in the shareholders' meeting on May 14, 2021, were as follows:

	Appropriation of Earnings
Legal reserve	<u>\$ 166,092</u>
Special reserve	<u>\$ 1,494,827</u>

The appropriation of earnings for 2021 proposed by the Company's board of directors on March 14, 2022, were as follows:

	For the Year Ended December 31, 2021
Legal reserve	<u>\$ 16,740,972</u>
Special reserve	<u>\$ 2,218,403</u>
Cash dividends	<u>\$ 69,842,085</u>
Cash dividend per dollar (NT\$)	\$ 20

The appropriation of earnings for 2021 will be resolved by the shareholders in their meeting to be held on May 27, 2022.

d. Special reserves

Special reserve should be appropriated for the amount equal to the net debit balance reserves. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.



On the initial application of fair value model to investment properties, the Company appropriated for a special reserve at the amount that were the same as the net increase arising from fair value measurement and transferred to retained earnings. Additional special reserve should be appropriated for subsequent net increase in fair value. The amount appropriated may be reversed to the extent that the cumulative net increases in fair value decrease or on the disposal of investment properties. If the Company offsets the deficit with special reserves before the reason for appropriating special reserves eliminated, the Company should compensate the special reserves before appropriating earnings.

e. Others equity items

1) Exchange differences on translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ (713,510)	\$ (205,946)
Recognized for the year		
Exchange differences on translation of the financial statements of foreign operations	(903,467)	(507,531)
Related income tax	362,979	-
Reclassification adjustment		
Share from the disposal of associates accounted for using the equity method	-	(33)
Other comprehensive income (loss) recognized for the year	<u>(540,488)</u>	<u>(507,564)</u>
Balance at December 31	<u>\$ (1,253,998)</u>	<u>\$ (713,510)</u>

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ (785,730)	\$ (1,039,266)
Recognized for the year		
Unrealized gain (loss)		
Equity instruments	2,845,439	230,984
Share from associates and joint ventures accounted for using the equity method	<u>(170,775)</u>	<u>22,552</u>
Other comprehensive income recognized for the year	<u>2,674,664</u>	<u>253,536</u>
Cumulative unrealized loss of equity instruments transferred to retained earnings	(2,175,784)	-
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal by associates and joint ventures	<u>(12,643)</u>	<u>-</u>
Balance at December 31	<u>\$ (299,493)</u>	<u>\$ (785,730)</u>

3) Gain (loss) on hedging instruments

	Cash Flow Hedge	
	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 3,455,825	\$ 1,218,522
Recognized for the year		
Foreign currency risk-lease liabilities	1,312,294	2,489,548
Related income tax	(819,513)	-
Reclassification adjustments		
Foreign currency risk-operating revenue	(670,552)	(252,245)
Other comprehensive income (loss) recognized for the year	(177,771)	2,237,303
Balance at December 31	\$ 3,278,054	\$ 3,455,825

f. Non-controlling interests

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 656,620	\$ 618,665
Share of profit for the year	333,253	209,775
Other comprehensive income (loss) during the year		
Exchange difference on translating the financial statements of foreign entities	(123,840)	(52,174)
Unrealized gain on financial assets at FVTOCI	26	16
Remeasurement of the defined benefit liability	39	1,200
Share in other comprehensive income (loss) of joint ventures accounted for using the equity method	7	(6)
Increasing in non-controlling interests by establishing foreign subsidiaries	-	2,016
Cash dividends distributed by subsidiaries	(234,713)	(122,872)
Balance at December 31	\$ 631,392	\$ 656,620

25. REVENUE

	For the Year Ended December 31	
	2021	2020
Revenue from contracts with customers		
Cargo revenue	\$ 314,054,308	\$ 136,459,454
Rental revenue on vessel	3,030,879	2,640,645
Rental income		
Slottage revenue	2,515,438	2,025,636
Other operating revenue	14,086,770	10,150,948
	\$ 333,687,395	\$ 151,276,683



a. Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Trade receivables (Note 10)	<u>\$ 22,054,984</u>	<u>\$ 11,177,869</u>	<u>\$ 10,111,347</u>
Contract assets			
Cargo revenue	\$ 5,533,228	\$ 2,906,252	\$ 1,797,036
Less: Allowance for impairment loss	<u>(67,894)</u>	<u>(15,978)</u>	<u>(8,898)</u>
Contract assets	<u>\$ 5,465,334</u>	<u>\$ 2,890,274</u>	<u>\$ 1,788,138</u>
Contract liabilities - current			
Advance on contract	<u>\$ 903,453</u>	<u>\$ 134,998</u>	<u>\$ 121,826</u>

The Group measures the loss allowance for contract assets at an amount equal to lifetime ECLs. The contract assets will be transferred to accounts receivable when the container shipping services have been completed, and the contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables can be applied to the contract assets (Note 10).

The movements of the loss allowance of contract assets were as follows:

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 15,978	\$ 8,898
Add: Net remeasurement of loss allowance	52,190	7,219
Foreign exchange gains and losses	<u>(274)</u>	<u>(139)</u>
Balance at December 31	<u>\$ 67,894</u>	<u>\$ 15,978</u>

The changes in the balance of contract assets and contract liabilities primarily result from the timing difference between the Group's performance and the respective customer's payment.

b. Disaggregation of revenue

Revenue from contracts with customers mainly comes from the containership department. Refer to Note 40 for information about disaggregation of revenue.

26. NET PROFIT

a. Other operating income and expenses

	For the Year Ended December 31	
	2021	2020
Gain on disposal and retirement of property, plant and equipment	\$ 81,870	\$ 299,609
Reimbursement income	<u>147,345</u>	<u>61,946</u>
	<u>\$ 229,215</u>	<u>\$ 361,555</u>

b. Interest income

	For the Year Ended December 31	
	2021	2020
Bank deposits	\$ 289,053	\$ 114,379
Net investments in leases	2,073	2,336
Short-term bills	15,873	9,280
Others	<u>1,250</u>	<u>7,463</u>
	<u>\$ 308,249</u>	<u>\$ 133,458</u>

c. Other income

	For the Year Ended December 31	
	2021	2020
Rental income - operating leases	\$ 86,590	\$ 86,420
Dividends	4,969	58,469
Gain from bargain purchases on acquisition of subsidiaries	<u>3,171</u>	<u>-</u>
	<u>\$ 94,730</u>	<u>\$ 144,889</u>

d. Other gains and losses

	For the Year Ended December 31	
	2021	2020
Net foreign exchange gains (loss)	\$ (74,687)	\$ 728,885
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	12,704	7,853
Financial liabilities held for trading	-	57,562
Loss on disposal of associates	-	(689)
Gain (loss) arising from lease modifications	9,524	(3,448)
Gain arising from the change in fair value of investment properties	329,065	3,899
Impairment loss recognized on associates (Note 14)	(623,259)	(1,027,207)
Others	<u>(10,465)</u>	<u>(167,300)</u>
	<u>\$ (357,118)</u>	<u>\$ (400,445)</u>

e. Finance costs

	For the Year Ended December 31	
	2021	2020
Interest on bank loans	\$ 315,773	\$ 586,117
Interest on lease liabilities (including U.S. dollar lease contracts designated as hedging instruments)	1,935,296	2,248,252
Other interest expenses	<u>329,498</u>	<u>765,574</u>
	<u>2,580,567</u>	<u>3,599,943</u>
Less: Amounts included in the cost of qualifying assets	<u>(7,962)</u>	<u>(39,646)</u>
	<u>\$ 2,572,605</u>	<u>\$ 3,560,297</u>



Information about capitalized interest is as follow:

	For the Year Ended December 31	
	2021	2020
Capitalized interest amount	\$ 7,962	\$ 39,646
Capitalization rate	0.99%-1.47%	1.14%-1.76%

f. Depreciation and amortization

	For the Year Ended December 31	
	2021	2020
Right-of-use assets	\$ 10,925,825	\$ 10,960,035
Property, plant and equipment	6,528,880	6,189,658
Intangible assets	<u>55,923</u>	<u>52,192</u>
	<u>\$ 17,510,628</u>	<u>\$ 17,201,885</u>
An analysis of depreciation by function		
Operating costs	\$ 17,098,584	\$ 16,785,562
Operating expenses	<u>356,121</u>	<u>364,131</u>
	<u>\$ 17,454,705</u>	<u>\$ 17,149,693</u>
An analysis of amortization by function		
Operating costs	\$ 6,799	\$ 7,894
Operating expenses	<u>49,124</u>	<u>44,298</u>
	<u>\$ 55,923</u>	<u>\$ 52,192</u>

g. Employee benefits expense

	For the Year Ended December 31	
	2021	2020
Post-employment benefits		
Defined contribution plans	\$ 284,386	\$ 288,161
Defined benefit plans (Note 23)	103,304	103,108
Termination benefits	27,669	54,421
Other employee benefits	<u>11,872,664</u>	<u>8,000,561</u>
Total employee benefits expense	<u>\$ 12,288,023</u>	<u>\$ 8,446,251</u>
An analysis of employee benefits by function		
Operating costs	\$ 4,113,878	\$ 3,025,530
Operating expenses	<u>8,174,145</u>	<u>5,420,721</u>
	<u>\$ 12,288,023</u>	<u>\$ 8,446,251</u>

h. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of 1%-5% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. However, if there were accumulated deficit, the Company should reserve offset amount in advance.

The compensation of employees and the remuneration of directors for the years ended December 31, 2021 and 2020, which were approved by the Company's board of directors on March 14, 2022 and March 25, 2021 are as follows:

Accrual rate

	<u>For the Year Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Compensation of employees	1%	1%
Remuneration of directors	0.0396%	1%

Amount

	<u>For the Year Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
	<u>Cash</u>	<u>Cash</u>
Compensation of employees	\$ 2,020,049	\$ 57,851
Remuneration of directors	\$ 80,000	\$ 57,851

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the annual financial statements for the year ended December 31, 2020.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

27. INCOME TAXES

a. Income tax expense recognized in profit or loss

Major components of income tax expense are as follow:

	<u>For the Year Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Current tax		
In respect of the current year	\$ 31,694,583	\$ 586,265
Income tax on unappropriated earnings	881	-
Adjustments for prior years	130,535	(6,163)
	<u>31,825,999</u>	<u>580,102</u>
Deferred tax		
In respect of the current year	4,961,116	3,380,783
Adjustments for prior years	(12,251)	2,370
	<u>4,948,865</u>	<u>3,383,153</u>
Income tax expense recognized in profit or loss	<u>\$ 36,774,864</u>	<u>\$ 3,963,255</u>



A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2021	2020
Profit before tax	<u>\$ 202,376,745</u>	<u>\$ 16,150,043</u>
Tax expense calculated at the statutory rate	\$ 42,731,855	\$ 3,315,201
Nondeductible expenses in determining taxable income	8,747	6,948
Tax-exempt income	(172,621)	393,990
Unrecognized loss carryforwards and deductible temporary differences	(5,040,084)	(629,684)
Offshore income tax	1,034,642	150,765
Income tax on unappropriated earnings	881	-
Subsidiaries capital reduction used to offset accumulated deficits	(633,979)	-
Adjustments for prior years' tax	130,535	(6,163)
Others	<u>(1,285,112)</u>	<u>732,198</u>
Income tax expense recognized in profit or loss	<u>\$ 36,774,864</u>	<u>\$ 3,963,255</u>

- b. Income tax recognized in other comprehensive income (loss)

	For the Year Ended December 31	
	2021	2020
<u>Deferred tax</u>		
In respect of the current year		
Translation of foreign operations	\$ (362,979)	\$ -
Remeasurement on defined benefit plans	(11,776)	(120,832)
Cash flow hedges	<u>819,513</u>	<u>-</u>
	<u>\$ 444,758</u>	<u>\$ (120,832)</u>

- c. Current tax assets and liabilities

	December 31	
	2021	2020
Current tax assets		
Tax refund receivable (included in other current assets)	<u>\$ 81,955</u>	<u>\$ 105,276</u>
Current tax liabilities		
Income tax payable	<u>\$ 29,497,739</u>	<u>\$ 264,165</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2021

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Exchange Differences	Closing Balance
Tax losses	\$ 2,443,124	\$ (2,392,947)	\$ -	\$ -	\$ 50,177
Temporary differences					
Unrealized shipping fuel valuation losses	15,087	(15,087)	-	-	-
Loss on investments accounted for using the equity method	45,561	(13,327)	-	-	32,234
Defined benefit plan	571,907	7,143	11,776	-	590,826
Unrealized loss on voyage in sailing	8,374	(8,374)	-	-	-
Payable for annual leave	28,297	(7,876)	-	-	20,421
Exchange differences on translating the financial statements of foreign operations	-	-	362,979	-	362,979
Unrealized loss on foreign currency exchange	2,782	191,809	-	-	194,591
Others	46,968	43,041	-	-	90,009
	<u>\$ 3,162,100</u>	<u>\$ (2,195,618)</u>	<u>\$ 374,755</u>	<u>\$ -</u>	<u>\$ 1,341,237</u>

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Exchange Differences	Closing Balance
Temporary differences					
Gain on investments accounted for using the equity method	\$ 1,746,021	\$ 2,662,657	\$ -	\$ -	\$ 4,408,678
Unrealized gain on financial instrument	-	4,538	-	-	4,538
Reserve for land value increment tax	660,713	(725)	-	-	659,988
Investment properties	16,210	134,183	-	-	150,393
Property, plant and equipment	30,754	1,466	-	-	32,220
Gain on hedge instrument	-	-	819,513	-	819,513
Unrealized gain on foreign currency exchange	104,727	(54,550)	-	-	50,177
Others	14,912	5,678	-	(2,661)	17,929
	<u>\$ 2,573,337</u>	<u>\$ 2,753,247</u>	<u>\$ 819,513</u>	<u>\$ (2,661)</u>	<u>\$ 6,143,436</u>

For the year ended December 31, 2020

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Exchange Differences	Closing Balance
Tax losses	\$ 4,626,780	\$ (2,183,656)	\$ -	\$ -	\$ 2,443,124
Temporary differences					
Unrealized shipping fuel valuation losses	2,498	12,589	-	-	15,087
Loss on investments accounted for using the equity method	51,329	(5,768)	-	-	45,561
Defined benefit plan	465,711	(14,636)	120,832	-	571,907
Unrealized loss on voyage in sailing	661	7,713	-	-	8,374
Payable for annual leave	30,284	(1,987)	-	-	28,297
Others	392,592	(342,842)	-	-	49,750
	<u>\$ 5,569,855</u>	<u>\$ (2,528,587)</u>	<u>\$ 120,832</u>	<u>\$ -</u>	<u>\$ 3,162,100</u>



Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Exchange Differences	Closing Balance
Temporary differences					
Gain on investments accounted for using the equity method	\$ 869,050	\$ 876,971	\$ -	\$ -	\$ 1,746,021
Reserve for land value increment tax	654,209	6,504	-	-	660,713
Investment properties	16,065	145	-	-	16,210
Property, plant and equipment	29,429	1,325	-	-	30,754
Others	155,086	(30,379)	-	(5,068)	119,639
	<u>\$ 1,723,839</u>	<u>\$ 854,566</u>	<u>\$ -</u>	<u>\$ (5,068)</u>	<u>\$ 2,573,337</u>

- e. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2021	2020
Loss carryforwards		
Expire in 2021	\$ -	\$ 59,413
Expire in 2022	230,994	230,994
Expire in 2023	348,864	5,692,310
Expire in 2024	381,489	381,489
Expire in 2025	528,293	4,921,391
Expire in 2026	513,155	13,344,470
Expire in 2027	273,119	1,757,965
Expire in 2028	253,383	253,383
Expire in 2029	451,340	451,340
Expire in 2030	281,776	173,435
	<u>\$ 3,262,413</u>	<u>\$ 27,266,190</u>
Deductible temporary differences	<u>\$ 1,094,717</u>	<u>\$ 2,291,360</u>

- f. Information about unused loss carryforward

As of December 31, 2021, unused loss carryforwards comprised:

Unused Amount	Expiry Year
\$ 230,994	2022
348,864	2023
381,489	2024
528,293	2025
513,155	2026
273,119	2027
253,383	2028
451,340	2029
517,737	2030
14,923	2031
<u>\$ 3,513,297</u>	

g. Income tax assessments

<u>Company</u>	<u>Year</u>
Yang Ming Marine Transport Corporation	2019
Kuang Ming Shipping Corp.	2019
Honming Terminal & Stevedoring Co., Ltd.	2019
Jing Ming Transportation Co., Ltd.	2019
YES Logistics Corp.	2019

28. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<u>For the Year Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Basic earnings per share	<u>\$ 48.73</u>	<u>\$ 4.51</u>
Diluted earnings per share	<u>\$ 48.28</u>	<u>\$ 3.64</u>

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

Net Profit for the Year

	<u>For the Year Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Earnings used in the computation of basic earnings per share	\$ 165,268,628	\$ 11,977,013
Effect of potentially dilutive ordinary shares:		
Interest on convertible bonds (after tax)	<u>1,198</u>	<u>173,511</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 165,269,826</u>	<u>\$ 12,150,524</u>

Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	<u>For the Year Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Weighted average number of ordinary shares used in the computation of basic earnings per share	3,391,275	2,656,125
Effect of potentially dilutive ordinary shares:		
Convertible bonds	14,911	675,980
Compensation of employees	<u>17,084</u>	<u>1,978</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>3,423,270</u>	<u>3,334,083</u>

The Group may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.



29. SHARE-BASED PAYMENT ARRANGEMENT

The Group's board of directors resolved on May 19, 2021 to apply for the capital increase by cash. According to the Company Act, a certain proportion of the shares issued is reserved and subscribed by employees. The subscribed numbers of shares and prices were determined in June and July 2021, respectively. According to IFRS 2 "Share-based Payment", the employee share options shall adopt general fair value measurement principle. Therefore, compensation cost (included in salaries expenses) and capital surplus - employee share options would be recognized in the amount of \$51,373 thousand on the grant date.

Information on employee share options was as follows:

Employee Share Options	For the Year Ended December 31, 2021	
	Numbers of Options (In Thousand)	Weighted- average Exercise Price (NT\$)
Balance at January 1	-	\$ -
Options granted	3,803	182
Options forfeited	(3,693)	182
Options exercised	<u>(110)</u>	182
Balance at December 31	<u>-</u>	
Options exercisable, end of the year	<u>-</u>	
Weighted-average fair value of options granted (\$)	<u>\$ 13.51</u>	

Options granted in July 2021 was priced using the Black-Scholes pricing model and the inputs to the model were as follows:

	Employee Option Rights
Grant-date share price (NT\$)	\$195.5
Exercise price (NT\$)	\$182
Expected volatility	31.15%
Expected life (in years)	0.008 years
Risk-free interest rate	0.0346%

30. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Corstor Ltd.	Storage management and trailer transportation	July 13, 2021	50.00	<u>\$ 7,325</u>

Corstor Ltd. was acquired in order to pursue the growth and continue the expansion of the Group's activities.

b. Consideration transferred

Corstor Ltd.

Cash	<u>\$ 7,325</u>

c. Assets acquired and liabilities assumed at the date of acquisition

Corstor Ltd.

Current assets	
Cash	\$ 15,767
Trade receivables	10,059
Prepayments	2,865
Other current assets	1,165
Current liabilities	
Trade payables	(2,451)
Other payables	(3,951)
Current tax liabilities	<u>(2,463)</u>
	<u>\$ 20,991</u>

d. Bargain purchase gain recognized on acquisitions

Corstor Ltd.

Consideration transferred - cash	\$ 7,325
Fair value of the equity held previously by the Group at the acquisition date	10,495
Less: Fair value of identifiable net assets acquired	<u>(20,991)</u>
Bargain purchase gain recognized on acquisitions	<u>\$ (3,171)</u>

e. Net cash inflow on acquisition of subsidiaries

Corstor Ltd.

Consideration paid in cash	\$ (7,325)
Sub: Cash balances acquired	<u>15,767</u>
	<u>\$ 8,442</u>

f. Impact of acquisitions on the results of the Group

The financial results of the acquirees since the acquisition dates were as follows:

Corstor Ltd.

Operating revenue	<u>\$ 24,065</u>
Net profit for the period	<u>\$ 4,104</u>



Had Corstor Ltd. concluded the acquisition at the beginning of 2021, the Group's consolidated revenue and profit for the year ended December 31, 2021 would have been \$333,719,410 thousand and \$165,608,903 thousand, respectively. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the acquisition year in 2021, nor is it intended to be a projection of future results.

31. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the year ended December 31, 2021

	Opening Balance	Cash Flows	Non-cash Changes		Closing Balance
			New Leases	Others (Note)	
Short-term borrowings	\$ 2,072,156	\$ (678,396)	\$ -	\$ -	\$ 1,393,760
Short-term bills payable	12,113,626	(11,702,500)	-	25,005	436,131
Long-term borrowings	53,738,221	(47,251,038)	-	(17,874)	6,469,309
Bonds payable	6,619,686	5,900,000	-	(1,697,672)	10,822,014
Lease liabilities	55,990,206	(10,125,691)	17,860,598	(1,761,429)	61,963,684
Other non-current liabilities	610,139	240,937	-	(15,000)	836,076
	<u>\$ 131,144,034</u>	<u>\$ (63,616,688)</u>	<u>\$ 17,860,598</u>	<u>\$ (3,466,970)</u>	<u>\$ 81,920,974</u>

For the year ended December 31, 2020

	Opening Balance	Cash Flows	Non-cash Changes		Closing Balance
			New Leases	Others (Note)	
Short-term borrowings	\$ 4,621,034	\$ (2,548,878)	\$ -	\$ -	\$ 2,072,156
Short-term bills payable	13,485,840	(1,390,000)	-	17,786	12,113,626
Long-term borrowings	52,442,405	1,558,571	-	(262,755)	53,738,221
Bonds payable	18,097,816	(5,900,000)	-	(5,578,130)	6,619,686
Lease liabilities	59,128,341	(10,475,160)	10,235,839	(2,898,814)	55,990,206
Other financial liabilities	2,736,515	(2,671,657)	-	(64,858)	-
Other non-current liabilities	286,026	324,113	-	-	610,139
	<u>\$ 150,797,977</u>	<u>\$ (21,103,011)</u>	<u>\$ 10,235,839</u>	<u>\$ (8,786,771)</u>	<u>\$ 131,144,034</u>

Note: Other changes include lease modification, interest amortization of short-term bills payable, long-term borrowings, and bonds payable, the reduction of bonds payable due to the convertible bondholders exercising the conversion option, and effect of foreign currency exchange rate.

32. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns to maintain the capital structure through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, capital surplus, retained earnings, other equity and non-controlling interests).

The gearing ratio at end of the reporting period was as follows:

	December 31	
	2021	2020
Debt (a)	\$ 150,093,218	\$ 158,641,133
Cash and cash equivalents	<u>(57,448,678)</u>	<u>(24,518,721)</u>
Net debt	<u>\$ 92,644,540</u>	<u>\$ 134,122,412</u>
Equity (b)	<u>\$ 234,322,666</u>	<u>\$ 36,334,852</u>
Net debt to equity ration	<u>39.54%</u>	<u>369.13%</u>

- a. Debt is defined as long-term and short-term borrowing (excluding derivative instruments and financial guarantee contracts).
- b. Equity includes all capital, capital surplus, unappropriated earnings, other equity and non-controlling interests, of the Group that are managed as capital.

33. FINANCIAL INSTRUMENTS

- a. Fair value of financial instruments not measured at fair value

December 31, 2021

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Finance lease receivables	<u>\$ 147,220</u>	<u>\$ -</u>	<u>\$ 148,107</u>	<u>\$ -</u>	<u>\$ 148,107</u>
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Secured domestic bonds	<u>\$ 10,822,014</u>	<u>\$ -</u>	<u>\$ 10,827,105</u>	<u>\$ -</u>	<u>\$ 10,827,105</u>

December 31, 2020

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Finance lease receivables	<u>\$ 167,158</u>	<u>\$ -</u>	<u>\$ 168,345</u>	<u>\$ -</u>	<u>\$ 168,345</u>
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Secured domestic bonds	<u>\$ 4,945,877</u>	<u>\$ -</u>	<u>\$ 4,953,083</u>	<u>\$ -</u>	<u>\$ 4,953,083</u>
Domestic secured convertible bonds	<u>1,673,809</u>	<u>-</u>	<u>4,468,568</u>	<u>-</u>	<u>4,468,568</u>
	<u>\$ 6,619,686</u>	<u>\$ -</u>	<u>\$ 9,421,651</u>	<u>\$ -</u>	<u>\$ 9,421,651</u>

The fair values of the financial assets and financial liabilities included in the Level 2 category above have been determined in accordance with income approaches based on a discounted cash flow analysis.



b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	\$ 70,016	\$ -	\$ -	\$ 70,016
Mutual funds	6,032	-	-	6,032
Domestic limited partnership	<u>-</u>	<u>-</u>	<u>13,871</u>	<u>13,871</u>
	<u>\$ 76,048</u>	<u>\$ -</u>	<u>\$ 13,871</u>	<u>\$ 89,919</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 497,931</u>	<u>\$ 497,931</u>

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets				
Call option of bonds	\$ -	\$ -	\$ 8,636	\$ 8,636
Domestic listed shares	23,923	-	-	23,923
Mutual funds	<u>1,710,854</u>	<u>-</u>	<u>-</u>	<u>1,710,854</u>
	<u>\$ 1,734,777</u>	<u>\$ -</u>	<u>\$ 8,636</u>	<u>\$ 1,743,413</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares	\$ 1,492,999	\$ -	\$ -	\$ 1,492,999
Unlisted shares	<u>-</u>	<u>-</u>	<u>505,532</u>	<u>505,532</u>
	<u>\$ 1,492,999</u>	<u>\$ -</u>	<u>\$ 505,532</u>	<u>\$ 1,998,531</u>
Financial liabilities at FVTPL				
Derivatives				
Put option of bonds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2021

	Other Instruments	Derivatives		
	Domestic Limited Partnership	Oil Option Contract	Put Option of Bonds	Total
<u>Financial assets at FVTPL</u>				
Balance at January 1, 2021	\$ -	\$ -	\$ 8,636	\$ 8,636
Recognized in profit or loss (included in other gains and losses)	(11,129)	(786)	2,560	(9,355)
Purchases	25,000	919	-	25,919
Repayments/settlements	-	(133)	(11,196)	(11,329)
Transfers out of Level 3	-	-	-	-
Balance at December 31, 2021	<u>\$ 13,871</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,871</u>
Unrealized loss for the current year included in profit or loss relating to assets held at the end of the year	<u>\$ (11,129)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,129)</u>

**Equity
Instruments**

<u>Financial assets at FVTOCI</u>	
Balance at January 1, 2021	\$ 505,532
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	(27,319)
Purchases	20,000
Repayments/settlements	<u>(282)</u>
Balance at December 31, 2021	<u>\$ 497,931</u>

For the year ended December 31, 2020

	Derivative Call Option of Bonds
<u>Financial assets at FVTPL</u>	
Balance at January 1, 2020	\$ -
Recognized in profit or loss (included in other gains and losses)	24,010
Sales/settlements	(15,374)
Transfers out of Level 3	<u>-</u>
Balance at December 31, 2020	<u>\$ 8,636</u>
Unrealized gain for the current year included in profit or loss relating to assets held at the end of the year	<u>\$ 24,010</u>



**Equity
Instruments**

Financial assets at FVTOCI

Balance at January 1, 2020	\$ 516,934
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	(6,040)
Received from capital reductions	<u>(5,362)</u>
Balance at December 31, 2020	<u>\$ 505,532</u>

	<u>Derivatives</u>		Total
	Cross-currency Swap Option	Put Option of bonds	
<u>Financial liabilities at FVTPL</u>			
Balance at January 1, 2020	\$ -	\$ 67,549	\$ 67,549
Recognized in profit or loss (included in other gains and losses)	9,987	(67,549)	(57,562)
Repayments/settlements	(9,987)	-	(9,987)
Transfers out of Level 3	<u>-</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Unrealized gain for the current year included in profit or loss relating to liabilities held at the end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- 3) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement
- The fair values of oil option contracts are determined using Black-Scholes models where the significant unobservable inputs are implied volatility. The variable in the implied volatility used in isolation would result in a increase or decrease in the fair value.
 - The fair values of call option of bonds are determined using convertible bonds of Binary tree pricing models where the significant unobservable inputs are volatility. An increase in the volatility used in isolation would result in an increase in the fair value of call option of bonds.
 - The fair values of domestic unlisted ordinary shares and domestic limited partnership are determined using the comparable company analysis approach and asset-based approach. The comparable company analysis approach is a way to determine the value of a target company by reference to companies engaged in the similar industry, stock price in the active market and value multiplier implied by such prices, based on liquidity reduction. The asset-based approach is a way to determine the value of a target company by assessing the total value of individual assets and liabilities, based on liquidity reduction.

c. Categories of financial instruments

	December 31	
	2021	2020
<u>Financial assets</u>		
FVTPL		
Mandatorily classified as at FVTPL	\$ 89,919	\$ 1,743,413
Financial assets at amortized cost (1)	215,947,435	38,266,073
Financial assets at FVTOCI		
Equity instruments	497,931	1,998,531
<u>Financial liabilities</u>		
Financial liabilities for hedging	41,420,877	47,754,304
Amortized cost (2)	41,858,768	93,592,185

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, time deposits with original maturities of more than 3 months, repurchase agreements, restricted bank balance, notes receivable, trade receivables (including related parties), and other receivables (including related parties).
- 2) The balances included financial liabilities measured at amortized cost, which comprise short-term and long-term loans, short-term bills payable, notes and trade payables (including related parties), other payables, bonds payable and other financial liabilities.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, financial assets at amortized cost, trade payables, other payables, bonds payable, borrowings, lease liabilities and other financial liabilities. The Group's Corporate Treasury function provides all kinds of financial service to each division by using different financial instruments. Also, the treasury function controls and analyzes the financial risks related to operations; these risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by managing stocks and flow and using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies "Regulations Governing the Acquisition and Disposal of Assets" approved by the board of directors. Compliance with policies was reviewed by the internal auditors on a continuous basis.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Group uses assets, liabilities and a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.



a) Foreign currency risk

The Group's operations involve foreign currency transactions so the Group is exposed to foreign currency risk. The Group's transaction involve contain various currencies due to its industrial feature, operating revenue and operating costs are mainly denominated in U.S. dollars. Exchange rate exposures were managed within approved policy parameters utilizing net cash flows offset of the influence on net assets and liabilities, instruments of swap and options.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities are set out in Note 38.

Sensitivity analysis

Monetary assets and liabilities were mainly exposed to the U.S. dollars, GBP, CNY, EUR and HKD.

The following table details the Group's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against U.S. dollars, GBP, CNY, EUR and HKD. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in profit and other equity associated with New Taiwan dollars strengthening 1% against U.S. dollars, GBP, CNY, EUR and HKD. For a 1% weakening of New Taiwan dollars against the U.S. dollars, CNY, GBP, EUR and HKD, there would be an equal and opposite impact on profit or loss.

Profit (Loss)/Equity of 1% Variation	For the Year Ended December 31	
	2021	2020
Profit (loss) (i)		
U.S. dollars	\$ 699,521	\$ (58,814)
CNY	9,107	4,330
GBP	3,411	575
EUR	91,317	983
HKD	3,168	6,812
Equity (ii)		
U.S. dollars	(414,209)	(477,543)

- i. This was mainly attributable to the exposure of outstanding foreign currency deposits, receivables, payables, and bank loans at the end of the reporting period.
- ii. This was mainly attribute to the exposure of changing in foreign exchange rates of lease contracts designated as cash flow hedge.

The Group's sensitivity to foreign currency exchange rate during the current period was mainly due to the increase in U.S. dollars, GBP, CNY and EUR monetary net assets caused by the increase in U.S. dollar, GBP, CNY and EUR monetary assets; decrease in HKD monetary net assets was caused by the decrease in HKD.

Hedge accounting

The Group's hedging strategy is to enter into USD-denominated lease liabilities to avoid exchange rate exposure of 100% of highly probable forecast of USD-denominated operating revenue. Those transactions are designated as cash flow hedges.

The Group expects that the value of the U.S. dollars lease liabilities and the value of the corresponding hedged items will systematically change in opposite directions.

The source of hedge ineffectiveness in these hedging relationships is the USD-denominated operating revenue of the Group is lower than the distribution amount of settlement of lease liabilities.

Refer to Note 16 b. for information relating to foreign exchange rates hedging instruments.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2021	2020
Fair value interest rate risk		
Financial assets	\$ 150,381,509	\$ 7,449,866
Financial liabilities	74,496,783	89,437,508
Cash flow interest rate risk		
Financial assets	41,536,739	18,472,785
Financial liabilities	6,588,115	41,096,387

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 10 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit (loss) for the year ended December 31, 2021 would have increased/decreased by \$34,949 thousand, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings, other financial liabilities and variable-rate financial assets.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit (loss) for the year ended December 31, 2020 would have decreased/increased by \$22,624 thousand, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings, other financial liabilities and variable-rate financial assets.

The Group's sensitivity to interest rate increased during the current year mainly due to the increase in variable-rate financial assets and decrease in variable-rate financial liabilities.



c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities, mutual funds and limited partnership. The Group periodically evaluates price risk and investment performance according to procedures of acquisition and disposal of assets and expects no significant price risk occurred.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, pre-tax profit (loss) for the year ended December 31, 2021 would have increased/decreased by \$3,501 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income (loss) for the years ended December 31, 2021 would have increased/decreased by \$24,897 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices had been 5% higher/lower, pre-tax profit (loss) for the years ended December 31, 2020 would have increased/decreased by \$1,196 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income (loss) for the year ended December 31, 2020 would have increased/decreased by \$99,927 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If limited partnership and mutual funds had been 5% higher/lower, pre-tax profit (loss) for the year ended December 31, 2021 would have increased/decreased by \$995 thousand, as a result of the changes in fair value of financial assets at FVTPL.

If mutual funds had been 5% higher/lower, pre-tax profit (loss) for the year ended December 31, 2020 would have increased/decreased by \$85,543 thousand, as a result of the changes in fair value of financial assets at FVTPL.

The Group's sensitivity to price decreased/increased during the current year mainly due to the increase in equity instruments measured at FVTPL and to the decreased in equity instruments measured at FVTOCI. The Group's sensitivity to limited partnership and mutual funds price decreased during the current year mainly due to the decrease in mutual funds measured at FVTPL.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from:

- a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and
- b) The amount of contingent liabilities in relation to financial guarantee issued by the Group.

There is no significant concentration of credit risk for the Group. Credit risk is from cash and cash equivalents deposit in banks, derivative financial instruments transactions with banks and financial institutions and trade receivable from customers.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient letter of bank guarantee and security deposit, where appropriate, as a means of mitigating the risk of financial loss from defaults. To reduce credit risk, the Group has established an internal monitoring procedures to monitor credit risk exposure and credit condition of counterparties.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings assigned by credit-rating agencies.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2021 and 2020, the Group had available unutilized bank loans facilities of \$14,292,257 thousand and \$15,972,373 thousand, respectively.

a) Liquidity and interest risk rate tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

December 31, 2021

	Less than 1 Year	1-5 Years	5+ Years
Non-interest bearing	\$ 27,364,207	\$ 734,550	\$ -
Lease liabilities	11,788,382	38,290,068	15,993,939
Variable interest rate liabilities	860,152	3,830,914	1,728,641
Fixed interest rate liabilities	2,220,990	9,653,815	1,410,290
Short-term and low value lease commitment	3,547,379	5,162,823	-
Lease commitment for future service costs	3,648,704	11,132,578	4,696,814
Financial guarantee liabilities	<u>171,997</u>	<u>-</u>	<u>-</u>
	<u>\$ 49,601,811</u>	<u>\$ 68,804,748</u>	<u>\$ 23,829,684</u>

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 11,788,382</u>	<u>\$ 38,290,068</u>	<u>\$ 15,927,639</u>	<u>\$ 66,300</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2020

	Less than 1 Year	1-5 Years	5+ Years
Non-interest bearing	\$ 20,456,690	\$ 514,763	\$ -
Lease liabilities	11,729,133	36,678,058	13,681,064
Variable interest rate liabilities	5,621,172	43,841,475	4,132,128
Fixed interest rate liabilities	16,171,617	5,413,673	-
Short-term and low value lease commitment	4,500,303	10,344,525	-
Lease commitment for future service costs	3,285,868	11,476,870	3,479,514
Financial guarantee liabilities	<u>176,968</u>	<u>-</u>	<u>-</u>
	<u>\$ 61,941,751</u>	<u>\$ 108,269,364</u>	<u>\$ 21,292,706</u>

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 11,729,133</u>	<u>\$ 36,678,058</u>	<u>\$ 13,655,999</u>	<u>\$ 22,574</u>	<u>\$ 2,491</u>	<u>\$ -</u>

The amounts included above for financial guarantee contracts were within the limitation the Group can offer to related parties; i.e. the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the management considers that it is more likely than not that no amount will be payable under the arrangement.

b) Derivative instruments

The Group did not have outstanding derivative instruments contracts for the years ended December 31, 2021 and 2020.

34. TRANSACTIONS WITH RELATED PARTIES

The Ministry of Transportation and Communications R.O.C. (MOTC), National Development Fund, and Taiwan International Ports Corporation, Ltd. held 32.06% and 39.11% of the ordinary shares of YMTC as of December 31, 2021 and 2020, respectively. Over 50% of the members of YMTC's board of directors were appointed by the MOTC, National Development Fund, and Taiwan International Ports Corporation, Ltd. Therefore, the Group is a government-related entity, which is controlled by the central government. Transactions with other government-related entities were mainly bank deposits, borrowings and guarantees with government-related banks (see Notes 18 and 19), concession rights of the Port of Kaohsiung, Taiwan International Ports Corporation Kaohsiung harbor intercontinental container and logistics center (see Note 16), operating commission contracts signed with Taiwan Power Company (TPC) Corporation (see Note 36), properties allocation agreement signed with Chunghwa Post Co., Ltd. (see Note 17), and shipbuilding contracts signed with China Ship Building Corporation (CSBC) (see Note 36).

Balances and transactions between the Group and its subsidiaries, which are related party of the Group, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in other notes and Table A and B, details of transaction between the Group and other related parties are disclosed as follows:

a. Related party name and relationship

Related Party Name	Relationship with the Group
Formosa International Development Corporation	Associate
Yang Ming (U.A.E.) LLC	Associate
Yang Ming (Australia) Pty. Ltd.	Associate
West Basin Container Terminal LLC	Associate
Corstor Ltd.	Associate (since YMTC has acquired the remaining equity of Corstor Ltd. in July 2021, the relationship with the Group is changed from associate to subsidiary)
Yang Ming Shipping (Egypt) S.A.E.	Associate
Kao Ming Container Terminal Corp.	Associate
Yunn Wang Investment Co., Ltd.	Associate
Taiwan Navigation Co., Ltd.	Associate (since YMTC has significant influence on Taiwan Navigation Co., Ltd. from July 2021, the relationship with the Group is changed from government-related party to associate)
LogiTrans Technology Private Limited	Joint venture
Chang Ming Logistics Group Limited	Joint venture
YES LIBERAL Logistics Corp.	Joint venture
YES and HQL Logistics Group	Joint venture
Chunghwa Telecom Co., Ltd.	Government - related party
Taiwan International Ports Corporation, Ltd.	Government - related party
Chunghwa Post Co., Ltd.	Government - related party
Agricultural Bank of Taiwan	Government - related party
Taipei Exchange	Government - related party
First Commercial Bank	Government - related party
Mega International Commercial Bank Co., Ltd.	Government - related party
Chung Kuo Insurance Group, Limited	Government - related party
Mega Bills Finance Co., Ltd.	Government - related party
Bank of Taiwan	Government - related party
Bank Taiwan Securities Co., Ltd.	Government - related party
Land Bank of Taiwan	Government - related party
The Export-Import Bank of the Republic of China	Government - related party
Taiwan Cooperative Bank Co., Ltd.	Government - related party
Taiwan Cooperative Bills Finance Co., Ltd.	Government - related party
Taiwan Business Bank Co., Ltd.	Government - related party
Chang Hwa Bank Ltd.	Government - related party
Taiwan Power Group	Government - related party
Taiwan Water Corporation	Government - related party
China Steel Corporation	Government - related party
CPC Corporation, Taiwan	Government - related party

(Continued)



Related Party Name	Relationship with the Group
CSBC Corporation, Taiwan	Government - related party
Hua Nan Commercial Bank, Ltd.	Government - related party
Taiwan Stock Exchange Corporation	Government - related party
South China Insurance Co., Ltd.	Government - related party
First Financial Holding Co., Ltd.	Government - related party
National Property Administration, MOF	Government - related party
Leader Container Transportation Co., Ltd.	Investor that have significant influence over the subsidiaries
Marine Container Services India Pvt. Ltd.	Investor that have significant influence over the subsidiaries
UNICORN ENTERPRISES	Investor that have significant influence over the subsidiaries
Bay Container Terminal Private Limited	Investor that have significant influence over the subsidiaries
Marine Container Services (South) Private Limited	Investor that have significant influence over the subsidiaries
Omega Intermodal Container Services Private Limited	Investor that have significant influence over the subsidiaries
Yang Ming Cultural Foundation	Other related party

(Concluded)

b. Operating transaction

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2021	2020
Operating revenue	Associates	\$ 250,872	\$ 222,541
	Joint ventures	2,532	3,478
	Government - related parties	<u>235,664</u>	<u>326,633</u>
		<u>\$ 489,068</u>	<u>\$ 552,652</u>
Operating cost	Associates	\$ 1,952,712	\$ 2,674,557
	Joint ventures	100,868	74,677
	Government - related parties	326,542	177,340
	Investors that have significant influence over the subsidiaries	<u>348,075</u>	<u>340,668</u>
		<u>\$ 2,728,197</u>	<u>\$ 3,267,242</u>
Operating expenses	Joint ventures	\$ 43,035	\$ 66,565
	Government - related parties	38,350	30,304
	Investors that have significant influence over the subsidiaries	355	947
	Other related parties	<u>18,175</u>	<u>15,724</u>
		<u>\$ 99,915</u>	<u>\$ 113,540</u>

The Group's transactions with related parties were conducted under contract terms.

c. Bank deposits

Bank deposits on reporting period (including financial assets at amortized cost, restricted bank balance and pledged time deposits) were as follows:

Related Party Category/Name	December 31	
	2021	2020
Government - related parties		
Land Bank of Taiwan	\$ 17,002,953	\$ 4,984,106
Bank of Taiwan	57,198,417	1,136,350
Taiwan Cooperative Bank Co., Ltd.	1,233,730	1,116,310
Others	<u>11,563,210</u>	<u>1,737,313</u>
	<u>\$ 86,998,310</u>	<u>\$ 8,974,079</u>

d. Contract assets

Line Item	Related Party Category/Name	December 31	
		2021	2020
Contract assets	Associates	<u>\$ 191,689</u>	<u>\$ 94,760</u>

For the years ended December 31, 2021 and 2020, no impairment losses were recognized for contract assets from related parties.

e. Contract liabilities

Line Item	Related Party Category/Name	December 31	
		2021	2020
Contract liabilities	Government - related parties	<u>\$ -</u>	<u>\$ 491</u>

f. Receivables and payables from related parties

Line Item	Related Party Category/Name	December 31	
		2021	2020
Notes receivable	Investors that have significant influence over the subsidiaries	<u>\$ -</u>	<u>\$ 3</u>
Trade receivables	Associates	\$ 278,164	\$ 172,632
	Joint ventures	4,759	901
	Government - related parties	<u>129,132</u>	<u>290</u>
		<u>\$ 412,055</u>	<u>\$ 173,823</u>
Other receivables (included in other current assets)	Associates	\$ 15,702	\$ 17,935
	Government - related parties	29,595	21,308
	Investors that have significant influence over the subsidiaries	961	-
	Other related parties	<u>3,243</u>	<u>2,753</u>
		<u>\$ 49,501</u>	<u>\$ 41,996</u>



Line Item	Related Party Category/Name	December 31	
		2021	2020
Trade payables	Associates	\$ 257,509	\$ 327,318
	Joint ventures	19,451	6,742
	Government - related parties	-	3,393
	Investors that have significant influence over the subsidiaries	<u>99,994</u>	<u>87,935</u>
		<u>\$ 376,954</u>	<u>\$ 425,388</u>
Other payables	Associates	\$ 11,437	\$ 44,480
	Joint ventures	-	772
	Government - related parties	<u>463,792</u>	<u>30,666</u>
		<u>\$ 475,229</u>	<u>\$ 75,918</u>

For the years ended December 31, 2021 and 2020, no impairment losses were recognized for trade receivables and other receivables from related parties.

g. Financial assets at amortized cost

Repurchase agreements on reporting period (including repurchase agreements under cash and cash equivalents) were as follows:

Related Party Category/Name	December 31	
	2021	2020
Government - related parties	<u>\$ 138,400</u>	<u>\$ 391,181</u>

h. Prepayments

Line Item	Related Party Category/Name	December 31	
		2021	2020
Prepayments to shipping agents	Associates		
	Yang Ming Shipping (Egypt) S.A.E.	\$ 96,619	\$ 87,389
	Yang Ming (Australia) Pty. Ltd.	16,690	-
	Others	<u>-</u>	<u>4</u>
		<u>\$ 113,309</u>	<u>\$ 87,393</u>
Prepayments	Associates	\$ 1,499	\$ 771
	Government - related parties	<u>-</u>	<u>2,564</u>
		<u>\$ 1,499</u>	<u>\$ 3,335</u>
Prepayments for equipment	Government - related parties	<u>\$ -</u>	<u>\$ 480</u>

i. Lease arrangements

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2021	2020
Acquisition of right-of-use assets	Associates	\$ -	\$ 4,624
	Government - related parties	16,386	710,207
	Investors that have significant influence over the subsidiaries	-	10,237
		<u>\$ 16,386</u>	<u>\$ 725,068</u>
Line Item	Related Party Category/Name	December 31	
		2021	2020
Lease liabilities	Associates	\$ 2,815	\$ 3,726
	Government - related parties	1,007,639	1,154,176
	Investors that have significant influence over the subsidiaries	8,216	13,541
		<u>\$ 1,018,670</u>	<u>\$ 1,171,443</u>
Line Item	Related Party Category/Name	For the Year Ended December 31	
		2021	2020
Interest expense	Associates	\$ 41	\$ 55
	Government - related parties	16,758	8,969
	Investors that have significant influence over the subsidiaries	910	1,321
		<u>\$ 17,709</u>	<u>\$ 10,345</u>

The Group's lease agreements with related parties were conducted under contract terms.

j. Bonds payable

Related Party Category/Name	December 31	
	2021	2020
Government - related parties		
Taiwan Cooperative Bank Co., Ltd.	\$ 1,800,000	\$ 1,700,000
Hua Nan Commercial Bank Ltd.	1,200,000	500,000
Others	<u>900,000</u>	<u>1,980,000</u>
	<u>\$ 3,900,000</u>	<u>\$ 4,180,000</u>

Note: Original investment amount of domestic bonds.



k. Loans from related parties

Line Item	Related Party Category/Name	December 31	
		2021	2020
Short-term borrowings	Government - related parties		
	Land Bank of Taiwan	\$ 240,000	\$ 300,000
	Others	<u>2,000</u>	<u>370,880</u>
		<u>\$ 242,000</u>	<u>\$ 670,880</u>
Short-term bills payable	Government - related parties		
	Mega Bills Finance Co., Ltd.	<u>\$ 49,913</u>	<u>\$ 2,191,201</u>
Long-term borrowings Secured borrowings	Government - related parties		
	Mega International Commercial Bank Co., Ltd.	\$ 218,471	\$ 2,757,237
	Taiwan Cooperative Bank Co., Ltd.	2,033,696	3,271,691
	Hua Nan Commercial Bank Ltd.	795,000	614,000
	Others	<u>1,189,141</u>	<u>8,554,920</u>
		<u>\$ 4,236,308</u>	<u>\$ 15,197,848</u>
Unsecured borrowings	Government - related parties	<u>\$ 99,839</u>	<u>\$ 13,743,344</u>
Commercial papers	Government - related parties	<u>\$ -</u>	<u>\$ 1,498,745</u>

l. Others

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2021	2020
Rental income	Associates	\$ 137	\$ 114
	Other related parties	<u>2,619</u>	<u>2,738</u>
		<u>\$ 2,756</u>	<u>\$ 2,852</u>
Interest income	Government - related parties	<u>\$ 82,937</u>	<u>\$ 15,000</u>
Dividends	Government - related parties Taiwan Navigation Co., Ltd.	<u>\$ -</u>	<u>\$ 56,607</u>
Finance cost	Government - related parties	<u>\$ 392,402</u>	<u>\$ 634,675</u>

The Group's transactions with related parties were conducted under contract terms.

m. Remuneration of key management personnel

	For the Year Ended December 31	
	2021	2020
Short-term employee benefits	\$ 215,544	\$ 107,791
Post-employment benefits	<u>2,240</u>	<u>2,208</u>
	<u>\$ 217,784</u>	<u>\$ 109,999</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

35. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collaterals for syndicated bank loans, long-term bank loans, bonds and credit lines:

	December 31	
	2021	2020
Restricted bank balance (included in financial assets at amortized cost)	\$ 117,493	\$ 271,779
Property, plant and equipment, net	10,421,535	45,751,447
Investment properties, net	<u>-</u>	<u>4,698,219</u>
	<u>\$ 10,539,028</u>	<u>\$ 50,721,445</u>

36. COMMITMENTS AND CONTINGENT LIABILITY

In addition to those mentioned in Table B and Note 16, commitments and contingent liabilities on reporting periods were as follows:

- Kuang Ming Shipping Corp. signed a contract for operating commission with Taiwan Power Group, Ltd. since January 2017 and the contract term is five years. Kuang Ming Shipping Corp. is responsible for managing and operating vessels owned by Taiwan Power Group. The contract was not renewed after it expired in January 2022.
- The Group signed ship lease contracts with other companies in 2018, which are effective in 2020 with lease periods ranging from 10 to 12 years. As of December 31, 2021 and 2020, rentals for contracts that were not yet in effect were ranging from US\$543,000 thousand to US\$654,000 thousand and from US\$1,206,000 thousand to US\$1,454,000 thousand, respectively.
- The Group's shipping and port business were secured by the letter of guarantee issued by a bank for \$485,410 thousand and \$556,034 thousand as of December 31, 2021 and 2020, respectively.
- The Group signed shipbuilding contracts with government-related parties, which had been fully delivered and settled as of December 31, 2021. As of December 31, 2020, unpaid amounts for these contracts were \$1,477,251 thousand and US\$47,944 thousand. The Group's related property transactions in 2021 and 2020 amounted to \$4,724,229 thousand and \$12,100,526 thousand, respectively, were included in property, plant and equipment.

37. OTHER ITEMS

The Group did not consider COVID-19 pandemic to have a significant impact on the business scale and financial situation of the Group since both containers and bulk shipping markets have obviously recovered since the second half of 2020 and the global economic has an accelerated recovery in 2021.



38. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The entities in the Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the Group and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2021

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 3,630,799	27.6800 (USD:NTD)	\$ 100,500,525
CNY	349,207	4.3419 (CNY:NTD)	1,516,209
USD	18,415	12.8490 (USD:TRY)	509,729
EUR	328,870	31.2964 (EUR:NTD)	10,292,457
GBP	37,293	37.2781 (GBP:NTD)	1,390,203
HKD	89,265	3.5494 (HKD:NTD)	316,833
JPY	7,249,368	0.2404 (JPY:NTD)	1,742,391
USD	53,069	6.3752 (USD:CNY)	1,468,939
CAD	32,180	21.6191 (CAD:NTD)	695,694
Non-monetary items			
Investments accounted for using the equity method			
USD	64,864	27.6800 (USD:NTD)	1,795,440
AUD	1,456	20.0860 (AUD:NTD)	29,250
AED	5,433	7.5361 (AED:NTD)	40,942
INR	53,715	0.3720 (INR:NTD)	19,982
CNY	92,191	4.3419 (CNY:NTD)	400,282
IDR	2,741,579	0.0019 (IDR:NTD)	5,209
VND	7,545,000	0.0012 (VND:NTD)	9,054
EGP	28,579	1.7618 (EGP:NTD)	50,351
MYR	443	6.6260 (MYR:NTD)	2,933
<u>Financial liabilities</u>			
Monetary items			
USD	2,612,862	27.6800 (USD:NTD)	72,324,016
CNY	139,469	4.3419 (CNY:NTD)	605,555
EUR	37,090	31.2964 (EUR:NTD)	1,160,788
USD	11,849	12.8490 (USD:TRY)	327,973
JPY	1,113,467	0.2404 (JPY:NTD)	267,623
GBP	28,212	37.2781 (GBP:NTD)	1,051,680
USD	46,820	6.3752 (USD:CNY)	1,295,972
CAD	8,807	21.6191 (CAD:NTD)	190,404

December 31, 2020

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 401,382	28.4800 (USD:NTD)	\$ 11,431,351
CNY	264,225	4.3548 (CNY:NTD)	1,150,649
USD	20,166	7.3892 (USD:TRY)	574,321
EUR	32,134	35.0033 (EUR:NTD)	1,124,789
GBP	5,232	38.8781 (GBP:NTD)	203,394
HKD	186,284	3.6740 (HKD:NTD)	684,406
JPY	1,643,278	0.2761 (JPY:NTD)	453,648
USD	13,596	6.5399 (USD:CNY)	387,227
CAD	2,720	22.3451 (CAD:NTD)	60,772
Non-monetary items			
Investments accounted for using the equity method			
USD	49,825	28.4800 (USD:NTD)	1,419,013
AUD	1,091	21.9396 (AUD:NTD)	23,938
AED	5,625	7.7539 (AED:NTD)	43,616
INR	48,450	0.3898 (INR:NTD)	18,886
GBP	219	38.8781 (GBP:NTD)	8,513
CNY	99,644	4.3548 (CNY:NTD)	433,929
IDR	2,707,000	0.0020 (IDR:NTD)	5,414
VND	865,833	0.0012 (VND:NTD)	1,039
EGP	27,151	1.8110 (EGP:NTD)	49,170
MYR	244	7.0881 (MYR:NTD)	1,733
Financial instruments at FVTPL			
USD	1,594	28.4800 (USD:NTD)	45,408
CNY	2,565	4.3548 (CNY:NTD)	11,173
<u>Financial liabilities</u>			
Monetary items			
USD	2,298,838	28.4800 (USD:NTD)	65,470,914
CNY	164,801	4.3548 (CNY:NTD)	717,677
EUR	29,325	35.0033 (EUR:NTD)	1,026,461
USD	5,542	7.3892 (USD:TRY)	157,834
JPY	1,848,196	0.2761 (JPY:NTD)	510,218
GBP	3,754	38.8781 (GBP:NTD)	145,941
USD	14,041	6.5399 (USD:CNY)	399,880
HKD	870	3.6740 (HKD:NTD)	3,197
CAD	7,548	22.3451 (CAD:NTD)	168,670

For the years ended December 31, 2021 and 2020, realized and unrealized net foreign exchange gains (losses) were \$(74,687) thousand and \$728,885 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.



39. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees

- 1) Financing provided to others: See Table A attached;
- 2) Endorsement/guarantee provided: See Table B attached;
- 3) Marketable securities held: See Table C attached;
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: See Table D attached;
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None;
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None;
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None;
- 8) Receivable from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table E attached;
- 9) Trading in derivative instruments: See Note 7;
- 10) Intercompany relationships and significant intercompany transactions: See Table F attached;
- 11) Information on investees: See Table G attached;

b. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: See Table H attached;
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: See Table F attached;
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

- f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.
- c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: See Table I attached.

40. SEGMENT INFORMATION

The Group considered the following factors and has decided to aggregate the operating segments into a single operating segment for the preparation of these consolidated financial statements:

- The segments have similar long-term gross profit;
- The methods used to provide the segments' services are similar; and
- The type or class of customers is similar among the segments.

a. Segment revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segment.

	For the Year Ended December 31, 2021				
	Containership Department	Bulk Shipping Department	Other Departments	Adjustment and Eliminations	Combined
Sales to customers	\$ 315,457,132	\$ 3,731,619	\$ 14,498,644	\$ -	\$ 333,687,395
Intercompany sales	<u>8,564,434</u>	<u>-</u>	<u>1,497,958</u>	<u>(10,062,392)</u>	<u>-</u>
Total revenue	<u>\$ 324,021,566</u>	<u>\$ 3,731,619</u>	<u>\$ 15,996,602</u>	<u>\$ (10,062,392)</u>	<u>\$ 333,687,395</u>
Segment operating income	<u>\$ 202,148,746</u>	<u>\$ 1,203,782</u>	<u>\$ 718,249</u>	<u>\$ 110,490</u>	\$ 204,181,267
Administration cost					(1,025,966)
Other operating income and expenses					229,215
Interest income					308,249
Other income					94,730
Other gains and losses					(357,118)
Financial costs					(2,572,605)
Share of profit of associates and joint ventures					<u>1,518,973</u>
Profit before income tax					<u>\$ 202,376,745</u>

	For the Year Ended December 31, 2020				
	Containership Department	Bulk Shipping Department	Other Departments	Adjustment and Eliminations	Combined
Sales to customers	\$ 142,890,804	\$ 2,202,886	\$ 6,182,993	\$ -	\$ 151,276,683
Intercompany sales	<u>2,365,849</u>	<u>-</u>	<u>1,408,069</u>	<u>(3,773,918)</u>	<u>-</u>
Total revenue	<u>\$ 145,256,653</u>	<u>\$ 2,202,886</u>	<u>\$ 7,591,062</u>	<u>\$ (3,773,918)</u>	<u>\$ 151,276,683</u>
Segment operating income (loss)	<u>\$ 20,196,406</u>	<u>\$ (889,022)</u>	<u>\$ 233,954</u>	<u>\$ 116,523</u>	\$ 19,657,861
Administration cost					(559,224)
Other operating income and expenses					361,555
Interest income					133,458
Other income					144,889
Other gains and losses					(400,445)
Financial costs					(3,560,297)
Share of profit of associates and joint ventures					<u>372,246</u>
Profit before income tax					<u>\$ 16,150,043</u>



Segment profit represented the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, other operating income and expenses, interest income, other income, other gains and losses, financial costs, share of profit or loss of associates and joint ventures and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment assets and liabilities

Because reportable segments do not regularly report measures to the chief operating decision maker, the measure of segment assets and liabilities are zero.

c. Geographical information

The Group operates in four principal geographical areas - Domestic, America, Europe and Asia.

The Group's revenue from continuing operation and information about its noncurrent assets by geographical location are detailed below. Containers, ships and construction in progress cannot be allocated by location because they are used for worldwide operation.

	Revenue From External Customers For the Year Ended December 31, 2021	Noncurrent Assets December 31, 2021
Domestic	\$ 10,510,878	\$ 10,046,973
America	108,841,465	245,448
Europe	158,139,355	474,038
Asia	56,186,146	715,335
Others	9,551	3,858
	<u>\$ 333,687,395</u>	11,485,652
Containers		14,200,538
Ships and construction in progress		<u>118,836,541</u>
		<u>\$ 144,522,731</u>

	Revenue From External Customers For the Year Ended December 31, 2020	Noncurrent Assets December 31, 2020
Domestic	\$ 8,321,735	\$ 9,568,419
America	62,882,817	176,154
Europe	51,167,290	592,097
Asia	28,890,125	764,773
Others	14,716	4,556
	<u>\$ 151,276,683</u>	11,105,999
Containers		10,885,734
Ships and construction in progress		<u>114,076,689</u>
		<u>\$ 136,068,422</u>

Noncurrent assets excluded those classified as financial assets, investments accounted for using equity method, deferred tax assets, refundable deposits, post-employment benefit assets, prepayments for investments and assets arising from insurance contracts.

d. Information about major customers

No single customer accounted for at least 10% of the Group's total operating revenue for the years ended December 31, 2021 and 2020.



TABLE A

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS

FOR THE YEAR ENDED DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Relate Parties	Highest Balance for the Period (Note C)	Ending Balance (Note C)	Actual Borrowing Amounts	Interest Rate	Nature of Financing (Note A)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral	Financing Limit for Each Borrower (Note B)	Aggregate Financing Limits (Note B)
													Item	Value	
0	Yang Ming Marine Transport Corporation	All Oceans Transportation, Inc.	Other receivables	Y	\$ 2,880,435	\$ 2,880,435	\$ 2,880,435	0.7681%-2.9949%	1	\$ -	-	\$ -	-	\$ -	\$ 116,845,636
1	Yang Ming Line (Singapore) Pte. Ltd.	Kung Ming (Liberia) Corp.	Other receivables	Y	179,920 (US\$ 6,500 thousand)	96,880 (US\$ 3,500 thousand)	96,880 (US\$ 3,500 thousand)	1.3000%	2	-	Obtain working capital	-	-	767,271	2,301,813
		All Oceans Transportation, Inc.	Other receivables	Y	276,800 (US\$ 10,000 thousand)	276,800 (US\$ 10,000 thousand)	276,800 (US\$ 10,000 thousand)	1.2451%	2	-	Obtain working capital	-	-	3,836,355	3,836,355
		Yang Ming (France) SAS	Other receivables	Y	9,915 (EUR 317 thousand)	9,915 (EUR 317 thousand)	9,915 (EUR 317 thousand)	1.7000%	2	-	Obtain working capital	-	-	767,271	2,301,813
		Yang Ming Line (Thailand) Co., Ltd.	Other receivables	Y	12,783 (THB 15,400 thousand)	8,301 (THB 10,000 thousand)	8,301 (THB 10,000 thousand)	2.4513%	2	-	Obtain working capital	-	-	767,271	2,301,813
		Kung Ming Shipping Corp.	Other receivables	Y	238,048 (US\$ 8,600 thousand)	238,048 (US\$ 8,600 thousand)	238,048 (US\$ 8,600 thousand)	1.3000%	2	-	Obtain working capital	-	-	767,271	2,301,813
		Yang Ming Line (Hong Kong) Ltd.	Other receivables	Y	81,626 (US\$ 2,550 thousand)	78,888 (US\$ 2,850 thousand)	78,888 (US\$ 2,850 thousand)	1.4888%	2	-	Obtain working capital	-	-	3,836,355	3,836,355
2	Kung Ming Shipping Corp.	Kung Ming (Liberia) Corp.	Other receivables	Y	69,200 (US\$ 2,500 thousand)	69,200 (US\$ 2,500 thousand)	-	-	2	-	Obtain working capital	-	-	196,743	590,229
3	Yes Logistics Corp.	Yes Logistics Europe GmbH	Other receivables	Y	34,938 (EUR 1,116 thousand)	33,060 (EUR 1,056 thousand)	33,060 (EUR 1,056 thousand)	1.7000%-1.8500%	1	62,838	-	-	-	90,213	815,699
		Yes Logistics Europe GmbH	Other receivables	Y	53,204 (EUR 1,700 thousand)	40,685 (EUR 1,300 thousand)	40,685 (EUR 1,300 thousand)	0.6000%	2	-	Obtain working capital	-	-	81,569	163,139
		Yes Logistics (Shanghai) Corp.	Other receivables	Y	120,814 (US\$ 3,000 thousand)	120,814 (US\$ 3,000 thousand)	120,814 (US\$ 3,000 thousand)	2.7800%-3.8500%	1	603,493	-	-	-	244,709	815,699
		Yes Logistics Benelux B.V.	Other receivables	Y	8,700 (EUR 105 thousand)	8,700 (EUR 105 thousand)	8,700 (EUR 105 thousand)	-	1	80,435	-	-	-	124,663	815,699
		YES MLC GmbH	Other receivables	Y	37,556 (EUR 1,200 thousand)	31,296 (EUR 1,000 thousand)	31,296 (EUR 1,000 thousand)	0.6000%	2	-	Obtain working capital	-	-	81,569	163,139
4	Yang Ming Line Holding Co.	Kung Ming (Liberia) Corp.	Other receivables	Y	179,920 (US\$ 6,500 thousand)	179,920 (US\$ 6,500 thousand)	179,920 (US\$ 6,500 thousand)	1.3000%	2	-	Obtain working capital	-	-	304,845	914,537
		Kung Ming Corp.	Other receivables	Y	249,120 (US\$ 9,000 thousand)	249,120 (US\$ 9,000 thousand)	249,120 (US\$ 9,000 thousand)	1.3000%	2	-	Obtain working capital	-	-	304,845	914,537
		Yang Ming (America) Co.	Other receivables	Y	276,800 (US\$ 10,000 thousand)	-	-	-	2	-	Obtain working capital	-	-	1,524,228	1,524,228

(Continued)

Notes:

A. Nature of financing:

1. The Company has transactions with the borrower.
2. The borrower needs short-term financing.

B.

1. Yang Ming Marine Transport Corporation: The maximum financing amount is 60% of the net assets of the Company. For borrowers with transactions with the Company, maximum financing is 50% of the net assets of the Company. For the borrower with transactions with the Company, maximum financing is the lower of 15% of the net assets of the Company or the total amount of transactions between the Company and the borrower in the last two years. For a borrower that is a subsidiary of the Company, maximum financing is the lower of 40% of the latest net assets audited or reviewed by CPA of the Company or the total amount of transactions between the Company and the subsidiary in the last five years. For borrowers with short-term financing need, the maximum is 10% of the net assets of the Company. For the borrower needing short-term financing, maximum financing is 5% of the net assets of the Company.
2. Yang Ming Line (Singapore) Pte. Ltd.: The maximum financing amount is 50% of the net assets of the lender. For borrowers with transactions with the lender, maximum financing is 50% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is the lower of 25% of the net assets of the lender or the total amount of transactions between the lender and the borrower in the last five years. For borrowers with short-term financing need, the maximum is 30% of the net assets of the lender. For the borrower needing short-term financing with direct or indirect holding of 100% voting right on corporation not established in the ROC, maximum financing is 10% of the net assets of the lender. For the borrower needing short-term financing, maximum financing is 50% of the net total assets.
3. Kuang Ming Shipping Corp.: The maximum financing amount is 60% of the net assets of the lender. For borrowers with transactions with the lender, maximum financing is 30% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is the lower of 15% of the net assets of the lender or the total amount of transactions between the lender and the borrower in the last two years. For subsidiaries with transactions with the lender, maximum financing is 30% of the latest net assets. For borrowers with short-term financing need, the maximum is 30% of the net assets of the lender. For the borrower needing short-term financing, maximum financing is 10% of the net assets of the lender.
4. Yes Logistics Corp.: The maximum financing amount is the 70% of the net assets of the lender. For borrowers with transactions with the lender, maximum financing is 50% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is the lower of 15% of the net assets of the lender or the total amount of transactions between the lender and the borrower in the last two years. For subsidiaries with transactions with the lender, maximum financing is the lower of 40% of the latest net assets of the lender and the borrower in the last five years. For borrowers with short-term financing need, the maximum is 20% of the net assets of the lender. For the borrower needing short-term financing, maximum financing is 10% of the net assets of the lender.
5. Yang Ming Line Holding Co.: The maximum financing amount is 80% of the net assets of the lender. For borrowers with transactions with the lender, maximum financing is 50% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is the lower of 25% of the net assets of the lender or the total amount of transactions between the lender and the borrower in the last five years. For borrowers with short-term financing need, the maximum is 30% of the net assets of the lender. For borrowers needing short-term financing with direct or indirect holding of 100% voting right on corporation not established in the ROC, maximum financing is 50% of the net total assets.

- C. United States dollars, Thai Baht, Euros and Chinese Yuan translated into New Taiwan dollars at the exchange rates of US\$1=NT\$31.2964 and CNY1=NT\$4.3419 as of December 31, 2021.

(Continued)



TABLE B

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorser/Guaranteee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note A)	Maximum Amount Endorsed/ Guaranteed During the Period (Note B)	Outstanding Endorsement/ Guarantee at the End of the Period (Note B)	Actual Borrowing Amount (Note B)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note A)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Yang Ming Marine Transport Corporation	All Oceans Transportation, Inc.	Subsidiary	\$ 373,906,037	\$ 2,258,716 (US\$ 81,601 thousand)	\$ 521,675 (US\$ 18,847 thousand)	\$ 521,675 (US\$ 18,847 thousand)	\$ -	0.22	\$ 701,073,820	Y	N	N
		Kuang Ming Shipping Corp.	Subsidiary	373,906,037	6,341,237 (US\$ 78,260 thousand and NTS 4,175,000 thousand)	4,137,896 (US\$ 58,450 thousand and NTS 2,520,000 thousand)	2,685,724 (US\$ 22,576 thousand and NTS 1,633,000 thousand)	-	1.77	701,073,820	Y	N	N
		Kuang Ming (Liberia) Corp.	Subsidiary	373,906,037	1,730,342 (US\$ 62,512 thousand)	301,060 (US\$ 10,876 thousand)	301,060 (US\$ 10,876 thousand)	-	0.13	701,073,820	Y	N	N
		Yang Ming (America) Corp.	Subsidiary	373,906,037	221,440 (US\$ 8,000 thousand)	83,040 (US\$ 3,000 thousand)	-	-	0.04	701,073,820	Y	N	N
1	Yang Ming Line Holding Co., LLC	West Basin Container Terminal LLC	Investments in associates	1,260,174	123,138 (US\$ 4,449 thousand)	123,138 (US\$ 4,449 thousand)	50,474 (US\$ 1,823 thousand)	-	0.05	1,575,217	N	N	N
		United Terminal Leasing LLC	Investments in associates	1,260,174	48,859 (US\$ 1,765 thousand)	48,859 (US\$ 1,765 thousand)	18,691 (US\$ 675 thousand)	-	0.02	1,575,217	N	N	N
2	All Oceans Transportation, Inc.	Yang Ming Marine Transport Corporation	Parent	33,426,514	6,874,688	2,385,000	2,385,000	2,385,000 (Note 3)	1.02	38,997,600	N	Y	N
3	Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Corp.	Subsidiary	24,056,856	775,040 (US\$ 28,000 thousand)	775,040 (US\$ 28,000 thousand)	443,697 (US\$ 16,030 thousand)	-	0.33	30,071,070	N	N	N
4	Yang Ming Line (Singapore) Pte. Ltd.	Yang Ming Line (M) Sdn. Bhd.	Subsidiary	5,286,643	26,504 (MYR 4,000 thousand)	26,504 (MYR 4,000 thousand)	8,964 (MYR 1,353 thousand)	-	0.01	6,608,304	N	N	N
5	Karlman Properties Limited	Yang Ming Marine Transport Corporation	Parent	327,831	201,500	-	-	-	-	409,789	N	Y	N

Notes:

- A. 1. Represents 300% of the latest net assets audited or reviewed by CPA of Yang Ming Marine Transport Corporation (the "Corporation"). Represents 160% of the amount as aforementioned.
2. Represents 400% of the latest net assets audited or reviewed by CPA of the Company and subsidiaries. Represents 180% of the amount as aforementioned.
3. Represents 50% of assets of Yang Ming Line Holding Co. Represents 80% of the amount as aforementioned.
4. Represents 700% of asset of All Oceans Transportation, Inc. Represents 600% of the amount as aforementioned.
5. Represents 400% of asset of Kuang Ming Shipping Corp. Represents 320% of the amount as aforementioned.
6. Represents 50% of asset of Yang Ming Line (Singapore) Pte. Ltd. Represents 40% of the amount as aforementioned.
7. Represents 500% of assets of Karlman Properties Limited. Represents 400% of the amount as aforementioned.

(Continued)

- B. United States dollars and Malaysian ringgit translated into New Taiwan dollars at the exchange rates of US\$1 = \$27.68 and MYR1 = 6.260 as of December 31, 2021.
- C. Represents 14 ships used as guarantees, with carrying value of \$3,414,577 thousand as of December 31, 2021.

(Concluded)



TABLE C

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021			Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value
Yang Ming Marine Transport Corporation	Domestic unlisted shares Taipei Port Container Terminal Co., Ltd.	-	Financial assets at FV/TOCI - non-current	51,000,000	\$ 477,936	9.81	\$ 477,936
	United Stevedoring Corp.	-	Financial assets at FV/TOCI - non-current	500,000	5,315	10.00	5,315
	Pro-Ascentek Investment Corporation	-	Financial assets at FV/TOCI - non-current	2,000,000	12,399	1.67	12,399
	Domestic listed shares Fubon Financial Holding Co., Ltd. Preferred Shares C	-	Financial assets at FV/TPL - current	1,165,000	70,016	-	70,016
	Mutual funds Hua Nan Multi-Assets Balanced Income Fund TWD (Original: Hua Nan Sele Inc Multi-Asset Fd MD TWD)	-	Financial assets at FV/TPL - current	355,849	6,032	-	6,032
Yes Logistics Corp.	Domestic Limited Partnership Taiwania Capital Buffalo Fund V, LP.	-	Financial assets at FV/TPL - non-current	-	13,871	3.30	13,871
	Corporate bonds Domestic privately placed unsecured bonds - Kuang Ming Shipping Corp	Subsidiary	Financial assets at amortized cost - non-current	-	600,000	-	600,000
	Domestic unquoted shares United Raw Material Solutions Inc./URMS	-	Financial assets at FV/TOCI - non-current	319,751	2,281	2.76	2,281

TABLE D

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL.
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal			Change of Investment Accounted for Using the Equity Method		Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain (Loss) on Disposal		Shares	Amount
Yang Ming Marine Transport Corporation	Mutual funds Jih Sun Money Market Fund	Financial assets at FVTPL - current	-	-	70,245,928	\$ 1,050,000	-	\$ -	70,245,928	\$ 1,050,454	\$ 1,050,000	\$ 454	\$ -	-	\$ -



TABLE E

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20 OF THE PAID-IN CAPITAL
DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Yang Ming Marine Transport Corp.	All Oceans Transportation, Inc.	Subsidiary	\$ 3,051,264 (Note A)	-	-	-	\$ -	-
	Yang Ming Line (Singapore) Pte. Ltd.	Subsidiary	5,536,000 (Note D)	-	-	-	5,536,000	-
	Yang Ming (Japan) Co., Ltd.	Subsidiary	101,005	-	-	-	101,005	-
	Yang Ming Anatolia Shipping Agency S.A.	Subsidiary	165,515	-	-	-	165,515	-
	Yang Ming (Belgium) N.V.	Subsidiary	120,132	-	-	-	120,132	-
	Yang Ming (Netherlands) B.V.	Subsidiary	158,008	-	-	-	158,008	-
	Yang Ming Shipping Europe GmbH	Subsidiary	133,585	-	-	-	133,585	-
	Yang Ming (Italy) S.p.A.	Subsidiary	646,151	-	-	-	646,151	-
	Yang Ming (UK) Ltd.	Subsidiary	174,809	-	-	-	174,809	-
	Yang Ming (Singapore) Pte. Ltd.	Subsidiary	110,883	-	-	-	110,883	-
	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Subsidiary	1,100,090	-	-	-	1,100,090	-
	Yang Ming (France) SAS	Subsidiary	192,631	-	-	-	192,631	-
	YES Logistics Corp.	Subsidiary	539,426 (Note B)	-	-	-	12,600	-
Hong Ming Terminal & Stevedoring Corp.	Yang Ming Marine Transport Corp.	Parent company	131,238	-	-	-	131,238	-
Jing Ming Transportation Co., Ltd.	Yang Ming Marine Transport Corp.	Parent company	135,638	-	-	-	47,821	-
Yang Ming Line (Singapore) Pte. Ltd.	All Oceans Transportation, Inc.	The same parent company	276,800 (Note A)	-	-	-	276,800	-
	Kuang Ming Shipping Corp.	The same parent company	238,048 (Note A)	-	-	-	238,048	-
	Yang Ming (Singapore) Pte. Ltd.	The same parent company	5,536,000 (Note D)	-	-	-	5,536,000	-
	Yang Ming Marine Transport Corp.	Parent company	551,903	-	-	-	551,903	-
Yang Ming (Singapore) Pte. Ltd.	Yang Ming (UK) Ltd.	The same parent company	242,600	-	-	-	242,600	-
	Yang Ming Shipping (Vietnam) Co., Ltd.	The same parent company	167,483	-	-	-	132,941	-
	Yang Ming (Spain), S.L.	The same parent company	570,142	-	-	-	570,142	-
	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	The same parent company	1,454,401	-	-	-	1,454,401	-
	Yang Ming (Australia) Pty. Ltd.	Associate	125,898	-	-	-	125,898	-
				-	-	-		-

(Continued)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Yang Ming Shipping (Vietnam) Co., Ltd.	Yang Ming Marine Transport Corp.	Parent company	\$ 149,894	-	\$ -	-	\$ 149,894	\$ -
Yang Ming Line (Thailand) Co., Ltd.	Yang Ming Marine Transport Corp.	Parent company	146,314	-	-	-	146,314	-
Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Yang Ming (Singapore) Pte. Ltd. Yes Logistics (Shanghai) Corp.	The same parent company The same parent company	279,885 1,272,166	-	-	-	279,885 704,757	-
Yang Ming Line Holding Corp.	Kuang Ming Shipping Corp. Kuang Ming (Liberia) Shipping Corp.	The same parent company The same parent company	249,120 (Note A) 179,920 (Note A)	-	-	-	249,120 179,920	-
YES Logistics Corp.	Yes Logistics (Shanghai) Corp.	Subsidiary	134,356 (Note C)	-	-	-	34,066	-
Yang Ming Shipping Europe GmbH	Yang Ming Marine Transport Corp.	Parent company	135,889	-	-	-	135,889	-
Yang Ming (UK) Ltd.	Yang Ming Marine Transport Corp. Yang Ming Line (India) Pvt. Ltd.	Parent company The same parent company	1,073,274 139,314	-	-	-	1,073,274 139,314	-
	Yang Ming Shipping (Vietnam) Co., Ltd.	The same parent company	110,207	-	-	-	110,207	-
	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	The same parent company	155,430	-	-	-	155,430	-

Notes:

- A. Interest receivable and financing provided.
- B. Finance lease receivables and other receivables.
- C. Financing provided, interest receivable, and collection of freight and fees between related parties.
- D. Dividends receivable
- E. Collections between related parties made according to "Agency Accounting Procedure" by the Company and local business conventions.

(Concluded)



TABLE F

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS

FOR THE YEAR ENDED DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars)

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	
0	Yang Ming Marine Transport Corp.	All Oceans Transportation, Inc. Hong Ming Terminal & Stevedoring Corp. Jing Ming Transportation Co., Ltd. Yang Ming Line (Singapore) Pte. Ltd. Yang Ming Line (Hong Kong) Ltd. Yang Ming (Korea) Co., Ltd. Yang Ming (Japan) Co., Ltd. Yang Ming (Singapore) Pte. Ltd. Yang Ming Shipping (Vietnam) Co., Ltd. Yang Ming Anatolia Shipping Agency S.A. Yang Ming Line (Thailand) Co., Ltd. Huan Ming (Shanghai) International Shipping Agency Co., Ltd. Yang Ming (France) SAS Yang Ming (America) Corp. Yang Ming (Belgium) N.V. Yang Ming (Netherlands) B.V. Yang Ming Shipping Europe GmbH Yang Ming (Italy) S.p.A.	1	Right-of-use assets	\$ 21,884,114	Conducted as agreed terms	0.06
				Long-term notes receivable and trade receivables	3,051,264	Conducted as agreed terms	0.01
				Lease liabilities	4,912,490	Conducted as agreed terms	0.01
			1	Operating cost	4,301,820	Conducted as agreed terms	0.01
				Other payables	131,238	Conducted as agreed terms	-
				Operating cost	496,626	Conducted as agreed terms	-
			1	Other payables	135,638	Conducted as agreed terms	-
				Operating cost	619,192	Conducted as agreed terms	-
			1	Other receivables	5,536,000	Conducted as agreed terms	0.01
			1	Operating cost	190,546	Conducted as agreed terms	-
			1	Operating cost	162,792	Conducted as agreed terms	-
			1	Trade receivables	101,005	Conducted as agreed terms	-
				Operating cost	176,243	Conducted as agreed terms	-
			1	Trade receivables	110,883	Conducted as agreed terms	-
				Accounts payable	537,021	Conducted as agreed terms	-
				Operating revenue	6,828,147	Conducted as agreed terms	0.02
			1	Contract assets	1,062,247	Conducted as agreed terms	-
				Payables to shipping agents	149,894	Conducted as agreed terms	-
			1	Contract assets	131,040	Conducted as agreed terms	-
				Trade receivables	165,515	Conducted as agreed terms	-
				Operating cost	272,360	Conducted as agreed terms	-
			1	Payables to shipping agents	146,314	Conducted as agreed terms	-
			1	Contract assets	2,238,264	Conducted as agreed terms	0.01
				Trade receivables	1,100,090	Conducted as agreed terms	-
				Operating cost	769,188	Conducted as agreed terms	-
			1	Contract assets	132,644	Conducted as agreed terms	-
				Trade receivables	192,631	Conducted as agreed terms	-
			1	Operating cost	1,106,696	Conducted as agreed terms	-
			1	Trade receivables	120,132	Conducted as agreed terms	-
			1	Contract assets	207,335	Conducted as agreed terms	-
				Trade receivables	158,008	Conducted as agreed terms	-
			1	Contract assets	168,284	Conducted as agreed terms	-
				Trade receivables	133,585	Conducted as agreed terms	-
				Payables to shipping agents	135,889	Conducted as agreed terms	-
				Operating cost	257,459	Conducted as agreed terms	-
			1	Contract assets	441,981	Conducted as agreed terms	-
				Trade receivables	646,151	Conducted as agreed terms	-

(Continued)

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details		
				Financial Statement Accounts	Amount (Note C)	% to Total Sales or Assets
		Yang Ming (UK) Ltd.	1	Contract assets Trade receivables Accounts payable Operating revenue Operating cost	\$ 185,063 174,809 1,073,274 2,799,088 674,368	- - - 0.01 -
		Kuang Ming Shipping Corp. YES Logistics Corp.	1	Financial assets at amortized cost - non-current	600,000	-
		YES Logistics Corp. (USA)	1	Long-term lease receivable	500,521	-
		YES Logistics (Shanghai) Corp.	1	Operating revenue	1,246,026	-
			1	Operating revenue	368,365	-
				Operating revenue	6,931,364	0.02
1	All Oceans Transportation, Inc.	Yang Ming Line (Singapore) Pte. Ltd. Yang Ming Insurance Co., Ltd.	2 2	Other payables Operating cost	276,800 146,028	- -
2	Yang Ming Line (Singapore) Pte. Ltd.	Yang Ming (Singapore) Pte. Ltd. Kuang Ming Shipping Corp.	2 2	Other receivables Long-term notes receivable and trade receivables	5,536,000 238,048	0.01 -
3	Yang Ming Line (India) Pvt. Ltd.	Yang Ming (UK) Ltd.	2	Accounts payable	162,273	-
4	Yang Ming (Singapore) Pte. Ltd.	Yang Ming Shipping (Vietnam) Co., Ltd. Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	2 2	Contract assets Trade receivables Contract assets	179,437 167,483 1,147,695	- - -
		Yang Ming (Spain), S.L	2	Trade receivables Payables to shipping agents	1,454,401 279,885	- -
		Yang Ming (UK) Ltd.	2	Contract assets Trade receivables	198,679 570,142	- -
			2	Contract assets Trade receivables	185,028 242,600	- -
				Trade receivables Operating cost	490,055	-
5	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Yes Logistics (Shanghai) Corp.	2	Trade receivables	1,272,166	-
6	Yang Ming Line Holding Corp.	Kuang Ming Shipping Corp. Kuang Ming (Liberia) Shipping Corp.	2 2	Other receivables Other receivables	249,120 179,920	- -
7	Yang Ming (UK) Ltd.	Yang Ming Line (India) Pvt. Ltd. Yang Ming Shipping (Vietnam) Co., Ltd. Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	2 2 2	Trade receivables Trade receivables Contract assets	139,314 110,207 181,292	- - -
		Yang Ming (America) Corp.	2	Trade receivables Operating cost	155,430 105,501	- -
8	Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Shipping Corp.	2	Operating revenue	224,228	-

(Continued)



Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details		
				Financial Statement Accounts	Amount (Note C)	% to Total Sales or Assets
9	YES Logistics Corp.	Yes Logistics Corp. (USA) Yes Logistics (Shanghai) Corp.	2	Operating revenue	\$ 204,736	Conducted as agreed terms
				Operating cost	368,503	Conducted as agreed terms
				Long-term notes receivable and trade receivables	120,814	Conducted as agreed terms
				Operating revenue	138,420	Conducted as agreed terms
				Operating cost	603,493	Conducted as agreed terms

Note A: Transactions between Yang Ming Marine Transport Corp. and its subsidiaries should be remarked, as well as numbered in the first column. Rules are as follows:

1. Yang Ming Marine Transport Corp. - 0
2. Subsidiaries are numbered in Arabic figures.

Note B: Related party transactions are divided into two categories as follows:

1. Yang Ming Marine Transport Corp. to its subsidiaries.
2. Subsidiaries to subsidiaries.

Note C: Information on the table is equivalent to the eliminated material intercompany transactions.

(Concluded)

TABLE G

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note A) December 31, 2021	December 31, 2020	As of December 31, 2021 Percentage of Ownership	Shares	Carrying Amount	Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
Yang Ming Marine Transport Corporation	Kao Ming Container Terminal Corp.	Taiwan	Terminal operation and stevedoring	\$ 3,181,313	\$ 3,181,313	47.50	323,000,000	\$ 4,928,086	\$ 454,994 (Note B)	\$ 216,122 (Note B)	Investments in associates
	Yang Ming Line (B.V.) Holding Co., Ltd.	British Virgin Islands	Investment, shipping agency, forwarding agency and shipping managers	555,266	3,272,005	100.00	1,757	7,658,079	6,899,221	6,829,817	Subsidiary
	Yang Ming Line B.V. (Note S)	Netherlands	Investment, shipping agency, forwarding agency and shipping managers	-	-	100.00	2,500	1,510,079	710,562	710,562	Subsidiary
	Kuang Ming Shipping Corp.	Taiwan	Shipping service, shipping agency and forwarding agency	8,927,857 (Note P)	8,927,857 (Note P)	98.88	98,882,111	1,847,847	1,097,797	1,062,888	Subsidiary
	Yang Ming Line (Singapore) Pte. Ltd.	Singapore	Investment, shipping service; chartering, sale and purchase of ships; and forwarding agency	1,113,356	1,113,356	100.00	60,130,000	7,674,208	43,461,198	43,462,497	Subsidiary
	Yang Ming Line Holding Co.	U.S.A.	Investment, shipping agency, forwarding agency and shipping managers	143,860	143,860	100.00	13,900	3,048,457	845,723	845,723	Subsidiary
	Ching Ming Investment Corp.	Taiwan	Investment	-	1,098,388	-	(Note AA)	-	-	-	Subsidiary
	All Oceans Transportation, Inc.	Republic of Liberia	Shipping agency, forwarding agency and shipping managers	1,500,181 (Note Y)	3,235	100.00	1,000	1,099,647	67,445	(104,042)	Subsidiary
	Yes Logistics Corp.	Taiwan	Warehouse operation and forwarding agency	1,414,480 (Note AA)	593,404	96.36	115,630,977	1,441,453	408,148	363,140	Subsidiary
	Honning Terminal & Stevedoring Co., Ltd.	Taiwan	Terminal operation and stevedoring	104,261 (Note AA)	79,273	100.00	10,000,000	161,875	14,472	14,497	Subsidiary
	Jing Ming Transportation Co., Ltd.	Taiwan	Container transportation	35,844	35,844	50.98	8,615,923	134,197	10,626	5,437	Subsidiary
	Yun Wang Investment Co., Ltd.	Taiwan	Investment	179,810	179,810	49.75	5,211,474	239,695	9,738	4,845	Investments in associates
	Taiwan Foundation International Pte. Ltd.	Singapore	Investment and subsidiaries management	103,802	103,802	34.00	3,400,000	96,463	4,536	1,542	Investments in associates
	Taiwan Navigation Co., Ltd.	Taiwan	Shipping agency, forwarding agency, shipping managers and shipping lines	4,366,674 (Note Y)	-	16.96	70,783,243	3,483,454	351,928	59,687	Investments in associates
Ching Ming Investment Corp.	Honning Terminal & Stevedoring Co., Ltd.	Taiwan	Terminal operation and stevedoring	-	24,988	-	(Note AA)	-	-	-	Subsidiary
	Yes Logistics Corp.	Taiwan	Warehouse operation and forwarding agency	-	548,286	-	(Note AA)	-	-	-	Subsidiary
Yang Ming Line Holding Co.	Yang Ming (America) Corp.	U.S.A.	Shipping agency, forwarding agency and shipping managers	17,305	17,305	100.00	5,000	229,464	12,366	-	Subsidiary
	Triumph Logistics, Inc.	U.S.A.	Container transportation	-	13,223	-	(Note W)	-	-	-	Subsidiary
	Topline Transportation Inc.	U.S.A.	Container transportation	-	4,860	-	(Note X)	-	-	-	Subsidiary
	Transcont Intermodal Logistics, Inc.	U.S.A.	Inland forwarding agency	326	326	100.00	200	214	(12)	-	Subsidiary
	Yang Ming Shipping (Canada) Ltd.	Canada	Shipping agency, forwarding agency and shipping managers	2,981	2,981	100.00	1,000	23,791	648	-	Subsidiary
	West Basin Container Terminal LLC	U.S.A.	Terminal operation and stevedoring	132,050	132,050	40.00	(Note D)	1,429,384	2,856,991	-	Investments in associates
Yang Ming Line (B.V.) Holding Co., Ltd.	United Terminal Leasing LLC	U.S.A.	Terminal operation and machine lease	34,750	34,750	40.00	(Note E)	269,593	15,274	-	Investments in associates
	Yang Ming Line N.V.	Netherlands Antilles	Investment, shipping agency, forwarding agency and shipping managers	42,038	41,235	100.00	1,528,803	(465)	(660)	-	Subsidiary
Yang Ming Line B.V.	Yang Ming (UK) Ltd.	U.K.	Shipping agency, forwarding agency and shipping managers	2,633,724 (Note U)	-	97.84	68,097,591	7,347,953	7,350,406	-	Subsidiary
	Yang Ming (Belgium) N.V.	Belgium	Shipping agency	8,614	8,614	89.92	553	20,503	(823)	-	Subsidiary
	Yang Ming (Netherlands) B.V.	Netherlands	Shipping agency	15,285	15,285	100.00	400,000	96,352	71,394	-	Subsidiary
	Yang Ming (Italy) S.p.A.	Italy	Shipping agency	4,319	4,319	50.00	125,000	35,353	35,168	-	Subsidiary
	Yang Ming (UK) Ltd.	U.K.	Shipping agency, forwarding agency and shipping managers	70,709	70,709	2.16	1,500,000	161,851	7,350,406	-	Subsidiary
	Yang Ming Shipping Europe GmbH	Hamburg, Germany	Shipping agency, forwarding agency and shipping managers	29,697	29,697	100.00	(Note F)	159,546	3,375	-	Subsidiary

(Continued)



Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note A)			As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2021	December 31, 2020	\$	Shares	Percentage of Ownership	Carrying Amount			
Yang Ming (Netherlands) B.V.	YangMing (Russia) LLC.	Russia	Shipping agency	\$ 3,017	\$ 3,017	\$	(Note G)	60.00	\$ 16,660	\$ 24,382	\$	- Subsidiary
	Yang Ming (Spain) S.L.	Spain	Shipping agency, forwarding agency and shipping managers	2,213	2,213		60,000	60.00	197,518	148,249		- Subsidiary
	Yang Ming (Mediterranean) Marine Services Single-Member Limited Liability Company	Greece		39,379	39,379		11,000	100.00	37,403	1,214		- Subsidiary
	Yang Ming Shipping (Egypt) S.A.E.	Egypt	Shipping agency, forwarding agency and shipping managers	15,757	15,757		24,500	49.00	50,351	83,934		- Investments in associates
Yang Ming (UK) Ltd.	Yang Ming (Belgium) N.V.	Belgium	Shipping agency	1,900	1,900		62	10.08	2,298	(823)		- Subsidiary
	Coscor Ltd. (Note Z)	U.K.	Storage management and trailer transportation	7,411	25		1,000	100.00	24,138	4,104		- Subsidiary
	Yang Ming (Naples) S.r.l.	Italy	Forwarding agency	1,695 (Note R)	1,695 (Note R)		(Note H)	60.00	4,085	2,616		- Subsidiary
Yang Ming Line (Singapore) Pte. Ltd.	Yang Ming Shipping (B.V.I.) Inc.	British Virgin Islands	Forwarding agency and shipping agency	247,772	247,772		1,000	100.00	58,753	21,675		- Subsidiary
	Yang Ming Line (Hong Kong) Ltd.	Hong Kong	Forwarding agency and shipping agency	2,138	2,138		1,000,000	1.44	(771) (Note C)	8,647		- Subsidiary
	Yang Ming Line (India) Pvt. Ltd.	India	Shipping agency, forwarding agency and shipping managers	2,228	2,228		300,000	60.00	2,040	(3,329)		- Subsidiary
	Yang Ming (Korea) Co., Ltd.	Korea	Shipping agency, forwarding agency and shipping managers	10,107	10,107		60,000	60.00	33,383	3,278		- Subsidiary
	Young-Carrier Company Ltd.	Hong Kong	Investment, shipping agency, forwarding agency and shipping managers	14,926	14,926		1,000,000	100.00	203,381	(5,413)		- Subsidiary
	Yangming (Japan) Co., Ltd.	Japan	Shipping services, chartering, sale and purchase of ships; and forwarding agency	36,235	36,235		3,000	100.00	6,821	(19,711)		- Subsidiary
	Yang Ming (Singapore) Pte. Ltd.	Singapore	Shipping agency, forwarding agency and shipping managers	18,851	18,851		21,285,000	100.00	5,352,480	43,090,612		- Subsidiary
	Yang Ming Line (M) Sdn. Bhd.	Malaysia	Shipping agency, forwarding agency and shipping managers	10,727	10,727		1,000,000	100.00	54,880	1,966		- Subsidiary
	Sun-Banked Pte. Ltd.	Singapore	Insurance	2,271	2,271		350,000	100.00	6,458	(3,270)		- Subsidiary
	Yang Ming Anailola Shipping Agency S.A.	Turkey	Shipping agency, forwarding agency and shipping managers	1,077	1,077		50,000	50.00	133,670	390,797		- Subsidiary
	Formosa International Development Corporation Yang Ming (U.A.E.) LLC.	Vietnam U.A.E.	Invest industry district and real estate managers	246,818	246,818		(Note J)	30.00	-	-		- Investments in associates
	Yang Ming Shipping (Vietnam) Co., Ltd.	Vietnam	Forwarding agency and shipping managers	2,140	2,140		(Note J)	49.00	40,942	38,965		- Investments in associates
Yang Ming Line shipping (Thailand) Co., Ltd.	Yang Ming Shipping (Australia) Pty. Ltd.	Australia	Shipping agency, forwarding agency and shipping managers	9,881	9,881		(Note K)	100.00	80,924	31,393		- Subsidiary
	LogiTrans Technology Private Limited	India	Shipping agency, forwarding agency and shipping managers	4,597	4,597		150,000	50.00	29,250	30,888		- Investments in associates
	Yang Ming Shipping Philippines, Inc.	Philippines	Information system service	10,211	10,211		2,040,000	51.00	19,982	4,606		- Investments in joint ventures
	Yang Ming (Latin America) Corp.	Panama	Forwarding agency and shipping managers	6,435	6,435		99,995	100.00	(8,262) (Note C)	2,412		- Subsidiary
	Yang Ming Line (Thailand) Co., Ltd.	Thailand	Shipping agency, forwarding agency and shipping managers	6,020	6,020		200	100.00	7,407	280		- Subsidiary
	Yang Ming Line shipping (Thailand) Co., Ltd.	Thailand	Shipping agency, forwarding agency and shipping managers	3,589	3,589		3,920	49.00	17,212	5,865		- Subsidiary
	Yang Ming Insurance Co., Ltd.	Bermuda	Insurance	2,282	2,282		2,450	49.00	10,499	4,274		- Subsidiary
	PY Yang Ming Shipping Indonesia	Indonesia	Shipping agency, forwarding agency and shipping managers	7,740	7,740		250,000	100.00	144,846	91,549		- Subsidiary
	PT. Formosa Sejaht Logistics	Indonesia	Shipping agency, forwarding agency and shipping managers	40,946	40,946		18,865	49.00	38,503	1,722		- Subsidiary
	Yang Ming (France) SAS	France	Storage and stevedoring	5,701	5,701		1,875	15.00	5,209	545		- Investments in associates
	Jambatan Merah Formosa Depot Sdn Bhd	Malaysia	Shipping agency, forwarding agency and shipping managers	3,025	3,025		90,000	60.00	14,726	21,720		- Investments in joint ventures
	Yang Ming Line shipping (Thailand) Co., Ltd.	Thailand	Storage and stevedoring	1,743	1,743		250,000	25.00	2,933	5,385		- Investments in joint ventures
Yangming (Japan) Co., Ltd.	Yang Ming Line shipping (Thailand) Co., Ltd.	Thailand	Shipping agency	2,228	2,228		2,500	50.00	10,714	4,274		- Subsidiary
	Yang Ming Line (Thailand) Co., Ltd.	Thailand	Shipping agency, forwarding agency and shipping managers	3,678	3,678		3,920	49.00	17,212	5,865		- Subsidiary
	Manwa & Co., Ltd.	Japan	Forwarding agency and shipping agency	2,666	2,666		200	100.00	2,174	65		- Subsidiary
	Karunan Properties Limited	Hong Kong	Property agency	4	4		244,000,000	100.00	80,595	92		- Subsidiary
Yang Ming Shipping (B.V.I.) Inc.	Yang Ming Line (Hong Kong) Ltd.	Hong Kong	Forwarding agency and shipping agency	249,953 (Note T)	-		68,556,347	98.56	(52,831) (Note C)	8,647		- Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note A)		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Amount			
Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Shipping Corp.	Republic of Liberia	Forwarding agency	\$ 6,032,544 (Note Q)	\$ 6,026,744 (Note Q)	5	100.00	\$ 2,669,475	\$ 737,084	\$ -	- Subsidiary
Yes Logistics Corp.	Yes Logistics Corp. (USA)	U.S.A.	Shipping agency, forwarding agency and shipping managers	179,763	179,763	2,173,411	100.00	170,047	162,961	-	- Subsidiary
	Yes Yangming Logistics (Singapore) Pte. Ltd.	Singapore	Investment and subsidiaries management	37,263	37,263	1,607,984	100.00	33,464	11,876	-	- Subsidiary
	PT. YES Logistics Indonesia	Indonesia	Forwarding agency	15,315	15,315	10,000	51.00	1,083	2,394	-	- Subsidiary
	YES LIBERAL Logistics Corp.	Taiwan	Storage	73,000	73,000	7,300,000	30.00	77,227	8,456	-	- Investments in joint ventures
Yes Yangming Logistics (Singapore) Pte. Ltd.	Yes Logistics Bendix B.V.	Netherlands	Forwarding agency	10,179	10,179	12,600	70.00	3,849	7,119	-	- Subsidiary
	Yes Logistics Company Ltd.	Hong Kong	Forwarding agency	32,351	32,351	7,882,278	100.00	19,942	(1,112)	-	- Subsidiary
	YES and HQL Logistics Company	Vietnam	Forwarding agency	3,128	3,128	(Note O)	51.00	9,054	15,835	-	- Investments in joint ventures
Yes Logistics Corp. (USA)	Golden Logistics USA Corporation	U.S.A.	Container transportation	328	328	100	100.00	3,794	818	-	- Subsidiary
	YES Logistics Europe GmbH	Germany	Forwarding agency	40,090	40,090	(Note L)	100.00	(73,192) (Note C)	24,384	-	- Subsidiary
YES Logistics Europe GmbH	YES MLC GmbH	Germany	Import and export, storage and delivery, and other warehousing related business	10,826	10,826	(Note M)	100.00	(23,051) (Note C)	18,930	-	- Subsidiary
YES MLC GmbH	Merlin Logistics GmbH	Austria	Storage and logistics	1,380	1,380	(Note N)	100.00	(91) (Note C)	(70)	-	- Subsidiary
Merlin Logistics GmbH	YES Logistics Bulgaria	Bulgaria	Cargo consolidation service and forwarding agency	740	740	500	100.00	(2,231) (Note C)	-	-	- Subsidiary

Notes:

- This is translated into New Taiwan dollars at the exchange rate prevailing at the time of investment acquisition.
- This is an adjustment to the remainder investment of investment income or loss recognized at fair value on the date of losing control.
- Investees had negative net assets. Thus, the negative carrying values of the investments were presented as liability.
- This is equivalent to US\$3,800 thousand, and no shares were issued.
- This is equivalent to US\$1,000 thousand, and no shares were issued.
- This is equivalent to EUR818 thousand and no shares were issued.
- This is equivalent to US\$92 thousand and no shares were issued.
- This is equivalent to EUR6 thousand, and no shares were issued.
- This is equivalent to US\$7,700 thousand, and no shares were issued.
- This is equivalent to AED245 thousand, and no shares were issued.
- This is equivalent to US\$300 thousand and no shares were issued.
- This is equivalent to EUR1,025 thousand, and no shares were issued.
- This is equivalent to EUR290 thousand, and no shares were issued.
- This is equivalent to EUR35 thousand, and no shares were issued.
- This is equivalent to US\$102 thousand and no shares were issued.
- The original investment amount did not deduct the amount of offsetting the deficit of \$3,000,000 thousand and \$4,701,339 thousand in May 2021 and May 2017, respectively.
- The original investment amount did not deduct the amount of offsetting the deficit of \$2,139,659 thousand in June 2017.
- The original investment amount did not deduct the amount of offsetting the deficit of \$1,457 thousand in May 2020.

(Continued)



- S. The Group reorganized the organization in December 2020 and adjusted the holding structure of the Group in Europe. YMTCC acquired equity of YML-BV from YML-NV.
 - T. Yang Ming Shipping (B.V.L) applied for the capital increase of Yang Ming Line (Hong Kong) Ltd. by the accounts receivable of Yang Ming Shipping (B.V.L) to Yang Ming Line (Hong Kong) in March 2021, the amount is \$249,953 thousand.
 - U. Yang Ming Line (B.V.L) Holding Co., Ltd. applied for the capital increase of Yang Ming (UK) by the accounts receivable of Yang Ming Line (B.V.L) Holding Co., Ltd. to Yang Ming (UK) in March 2021, the amount is \$2,633,724 thousand.
 - V. All Ocean Transportation applied for the capital increase by cash of \$112,276 thousand, \$83,790 thousand and \$1,300,880 thousand in July 2021, May 2021 and March 2021, respectively.
 - W. The Group completed the liquidation of Triumph Logistics, Inc. in May 2021.
 - X. The Group completed the liquidation of Topline Transportation, Inc. in May 2021.
 - Y. The Group obtained two directors after the directors re-election in the shareholders' meeting of Taiwan Navigation Co., Ltd. on July 12, 2021. The Group has had a significant influence on the company.
 - Z. The Group acquired the remain shares of Constar Ltd. in July 2021. The Group obtained control of the mentioned company and listed it as the subsidiary since July 2021.
 - AA. The Group's board of directors resolved in July 2021 to apply for the short-form merger of YMTCC and Ching Ming Investment Corp. and the base date of merger was November 1, 2021. The subsidiaries' share had been transferred to YMTCC from Ching Ming Investment Corp.
 - AB. The information on investments in mainland China is provided in Table H.
- (Concluded)

TABLE H

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021 (Note J)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021 (Note J)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note E)	Carrying Amount as of December 31, 2021 (Note E)	Accumulated Repatriation of Investment Income as of December 31, 2021
						Outflow	Inflow						
Yang Ming Marine Transport Corporation	Huan Ming (Shanghai) International Shipping Agency Co., Ltd. (Note H)	Shipping agency, forwarding agency and shipping managers	US\$ 1,000 thousand (Note I)	Indirect investment through Singapore-based subsidiary's direct investment in mainland China	\$ -	-	\$ -	\$ -	\$ 9,426	51.00	\$ 4,807	\$ 20,682	\$ -
	Sino Trans PPS Cold Chain Logistic Co., Ltd.	Stevedoring equipment, management and related service	US\$ 46,242 thousand	Direct investment in mainland China	(CNY 22,617 thousand)	-	-	(CNY 5,209 thousand)	(46,376)	6.67	(2,678)	22,820	-
Yes Logistics Corp.	Yes Logistics (Shanghai) Corp. (Note A)	International shipping agency	US\$ 4,300 thousand	Indirect investment through US based subsidiary's direct investment in mainland China	(US\$ 221,440 thousand)	-	-	(US\$ 8,000 thousand)	221,529	96.36	203,829	381,764	-
	Chung Ming Logistics Company Limited (Note B)	Terminal operation and stevedoring, storage, and shipping agency	CNY 144,800 thousand	Investee's direct investment in Mainland China.	(US\$ 257,452 thousand)	-	-	(US\$ 9,301 thousand)	4,425	47.22	2,089	275,202	-
	Sino Trans PPS Cold Chain Logistic Co., Ltd.	Stevedoring equipment, management and related service	US\$ 46,242 thousand	Investee's direct investment in mainland China	(US\$ 170,620 thousand)	-	-	(US\$ 6,164 thousand)	(46,376)	12.85	(5,959)	45,704	-
	Shanghai United Cold Chain Logistics Co., Ltd. (Note G)	Stevedoring equipment, management and related service	CNY 50,000 thousand	Investee's direct investment in mainland China	(CNY 43,419 thousand)	-	-	(CNY 10,000 thousand)	24,149	19.27	4,654	56,556	-

Company Name	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2021 (Note J)	Investment Amounts Authorized by Investment Commission, MOEA (Note J)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Yang Ming Marine Transportation Corporation (Note D)	\$ 22,617 (CNY 5,209 thousand)	\$ 221,387 (US\$ 7,181 thousand) (CNY 5,209 thousand)	\$140,593,600
Yes Logistics Corp. (Note C)	695,987 (US\$ 17,301 thousand) (CNY 50,000 thousand)	695,987 (US\$ 17,301 thousand) (CNY 50,000 thousand)	(Note F)

Notes:

- Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in mainland China by the Investment Commission, Ministry of Economic Affairs on June 3, 2004, July 4, 2006, December 26, 2006 and August 31, 2016.
- Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in mainland China by the Investment Commission, Ministry of Economic Affairs on April 11, 2005, August 22, 2006, November 29, 2006 and December 2, 2008.
- Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in mainland China by the Investment Commission, Ministry of Economic Affairs on December 16, 2013.
- The Company was authorized to invest in Mainland China by the Investment Commission, Ministry of Economic Affairs on August 25, 2021.
- Calculated by the % ownership of direct or indirect investment.
- Yes Logistics Corp. applied for and obtained the Business Operations Headquarters letter on September 16, 2019, and the term for the letter is to September 15, 2022. Therefore, the restrictions on the amount of investment in China are not applicable to Yes Logistics Corp.
- Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in mainland China by the Investment Commission, Ministry of Economic Affairs on May 12, 2017.
- The Company was authorized to invest in mainland China by Investment Commission, Ministry of Economic Affairs on December 25, 2019
- Investing by the unappropriated earnings of Yang Ming Line (Singapore) Pte. Ltd.
- United States dollars and Chinese Yuan translated into New Taiwan dollars at the exchange rates of US\$1=NT\$27.68 and CNY1=NT\$4.3419 as of December 31, 2021.

TABLE I**YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2021**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
The Ministry of Transportation and Communications R.O.C.	467,682,372	13.39
National Development Fund	460,000,000	13.17
Taiwan International Ports Corporation, Ltd.	191,938,579	5.50

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

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

Attachment 2 Individual Consolidated Financial Statements 2021**INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders
Yang Ming Marine Transport Corporation

Opinion

We have audited the accompanying financial statements of Yang Ming Marine Transport Corporation (the "Company"), which comprise the balance sheets as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Emphasis of Matter

As mentioned in Notes 1 and 35 to the accompanying financial statements, the Company acquired 100% of the equity interest of Ching Ming Investment Corporation on November 1, 2021. This merger is accounted for as business combination under common control. According to the International Financial Reporting Standards Q&A set and related correspondence announced by Accounting Research and Development Foundation, when compiling a set of comparative financial statements, it should be regarded as having been combined and recompiled from the beginning of the reporting period, and we do not revise the audit opinion on these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the financial statements of the Company for the year ended December 31, 2021 are as follows:

Audit of the Percentage-of-completion

Since the recognition of the cargo revenue is material and complex, we deemed the percentage-of-completion method of revenue recognition as a key audit matter.

The recognition depends on the expected time frame for the completion of the voyage. The judgment of the percentage-of-completion estimation may lead to an incorrect calculation of revenue recognized or an inconsistency in revenue recognition.

The judgment of cargo revenue recognition included critical accounting judgments and key sources of estimation uncertainty disclosed in Notes 5 and 24 to the accompanying financial statements.

We tested the accuracy of the timing of the revenue recognition. Through subsequent information on voyages, berthing report, sailing schedule, and report of the estimation of the bill of landing revenue, we reviewed the basis of estimates and verified the validity of the voyage dates calculated by the Company's management and of the revenue resulting from voyages.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

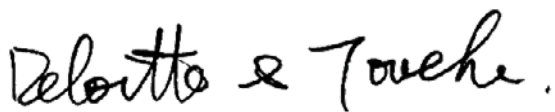
1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2021, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chen-Hsiu Yang and Yu-Mei Hung.



Deloitte & Touche
Taipei, Taiwan
Republic of China

March 14, 2022

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.



BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 32)	\$ 42,056,525	11	\$ 14,070,006	8
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	76,048	-	1,743,413	1
Financial assets at amortized cost - current (Notes 4, 9, 32 and 33)	128,721,269	35	1,598,922	1
Contract assets, net (Notes 4, 24 and 32)	9,472,165	3	5,077,926	3
Trade receivables, net (Notes 4, 10 and 24)	6,421,159	2	2,256,870	1
Trade receivables from related parties (Notes 4, 10, 24 and 32)	3,247,361	1	1,685,982	1
Financial lease receivables (Notes 4, 11 and 32)	65,773	-	78,852	-
Other receivables from related parties (Notes 4 and 32)	5,585,733	1	679,711	-
Shipping fuel (Notes 4 and 12)	2,296,967	1	1,569,829	1
Prepayments (Notes 4 and 32)	294,280	-	210,360	-
Prepayments to shipping agents (Note 32)	507,308	-	137,625	-
Other current assets (Notes 4 and 26)	200,983	-	221,443	-
Total current assets	198,945,571	54	29,330,939	16
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (FVTPL) - non-current (Notes 4 and 7)	13,871	-	-	-
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4 and 8)	495,650	-	1,996,967	1
Financial assets at amortized cost - non-current (Notes 4, 9, 32 and 33)	600,636	-	600,623	-
Investments accounted for using equity method (Notes 4 and 13)	33,346,360	9	18,945,446	11
Property, plant and equipment (Notes 4, 14 and 33)	43,378,620	12	40,503,349	23
Right-of-use assets (Notes 4, 15 and 32)	78,716,820	22	73,572,414	41
Investment properties (Notes 4, 16 and 33)	7,599,348	2	6,766,594	4
Other intangible assets (Note 4)	51,479	-	62,034	-
Deferred tax assets (Notes 4 and 26)	1,212,947	-	3,019,763	2
Prepayments for equipment (Note 34)	290,455	-	124,745	-
Refundable deposits	91,778	-	85,072	-
Financial lease receivable - non-current (Notes 4, 11 and 32)	652,709	-	799,324	-
Long-term receivables from related parties (Note 32)	3,051,264	1	2,864,353	2
Other non-current assets	19,710	-	-	-
Total non-current assets	169,521,647	46	149,340,684	84
TOTAL	\$ 368,467,218	100	\$ 178,671,623	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term bills payable (Notes 17 and 32)	\$ -	-	\$ 11,714,456	7
Financial liabilities for hedging - current (Notes 4, 15 and 31)	7,585,691	2	7,370,742	4
Contract liabilities - current (Notes 4 and 24)	694,873	-	56,318	-
Trade payables (Note 19)	11,706,455	3	10,518,319	6
Trade payables to related parties (Notes 19 and 32)	2,735,483	1	2,219,515	1
Other payables (Note 20)	5,211,389	2	2,809,094	2
Other payables to related parties (Notes 20 and 32)	754,678	-	330,624	-
Current tax liabilities (Notes 4 and 26)	29,208,420	8	-	-
Provision - current (Notes 4 and 21)	56,307	-	-	-
Lease liabilities - current (Notes 4, 15 and 32)	1,833,506	1	538,501	-
Other advance account	80,157	-	127,586	-
Current portion of long-term liabilities (Notes 4, 17, 18, 32 and 33)	617,298	-	12,929,068	7
Other current liabilities	486,381	-	167,803	-
Total current liabilities	60,970,638	17	48,782,026	27
NON-CURRENT LIABILITIES				
Lease liabilities for hedging - non-current (Notes 4, 15 and 31)	33,835,186	9	40,383,562	23
Bonds payable (Notes 4, 18, 32 and 33)	10,822,014	3	4,945,877	3
Long-term borrowings (Notes 17, 31 and 32)	3,384,670	1	36,446,344	20
Deferred tax liabilities (Notes 4 and 26)	5,963,582	2	2,413,923	1
Lease liabilities - non-current (Notes 4, 15 and 32)	16,942,727	4	5,422,960	3
Other advance account - non-current	84,431	-	163,941	-
Net defined benefit liabilities - non-current (Notes 4 and 22)	2,666,511	1	2,843,454	2
Cumulative losses in excess of cost of investment (Notes 4 and 13)	-	-	1,454,912	1
Other non-current liabilities	106,185	-	136,392	-
Total non-current liabilities	73,805,306	20	94,211,365	53
Total liabilities	134,775,944	37	142,993,391	80
EQUITY				
Share capital - ordinary shares	34,921,043	9	31,676,622	18
Capital surplus	27,975,030	8	384,106	-
Retained earnings	-	-	-	-
Legal reserve	166,092	-	-	-
Special reserve	1,494,827	-	-	-
Unappropriated earnings	167,409,719	46	1,660,919	1
Total retained earnings	169,070,638	46	1,660,919	1
Other equity	1,724,563	-	1,956,585	1
Total equity	233,691,274	63	35,678,232	20
TOTAL	\$ 368,467,218	100	\$ 178,671,623	100

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

(With Deloitte & Touche audit report date March 14, 2022)

YANG MING MARINE TRANSPORT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020 (Audit after Restated)	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 5, 15, 24 and 32)	\$ 244,723,602	100	\$ 127,808,609	100
OPERATING COSTS (Notes 4, 12, 25 and 32)	<u>91,191,696</u>	<u>38</u>	<u>109,712,848</u>	<u>86</u>
GROSS PROFIT	<u>153,531,906</u>	<u>62</u>	<u>18,095,761</u>	<u>14</u>
OPERATING EXPENSES (Notes 4, 10, 24, 25 and 32)				
Selling and marketing expenses	3,806,475	2	1,973,412	2
General and administrative expenses	1,042,317	-	570,714	-
Expected credit loss	<u>81,000</u>	<u>-</u>	<u>16,911</u>	<u>-</u>
Total operating expenses	<u>4,929,792</u>	<u>2</u>	<u>2,561,037</u>	<u>2</u>
OTHER OPERATING INCOME AND EXPENSES (Notes 4 and 25)	<u>277,922</u>	<u>-</u>	<u>269,141</u>	<u>-</u>
PROFIT FROM OPERATIONS	<u>148,880,036</u>	<u>60</u>	<u>15,803,865</u>	<u>12</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 15, 25 and 32)				
Interest income	295,667	-	143,473	-
Other income	100,114	-	153,236	-
Other gains and losses	(636,774)	-	(530,259)	-
Finance costs	(2,203,934)	(1)	(2,965,832)	(2)
Share of profits or loss of subsidiaries and associates	<u>53,469,737</u>	<u>22</u>	<u>2,894,628</u>	<u>2</u>
Total non-operating income and expenses	<u>51,024,810</u>	<u>21</u>	<u>(304,754)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	199,904,846	81	15,499,111	12
INCOME TAX EXPENSE (Notes 4 and 26)	<u>34,636,218</u>	<u>14</u>	<u>3,522,098</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>165,268,628</u>	<u>67</u>	<u>11,977,013</u>	<u>10</u>

(Continued)



YANG MING MARINE TRANSPORT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	(Audit after Restated) Amount	%
OTHER COMPREHENSIVE INCOME (Notes 4, 22, 23 and 26)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ (55,087)	-	\$ (602,228)	-
Unrealized gain on investments in equity instruments at FVTOCI	2,844,748	1	230,573	-
Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	(173,350)	-	20,549	-
Income tax related to items that will not be reclassified subsequently to profit or loss	<u>11,017</u>	<u>-</u>	<u>120,446</u>	<u>-</u>
	<u>2,627,328</u>	<u>1</u>	<u>(230,660)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(903,467)	-	(507,561)	(1)
Gain on hedging instruments	641,742	-	2,237,303	2
Income tax related to items that may be reclassified subsequently to profit or loss	<u>(456,534)</u>	<u>-</u>	<u>(3)</u>	<u>-</u>
	<u>(718,259)</u>	<u>-</u>	<u>1,729,739</u>	<u>1</u>
Other comprehensive income for the year, net of income tax	<u>1,909,069</u>	<u>1</u>	<u>1,499,079</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 167,177,697</u>	<u>68</u>	<u>\$ 13,476,092</u>	<u>11</u>
EARNINGS PER SHARE (Note 27)				
Basic	<u>\$48.73</u>		<u>\$4.51</u>	
Diluted	<u>\$48.28</u>		<u>\$3.64</u>	

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

(With Deloitte & Touche audit report date March 14, 2022)

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	Share Capital (Notes 4, 18 and 23) Shares (In Thousands)	Amount	Capital Surplus (Notes 4, 18, 23 and 28)	Retained Earnings (Accumulated Deficits) (Note 23)			Exchange Differences on Translating the Financial Statements of Foreign Operations (Notes 4 and 23)	Other Equity Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value	Gain (Loss) on Hedging Instruments (Notes 4 and 23)	Total Equity
BALANCE AT JANUARY 1, 2020	2,601,336	\$ 26,013,357	\$ 1,939,381	\$ -	\$ -	\$ (11,462,514)	\$ (205,946)	\$ (1,039,266)	\$ 1,218,522	\$ 16,463,534
Capital surplus used to offset accumulated deficits	-	-	(1,630,616)	-	-	1,630,616	-	-	-	-
Net profit for the year ended December 31, 2020	-	-	-	-	-	11,977,013	-	-	-	11,977,013
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	(484,196)	(507,564)	253,536	2,237,303	1,499,079
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	-	(507,564)	253,536	2,237,303	13,476,092
Convertible bonds converted to ordinary shares	566,326	5,663,265	75,341	-	-	-	-	-	-	5,738,606
BALANCE AT DECEMBER 31, 2020	3,167,662	31,676,622	384,106	-	-	1,660,919	(713,510)	(785,730)	3,455,825	35,678,232
Appropriation of 2020 earnings	-	-	-	166,092	-	(166,092)	-	-	-	-
Legal reserve	-	-	-	-	-	(1,494,827)	-	-	-	-
Special reserve	-	-	-	-	1,494,827	-	-	-	-	-
Net income for the year ended December 31, 2021	-	-	-	-	-	165,268,628	-	-	-	165,268,628
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	(47,336)	(540,488)	2,674,664	(177,771)	1,909,069
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	165,221,292	(540,488)	2,674,664	(177,771)	167,177,697
Issuance of ordinary shares for cash	160,000	1,600,000	27,520,000	-	-	-	-	-	-	29,120,000
Convertible bonds converted to ordinary shares	164,442	1,644,421	19,551	-	-	-	-	-	-	1,663,972
Share-based payments (Note 28)	-	-	51,373	-	-	-	-	-	-	51,373
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (loss) by the Company, associates and joint ventures	-	-	-	-	-	2,188,427	-	(2,188,427)	-	-
BALANCE AT DECEMBER 31, 2021	3,492,104	\$ 34,921,043	\$ 27,975,030	\$ 166,092	\$ 1,494,827	\$ 167,409,719	\$ (1,253,998)	\$ (299,493)	\$ 3,278,054	\$ 233,691,274

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

(With Deloitte & Touche audit report date March 14, 2022)



YANG MING MARINE TRANSPORT CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

	2021	2020 (Audit after Restated)
CASH FLOWS FORM OPERATING ACTIVITIES		
Income before income tax	\$ 199,904,846	\$ 15,499,111
Adjustments for:		
Depreciation expenses	14,741,890	13,898,042
Amortization expenses	41,542	35,648
Expected credit loss recognized	81,000	16,911
Net gain on fair value change of financial assets/liabilities at FVTPL	(12,704)	(65,415)
Finance costs	2,203,934	2,965,832
Interest income	(295,667)	(143,473)
Dividend income	(4,969)	(58,469)
Compensation cost of employee share options	51,373	-
Share of profit of subsidiaries and associates	(53,469,737)	(2,894,628)
Gain on disposal of property, plant and equipment	(139,102)	(224,547)
(Reversal of) write-down of shipping fuel	(75,437)	62,947
Impairment loss recognized on associates	602,008	1,027,207
Net gain on foreign currency exchange	(720,729)	(4,582)
Gain on change in fair value of investment properties	(395,312)	(5,478)
Loss (gain) on lease modification	82,887	(22,205)
Recognition of (reversal of) provisions	56,307	(18,556)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at FVTPL	1,655,002	(1,423,483)
Contract assets	(4,431,812)	(1,565,129)
Trade receivables	(4,205,128)	1,817,406
Trade receivables from related parties	(1,561,379)	287,537
Other receivables from related parties	629,978	(649,348)
Shipping fuel	(651,701)	1,678,015
Prepayments	(73,125)	110,455
Prepayments to shipping agents	(369,683)	(11,937)
Other current assets	54,258	318,039
Financial liability held for trading	-	(9,987)
Contract liabilities	638,555	(28,381)
Trade payables	1,188,136	1,393,991
Trade payables to related parties	515,968	(656,804)
Other payables	2,084,536	541,326
Other payables to related parties	525,041	21,779
Other advances account	(126,939)	41,813
Other current liabilities	383,706	(9,355)
Net defined benefit liabilities	(232,030)	(93,637)
Cash generated from operations	158,675,513	31,830,645
Interest received	228,445	99,967
Dividend received	33,827,847	187,245
Interest paid	(2,162,210)	(2,818,695)
Income tax paid	(511,266)	(150,720)
Net cash generated from operating activities	190,058,329	29,148,442
		(Continued)

YANG MING MARINE TRANSPORT CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

	2021	2020 (Audit after Restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at FVTOCI	\$ (20,000)	\$ -
Proceeds from sale of financial assets at FVTOCI	282	-
Capital reduction and withdrawal of shares of financial assets at FVTOCI	-	5,362
Purchase of financial assets at amortized cost	(130,005,647)	(2,134,555)
Proceeds from sale of financial assets at amortized cost	2,859,916	2,000
Acquisition of associates	(891)	-
Payments for property, plant and equipment	(6,814,910)	(8,887,656)
Proceeds from disposal of property, plant and equipment	125,406	285,634
(Increase) decrease in refundable deposits	(6,706)	278,558
Increase in long-term receivables from related parties	(400,000)	(1,829,680)
Payments for intangible assets	(30,987)	(19,401)
Payments for investment properties	(3,074)	-
Decrease in financial lease receivables	72,347	74,296
Increase in other non-current assets	(19,710)	-
Increase in prepayments for equipment	<u>(247,003)</u>	<u>(119,213)</u>
Net cash used in investing activities	<u>(134,490,977)</u>	<u>(12,344,655)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	-	(2,050,000)
Repayments of short-term bills payable	(11,740,000)	(1,390,000)
Proceeds from issuance of bonds payable	5,900,000	-
Repayments of bonds payable	-	(5,900,000)
Proceeds from long-term borrowings	2,633,500	24,196,100
Repayments of long-term borrowings	(46,376,845)	(21,858,470)
Repayments of the principal portion of lease liabilities	(8,045,163)	(7,457,757)
(Decrease) increase in other non-current liabilities	(15,207)	68,927
Proceeds from issuance of ordinary shares	29,120,000	-
Acquisition of additional interests in subsidiaries	(1,496,954)	-
Received from subsidiaries capital reductions	<u>2,439,836</u>	<u>-</u>
Net cash used in financing activities	<u>(27,580,833)</u>	<u>(14,391,200)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	27,986,519	2,412,587
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>14,070,006</u>	<u>11,657,419</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 42,056,525</u>	<u>\$ 14,070,006</u>

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

(With Deloitte & Touche audit report date March 14, 2022)

(Concluded)



YANG MING MARINE TRANSPORT CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Yang Ming Marine Transport Corporation (the “Company” or YMTTC), established in December 1972, was majority-owned by the Ministry of Transportation and Communications (MOTC) of the Republic of China (ROC) until February 15, 1996 when the MOTC began reducing its holdings in the Company following the Company’s listing of its shares on the Taiwan Stock Exchange.

YMTTC mainly engages in the shipping, repair, chartering, sale and purchase of ships, containers and chassis and operates as a shipping agency.

YMTTC’s shares have been listed on the Taiwan Stock Exchange since April 1992. YMTTC issued global depositary receipts (GDRs), which have been listed on the London Stock Exchange (ticker symbol: YMTD) since November 1996. The GDRs listed on London Stock Exchange were delisted on December 5, 2019.

To simplify investment structure and integrate resources, YMTTC plans to restructure the Company. In July 2021, the board of directors resolved to merge with Ching Ming Investment Corp. The base date for the merger was November 1, 2021. The Company would be the surviving company while Ching Ming Investment Corp would be dissolved in the merger. Refer to Note 35 for details.

The financial statements of the Company are presented in YMTTC’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by YMTTC’s board of directors on March 14, 2022.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Company’s accounting policies:

Amendment to IFRS 16 “Covid-19 - Related Rent Concessions beyond 30 June 2021”

The Company elected to apply the amendment that extends the availability of the practical expedient to lease payments due on or before June 30, 2022. Refer to Note 4 for the relevant accounting policies of the practical expedient.

The Company applies the amendments from January 1, 2021.

- b. The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 1)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 2)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 3)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”

The amendments specify that when assessing whether a contract is onerous, the “cost of fulfilling a contract” includes both the incremental costs of fulfilling that contract (for example, direct labor and materials) and an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of depreciation for an item of property, plant and equipment used in fulfilling the contract).

The Company will recognize the cumulative effect of the initial application of the amendments in the retained earnings at the date of the initial application on January 1, 2022.

Except for the above impact, as of the date the financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company’s financial position and financial performance.

- c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023

(Continued)



New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 2)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 3)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 4)
	(Concluded)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

1) Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”

The amendments clarify that for a liability to be classified as non-current, the Company shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Company will exercise that right. The amendments also clarify that, if the right to defer settlement is subject to compliance with specified conditions, the Company must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date.

The amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Company’s own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Company’s own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 “Financial Instruments: Presentation”, the aforementioned terms would not affect the classification of the liability.

2) Amendments to IAS 1 “Disclosure of Accounting Policies”

The amendments specify that the Company should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

- The Company may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

- a) The Company changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;
 - b) The Company chose the accounting policy from options permitted by the standards;
 - c) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies
 - d) The accounting policy relates to an area for which the Company is required to make significant judgements or assumptions in applying an accounting policy, and the Company discloses those judgements or assumptions; or
 - e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.
- 3) Amendments to IAS 8 “Definition of Accounting Estimates”

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Company may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Company uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

Except for the above impact, as of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments and investment properties which are measured at fair value, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in these parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and
- 3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

d. Business combinations

Business combinations involving entities under common control are not accounted for using the acquisition method but are accounted for at the carrying amounts of the entities. Comparative information of the prior period in the financial statements is restated as if a business combination involving entities under common control had already occurred in that period.

e. Foreign currencies

In preparing the Company's financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purposes of presenting financial statements, the assets and liabilities of the Company's foreign operations (including subsidiaries and associates in other countries that use currencies which are different from the currency of the Company) are translated into the New Taiwan dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

f. Shipping fuel

Shipping fuel is stated at the lower of cost or net realizable value. Any write-down is made item by item. Shipping fuel is recorded at weighted-average cost.

g. Investment in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries attributable to the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further loss, if any.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profit or loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

h. Investment in associates

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Company uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of the equity of associates attributable to the Company.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

When the Company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's financial statements only to the extent of interests in the associate that are not related to the Company.

i. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties include land held for a currently undetermined future use.

Freehold investment properties are measured initially at cost, including transaction costs, and are subsequently measured using the fair value model. Changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

k. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

l. Impairment of property, plant and equipment, right-of-use assets and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

m. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 31.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

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

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost, time deposits with original maturities of more than 3 months, repurchase agreements, other receivables and long-term receivables, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits and repurchase agreements with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets and contract assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), finance lease receivables, other receivables, as well as contract assets.

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables, finance lease receivables, other receivables and contract assets. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Company considers that when internal or external information shows that the debtor is unlikely to pay its creditors, it is indicated that a financial asset is in default (without taking into account any collateral held by the Company).

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the following situation, all the financial liabilities are measured at amortized cost using the effective interest method:

i. Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liabilities are held for trading.

Financial liabilities held for trading are stated at fair value, and any remeasurement gains or losses on such financial liabilities are recognized in profit or loss. Fair value is determined in the manner described in Note 31.

ii. Financial guarantee contract

Financial guarantee contracts issued by the Company, if not designated as at FVTPL, are subsequently measured at the higher of:

- i) The amount of the loss allowance reflecting expected credit losses; and
- ii) Amortized cost.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Convertible bonds

The component parts of compound instruments (i.e., mandatory convertible bonds and convertible bonds) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component, and amortize by using the effective method in subsequent periods.

5) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate and oil price variation risks, including, cross-currency swap contract, oil swap and oil swap option.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts, and the host contracts are not measured at FVTPL.

n. Hedge accounting

The Company designates certain hedging instruments, which include non-derivatives in respect of foreign currency risk, as cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

Cash flow hedges

The effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as reclassification adjustments in the line items relating to the hedged item in the same period in which the hedged item affects profit or loss. If a hedge of a forecasted transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and included in the initial cost of the non-financial asset or non-financial liability.

The Company discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that was previously recognized in other comprehensive income (from the period in which the hedge was effective) remains separately in equity until the forecasted transaction occurs. When a forecasted transaction is no longer expected to occur, the gains or losses accumulated in equity are recognized immediately in profit or loss.

o. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

p. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

For contracts entered into with the same customer (or related parties of the customer) at or near the same time, those contracts are accounted for as a single contract if the services promised in the contracts are a single performance obligation.

1) Revenue from container shipping service

Revenue from contracts with customers comes from providing container shipping services. As the Company provides container shipping services, customers simultaneously receive and consume the benefits provided by the Company's performance. The Company recognizes the cargo revenue and contract asset on the basis of the percentage-of-completion. The contract assets are reclassified to trade receivables when the voyage is completed.

2) Other operating revenue

Other service revenue is recognized on an accrual basis during the service is rendered or upon the completion of service.

q. Leasing

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

For a contract that contains a lease component and non-lease components, the Company allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Company subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Company, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Under finance leases, the lease payments comprise fixed payments. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Company's net investment outstanding in respect of leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. However, if leases transfer ownership of the underlying assets to the Company by the end of the lease terms or if the costs of right-of-use assets reflect that the Company will exercise a purchase option, the Company depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the balance sheets.

The Company negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease substantially less than the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Company elects to apply the practical expedient to all of these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, The Company recognizes the reduction in lease payment in profit or loss as a deduction of expenses of variable lease payments, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

For sale and leaseback transactions, if the transfer of an asset satisfies the requirements of IFRS 15 to be accounted for as a sale, the Company recognizes only the amount of any gain or loss which relates to the rights transferred to the buyer-lessor, and adjusts the off-market terms to measure the sale proceeds at fair value. If the transfer does not satisfy the requirements of IFRS 15 to be accounted for as a sale, it is accounted for as a financing transaction.

r. **Borrowing costs**

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

s. Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs that the grants intend to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they are received.

The benefit of a government loan received at a below-market rate of interest is treated as a government grant measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

t. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liability are recognized as employee benefits expense in the period in which they occur or when the plan amendment or curtailment occurs. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for a defined benefit plan except that remeasurement is recognized in profit or loss.

4) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the Company recognizes any related restructuring costs.

u. Employee share options

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Company's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees is the date on which the board of directors approves the transaction.

v. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carry forward to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. If investment properties measured using the fair value model are non-depreciable assets, or are held under a business model whose objective is not to consume substantially all of the economic benefits embodied in the assets over time, the carrying amounts of such assets are presumed to be recovered entirely through sale.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Company considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

Revenue recognition

Revenue from delivery service is recognized under the percentage-of-completion method. The Company evaluates the percentage-of-completion and estimates the revenue and related costs as of the financial reporting date.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2021	2020
Cash on hand	\$ 2,613	\$ 1,468
Checking accounts and demand deposits	36,430,122	5,071,878
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	5,346,990	7,361,908
Repurchase agreements	<u>276,800</u>	<u>1,634,752</u>
	<u>\$ 42,056,525</u>	<u>\$ 14,070,006</u>

The market rate intervals of time deposits and repurchase agreements at the end of the year were as follows:

	December 31	
	2021	2020
Time deposits	0.31%-2.68%	0.30%-3.18%
Repurchase agreements	0.30%-0.42%	0.38%-0.55%



7. FINANCIAL INSTRUMENTS AT FVTPL

	December 31	
	2021	2020
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Call option of bonds payable	\$ -	\$ 8,636
Oil option contracts	-	-
Non-derivative financial assets		
Domestic listed shares	70,016	23,923
Mutual funds	<u>6,032</u>	<u>1,710,854</u>
	<u>\$ 76,048</u>	<u>\$ 1,743,413</u>

Financial assets at FVTPL - non-current

Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic limited partnership	<u>\$ 13,871</u>	<u>\$ -</u>

The Company's purpose for trading oil option contracts was to reduce the cost burden from oil price increase. The Company entered into oil option contract which was settled every month. Hedge accounting was not applied.

The Company did not have outstanding oil option contracts for the years ended December 31, 2021 and 2020.

8. FINANCIAL ASSETS AT FVTOCI - NON-CURRENT

	December 31	
	2021	2020
<u>Domestic investments in equity instruments</u>		
Listed shares and emerging market shares		
Ordinary shares - Taiwan Navigation Co., Ltd. (Note)	\$ -	\$ 1,492,999
Unlisted shares		
Ordinary shares - Taipei Port Container Terminal Co., Ltd.	477,936	496,702
Ordinary shares - United Stevedoring Corp.	5,315	6,024
Ordinary shares - Ascentek Venture Capital Corporation	-	1,242
Ordinary shares - Pro-Ascentek Investment Corporation	<u>12,399</u>	<u>-</u>
	<u>\$ 495,650</u>	<u>\$ 1,996,967</u>

Note: The Company obtained two directors after the director re-election in the shareholders meeting of Taiwan Navigation Co., Ltd. on July 12, 2021. The Company has already had a significant influence on Taiwan Navigation Co., Ltd. Therefore, the Company reclassified investments in equity instruments into investments accounted for using equity method on the effective date and reclassified unrealized gain on investments in financial assets at FVTOCI \$2,175,840 thousand into retained earnings.

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

Dividends of \$2,480 thousand and \$57,505 thousand were recognized during 2021 and 2020, respectively.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2021	2020
Time deposits with original maturities of more than 3 months (a)	\$ 125,962,776	\$ 45,043
Restricted bank balance (Note 33)	52,025	-
Repurchase agreements (b)	2,707,104	1,534,502
Corporate bonds (c)	<u>600,000</u>	<u>620,000</u>
	<u>\$ 129,321,905</u>	<u>\$ 2,199,545</u>
Current	<u>\$ 128,721,269</u>	<u>\$ 1,598,922</u>
Non-current	<u>\$ 600,636</u>	<u>\$ 600,623</u>

- The range of interest rates for time deposits with original maturities of more than 3 months were approximately 0.07%-0.78% and 1.04% per annum as of December 31, 2021 and 2020, respectively.
- The range of interest rates for repurchase agreements were approximately 0.35%-0.44% and 0.50%-0.55% per annum as of December 31, 2021 and 2020, respectively.
- In December 2020, the Company bought a 5-year corporate bond issued by Kuang Ming Shipping Corp. at a par value of \$600,000 thousand with a coupon rate and an effective interest rate of 1.80%. The corporate bond is repaid at the maturity date. In June 2019, the Company purchased corporate bonds issued by Cathay Life Insurance Company, Ltd. at a par value of \$20,000 thousand with a coupon rate and an effective interest rate of 3.00%.

10. TRADE RECEIVABLES

	December 31	
	2021	2020
<u>Trade receivables</u>		
At amortized cost		
Trade receivable - non-related parties	\$ 6,475,238	\$ 2,270,117
Trade receivable - related parties	3,247,361	1,685,982
Less: Allowance for impairment loss	<u>(54,079)</u>	<u>(13,247)</u>
	<u>\$ 9,668,520</u>	<u>\$ 3,942,852</u>

The average credit period of trade receivables from cargo business is 14 to 28 days.



The Company measures the loss allowance for trade receivables and contract assets at an amount equal to lifetime ECLs. The expected credit losses on trade receivables and contract assets are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, and the Company's customers are scattered around the world and not related to each other. The management believes there is no significant concentration of credit risk for trade receivables. The provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base. The Company recognize contract assets by completion ratio of transportation. According to historical experience, the completion of transportation period is within 60 days. The recognition method of the Company to assess contract assets which have expected credit loss is same as the trade receivables, and to assess within 60 days after invoice date.

The Company writes off trade receivables and contract assets when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables and contract assets that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

For the trade receivables balances that were past due at the end of the reporting period, the Company did not recognize an allowance for impairment loss, because there was not a significant change in credit quality and the amounts were still considered recoverable. The Company acquired bank's guaranteed letter from agencies or received security deposit from clients; for the rest of the receivables, the Company did not hold any collateral or other credit enhancements for these balances.

The following table details the loss allowance of trade receivables based on the Company's provision matrix.

December 31, 2021

	<u>No Sign of Default by Client</u>		Total
	Less than 30 Days	31 to 60 Days	
Expected credit loss rate	0.53%	0.88%-1.88%	
Gross carrying amount	\$ 9,528,874	\$ 193,725	\$ 9,722,599
Loss allowance (Lifetime ECLs)	<u>(51,735)</u>	<u>(2,344)</u>	<u>(54,079)</u>
Amortized cost	<u>\$ 9,477,139</u>	<u>\$ 191,381</u>	<u>\$ 9,668,520</u>

December 31, 2020

	<u>No Sign of Default by Client</u>		Total
	Less than 30 Days	31 to 60 Days	
Expected credit loss rate	0.28%	0.63%-1.63%	
Gross carrying amount	\$ 3,862,960	\$ 93,139	\$ 3,956,099
Loss allowance (Lifetime ECLs)	<u>(12,548)</u>	<u>(699)</u>	<u>(13,247)</u>
Amortized cost	<u>\$ 3,850,412</u>	<u>\$ 92,440</u>	<u>\$ 3,942,852</u>

The movements of the loss allowance of trade receivables were as follows:

	2021	2020
Balance at January 1	\$ 13,247	\$ 15,834
Add: Net remeasurement of loss allowance	43,427	12,843
Less: Amounts written off	(7)	(2,881)
Less: Reclassified to allowance of overdue receivables	<u>(2,588)</u>	<u>(12,549)</u>
Balance at December 31	<u>\$ 54,079</u>	<u>\$ 13,247</u>

11. FINANCE LEASE RECEIVABLES

	December 31	
	2021	2020
<u>Undiscounted lease payments</u>		
Year 1	\$ 85,091	\$ 116,577
Year 2	85,091	116,577
Year 3	85,091	116,577
Year 4	78,751	116,577
Year 5	72,411	116,577
Year 6 onwards	<u>412,704</u>	<u>463,031</u>
	819,139	1,045,916
Less: Unearned finance income	<u>(100,657)</u>	<u>(167,740)</u>
Net investment in leases presented as finance lease receivables	<u>\$ 718,482</u>	<u>\$ 878,176</u>
Current	<u>\$ 65,773</u>	<u>\$ 78,852</u>
Non-current	<u>\$ 652,709</u>	<u>\$ 799,324</u>

The Company entered into finance lease arrangement for certain port equipment with quarterly fixed lease payment of \$11,042 thousand. In June 2021, due to the damage to bridge cranes, the Company agreed to reduce the rent to a fixed lease payment of \$3,170 thousand per quarter for the remaining lease period. Because the original lease agreement did not have a relevant rent adjustment mechanism, the abovementioned modification of the lease agreement reduced the adjustment of the financial lease receivable, and recognized a loss on the lease modification of \$87,347 thousand.

The Company has been subleasing its container yard located in Keelung with monthly and quarterly fixed lease payments of \$1,834 thousand and \$1,796 thousand. Also, the Company has been subleasing its logistics center located in Kaohsiung with quarterly fixed lease payment of \$10,804 thousand. As the Company subleases the container yard and the logistics center for all the remaining lease term of the main lease to the sublessees, the sublease contracts are classified as a finance lease.

The interest rates inherent in leases are fixed at the contract dates for the entire term of the lease. The range of interest rates inherent in the finance leases was approximately 0.40%-17.71% per annum as of December 31, 2021, and 2020.

The Company measures the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. As of December 31, 2021, no finance lease receivable was past due. The Company has not recognized a loss allowance for finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables.



12. SHIPPING FUEL

	December 31	
	2021	2020
Shipping fuel	\$ 2,296,967	\$ 1,569,829

The cost of shipping fuel recognized as operating cost for the years ended December 31, 2021 and 2020 was \$10,679,281 thousand and \$13,321,347 thousand, respectively.

The cost of shipping fuel recognized as operating cost for the years ended December 31, 2021 and 2020 included reversals of shipping fuel write-downs of \$75,437 thousand and shipping fuel write-downs of \$62,947 thousand, respectively. Previous write-downs were reversed as a result of increased profit from marine operations.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2021	2020
Investments in subsidiaries	\$ 24,575,842	\$ 13,918,440
Investments in associates	8,770,518	5,027,006
	<u>\$ 33,346,360</u>	<u>\$ 18,945,446</u>

a. Investments in subsidiaries

	December 31	
	2021	2020
Unlisted shares		
Yang Ming Shipping (B.V.I.) Inc.	\$ 7,658,079	\$ 5,480,735
Yang Ming Line B.V.	1,510,079	(1,161,655)
Yang Ming Line (Singapore) Pte Ltd.	7,674,208	3,888,620
Yang Ming Line Holding Co.	3,048,457	2,277,061
Kuang Ming Shipping Corp.	1,847,847	848,046
Yes Logistics Corp.	1,441,453	1,135,788
All Oceans Transportation Inc.	1,099,647	(293,257)
Jing Ming Transportation Co., Ltd.	134,197	133,753
Honming Terminal & Stevedoring Co., Ltd.	161,875	154,437
	<u>24,575,842</u>	<u>12,463,528</u>
Plus: Reclassified to cumulative losses in excess of cost of investment	-	1,454,912
	<u>\$ 24,575,842</u>	<u>\$ 13,918,440</u>

Name of Subsidiaries	Proportion of Ownership and Voting Rights	
	December 31	
	2021	2020
Yang Ming Shipping (B.V.I.) Inc.	100.00%	100.00%
Yang Ming Line B.V. (Note a)	100.00%	100.00%
Yang Ming Line (Singapore) Pte Ltd. (Note d)	100.00%	100.00%
Yang Ming Line Holding Co.	100.00%	100.00%
Kuang Ming Shipping Corp. (Note b)	98.88%	98.88%
Yes Logistics Corp.	96.36%	96.36%
All Oceans Transportation Inc. (Note c)	100.00%	100.00%
Jing Ming Transportation Co., Ltd.	50.98%	50.98%
Honming Terminal & Stevedoring Co., Ltd.	100.00%	100.00%

Note a: The Company reorganized the organization in December 2020 and adjusted the holding structure of the Company in Europe. The Company acquired equity of Yang Ming Line B.V. from Yang Ming Line N.V.

Note b: The Company's board of directors resolved in March 2021 to apply for a capital reduction of Kuang Ming Shipping Corp. to offset deficit in the amount of \$3,000,000 thousand, and the ratio of capital reduction is about 75%.

Note c: The Company's board of directors resolved in January 2021 to apply for the capital increase by cash of All Oceans Transportation Inc. with a limit amount of \$1,497,000 thousand. Until July 2021 apply completely the capital increase by cash with the amount of \$1,496,946 thousand.

Note d: Due to business strategy and management considerations, the board of directors decided to restructure the organization in January 2022 and intended to acquire 100% of the equity interest of Yang Ming (Singapore) Pte. Ltd. from Yang Ming Line (Singapore) Pte Ltd. for US\$16,061 thousand.

Refer to Table B for the amounts of investments in subsidiaries which were pledged for the Company's endorsement and guarantee.

b. Investment in associates

	December 31	
	2021	2020
Associates that are not individually material		
Kao Ming Container Terminal Corp.	\$ 4,928,086	\$ 4,759,757
Taiwan Navigation Co., Ltd. (Note)	3,483,454	-
Yunn Wang Investment Co., Ltd.	239,695	132,962
Taiwan Foundation International Pte. Ltd.	96,463	98,219
Sino Trans PFS Cold Chain Logistics Co., Ltd.	<u>22,820</u>	<u>36,068</u>
	<u>\$ 8,770,518</u>	<u>\$ 5,027,006</u>

Note: The Company obtained two directors after the directors re-election in the shareholders' meeting of Taiwan Navigation Co., Ltd. on July 12, 2021. The Company has had a significant influence on the Company.



The Company held 6.67% of Sino Trans PFS Cold Chain Logistics Co., Ltd. in 2021, but YES Logistics Corp., a subsidiary of the Company, also held 13.33% of Sino Trans PFS Cold Chain Logistics Co., Ltd., so it was listed as an associate.

All the associates are accounted for using the equity method.

Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2021	2020
The Company's share of:		
Net profit (loss) for the year	\$ 279,518	\$ (26,593)
Other comprehensive income (loss)	<u>(171,144)</u>	<u>22,249</u>
Total comprehensive income (loss) for the year	<u>\$ 108,374</u>	<u>\$ (4,344)</u>

On December 31, 2021, the carrying amount of associate that are not individually materials, Taiwan Navigation Co., Ltd and Sino Trans PFS Cold Chain Logistics Co., Ltd., was higher than recoverable amount which was measured by determining the value in use of the investments using the income approach with the discounted cash flow method at the discount rate of 8.70%-12.70%. The impairment loss recognized for the year ended December 31, 2021 was \$602,008 thousand.

On December 31, 2020, the carrying amount of Kao Ming Container Terminal Corp., associate that is not individually material, was higher than recoverable amount which was measured by determining the value in use of the investments using the income approach with the discounted cash flow method at the discount rate of 6.10%. An impairment loss recognized for the year ended December 31, 2020 was \$1,027,207 thousand.

14. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2021	2020
Assets used by the Company	\$ 43,362,857	\$ 40,280,116
Assets leased under operating leases	<u>15,763</u>	<u>223,233</u>
	<u>\$ 43,378,620</u>	<u>\$ 40,503,349</u>

a. Assets used by the Company

	Land	Buildings	Container and Chassis	Ships	Leasehold Improvements	Miscellaneous Equipment	Property under Construction	Total
<u>Cost</u>								
Balance at January 1, 2021	\$ 343,210	\$ 773,563	\$ 24,848,524	\$ 36,692,228	\$ 146,272	\$ 1,227,481	\$ 1,591,930	\$ 65,623,208
Additions	-	428	2,455,958	966,946	-	66,636	3,187,564	6,677,532
Disposals	-	-	(393,062)	(170,617)	-	(69,589)	-	(633,268)
Transfers from assets leased under operating leases	-	-	-	503,735	-	-	-	503,735
Transfers to assets leased under operating leases	-	-	-	(63,003)	-	-	-	(63,003)
Reclassification	-	-	-	4,859,473	-	1,314	(4,779,494)	81,293
Balance at December 31, 2021	<u>\$ 343,210</u>	<u>\$ 773,991</u>	<u>\$ 26,911,420</u>	<u>\$ 42,788,762</u>	<u>\$ 146,272</u>	<u>\$ 1,225,842</u>	<u>\$ -</u>	<u>\$ 72,189,497</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2021	\$ -	\$ 323,900	\$ 14,084,092	\$ 9,746,602	\$ 146,272	\$ 1,042,226	\$ -	\$ 25,343,092
Disposals	-	-	(345,368)	(166,919)	-	(69,549)	-	(581,836)
Transfers from assets leased under operating leases	-	-	-	292,225	-	-	-	292,225
Transfers to assets leased under operating leases	-	-	-	(36,073)	-	-	-	(36,073)
Depreciation expenses	-	13,627	1,570,401	2,167,661	-	57,543	-	3,809,232
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 337,527</u>	<u>\$ 15,309,125</u>	<u>\$ 12,003,496</u>	<u>\$ 146,272</u>	<u>\$ 1,030,220</u>	<u>\$ -</u>	<u>\$ 28,826,640</u>
Carrying amounts at December 31, 2021	<u>\$ 343,210</u>	<u>\$ 436,464</u>	<u>\$ 11,602,295</u>	<u>\$ 30,785,266</u>	<u>\$ -</u>	<u>\$ 195,622</u>	<u>\$ -</u>	<u>\$ 43,362,857</u>

(Continued)

	Land	Buildings	Container and Chassis	Ships	Leasehold Improvements	Miscellaneous Equipment	Property under Construction	Total
<u>Cost</u>								
Balance at January 1, 2020	\$ 343,210	\$ 773,385	\$ 23,755,059	\$ 28,347,443	\$ 146,272	\$ 1,218,876	\$ 2,851,888	\$ 57,436,133
Additions	-	178	1,740,951	1,083,267	-	32,528	5,941,271	8,798,195
Disposals	-	-	(840,490)	(125,763)	-	(24,257)	-	(990,510)
Reclassification	-	-	193,004	7,387,281	-	334	(7,201,229)	379,390
Balance at December 31, 2020	<u>\$ 343,210</u>	<u>\$ 773,563</u>	<u>\$ 24,848,524</u>	<u>\$ 36,692,228</u>	<u>\$ 146,272</u>	<u>\$ 1,227,481</u>	<u>\$ 1,591,930</u>	<u>\$ 65,623,208</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2020	\$ -	\$ 310,260	\$ 13,229,118	\$ 8,337,800	\$ 146,272	\$ 1,022,561	\$ -	\$ 23,046,011
Disposals	-	-	(743,417)	(125,763)	-	(24,210)	-	(893,390)
Depreciation expenses	-	13,640	1,598,391	1,534,565	-	43,875	-	3,190,471
Balance at December 31, 2020	<u>\$ -</u>	<u>\$ 323,900</u>	<u>\$ 14,084,092</u>	<u>\$ 9,746,602</u>	<u>\$ 146,272</u>	<u>\$ 1,042,226</u>	<u>\$ -</u>	<u>\$ 25,343,092</u>
Carrying amounts at December 31, 2020	<u>\$ 343,210</u>	<u>\$ 449,663</u>	<u>\$ 10,764,432</u>	<u>\$ 26,945,626</u>	<u>\$ -</u>	<u>\$ 185,255</u>	<u>\$ 1,591,930</u>	<u>\$ 40,280,116</u>

(Concluded)

The above items of property, plant and equipment used by the Company are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	53-56 years
Container and chassis	6-10 years
Ships	20-25 years
Dry dock	2.5-5 years
Leasehold improvements	2-10 years
Miscellaneous equipment	3-18 years

The dry dock is a significant component of ships.

Property, plant and equipment used by the Company and pledged as collateral for bank borrowings are set out in Note 33.

b. Assets leased under operating leases

	Ships
<u>Cost</u>	
Balance at January 1, 2021	\$ 503,735
Transfers from assets used by the Company	63,003
Transfers to assets used by the Company	<u>(503,735)</u>
Balance at December 31, 2021	<u>\$ 63,003</u>
<u>Accumulated depreciation</u>	
Balance at January 1, 2021	\$ 280,502
Transfers from assets used by the Company	36,073
Transfers to assets used by the Company	(292,225)
Depreciation expenses	<u>22,890</u>
Balance at December 31, 2021	<u>\$ 47,240</u>
Carrying amounts at December 31, 2021	<u>\$ 15,763</u>

(Continued)



	Ships
<u>Cost</u>	
Balance at January 1, 2020	\$ 503,735
Additions	<u>-</u>
Balance at December 31, 2020	<u>\$ 503,735</u>
<u>Accumulated depreciation</u>	
Balance at January 1, 2020	\$ 244,747
Depreciation expenses	<u>35,755</u>
Balance at December 31, 2020	<u>\$ 280,502</u>
Carrying amounts at December 31, 2020	<u>\$ 223,233</u> (Concluded)

The maturity analysis of lease payments receivable under operating lease payments was as follows:

	<u>December 31</u>	
	2021	2020
Year 1	\$ -	\$ 30,082
Year 2 onwards	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 30,082</u>

At the end of the lease terms of ships under operating leases, the Company assessed the demand of voyage line deployment to determine whether they should be reclassified to freehold or should be adjusted based on the market rent to continue leasing to reduce the risk of the residual assets of the lease assets.

The above items of property, plant and equipment leased under operating leases are depreciated on a straight-line basis over their estimated useful lives as follows:

Ships	25 years
Dry dock	2.5 years

The dry dock is a significant component of ships.

Property, plant and equipment leased under operating leases and pledged as collateral for bank borrowings are set out in Note 33.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	Land	Buildings	Container and Chassis	Ships	Miscellaneous Equipment	Total
<u>Cost</u>						
Balance at January 1, 2021	\$ 57,054	\$ 321,564	\$ 476,376	\$ 91,703,125	\$ 29,326	\$ 92,587,445
Additions	-	2,663	2,661,918	13,596,473	4,244	16,265,298
Disposals	<u>-</u>	<u>(2,494)</u>	<u>(471,423)</u>	<u>(304,770)</u>	<u>(2,955)</u>	<u>(781,642)</u>
Balance at December 31, 2021	<u>\$ 57,054</u>	<u>\$ 321,733</u>	<u>\$ 2,666,871</u>	<u>\$ 104,994,828</u>	<u>\$ 30,615</u>	<u>\$ 108,071,101</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2021	\$ 6,642	\$ 65,850	\$ 351,634	\$ 18,587,492	\$ 3,413	\$ 19,015,031
Additions	8,703	34,972	185,803	10,674,170	6,120	10,909,768
Disposals	<u>-</u>	<u>(1,004)</u>	<u>(471,423)</u>	<u>(95,136)</u>	<u>(2,955)</u>	<u>(570,518)</u>
Balance at December 31, 2021	<u>\$ 15,345</u>	<u>\$ 99,818</u>	<u>\$ 66,014</u>	<u>\$ 29,166,526</u>	<u>\$ 6,578</u>	<u>\$ 29,354,281</u>
Carrying amounts at December 31, 2021	<u>\$ 41,709</u>	<u>\$ 221,915</u>	<u>\$ 2,600,857</u>	<u>\$ 75,828,302</u>	<u>\$ 24,037</u>	<u>\$ 78,716,820</u>
<u>Cost</u>						
Balance at January 1, 2020	\$ 6,096	\$ 318,639	\$ 679,271	\$ 85,765,069	\$ 15,873	\$ 86,784,948
Additions	57,054	7,202	-	8,698,687	26,370	8,789,313
Disposals	<u>(6,096)</u>	<u>(4,277)</u>	<u>(202,895)</u>	<u>(2,760,631)</u>	<u>(12,917)</u>	<u>(2,986,816)</u>
Balance at December 31, 2020	<u>\$ 57,054</u>	<u>\$ 321,564</u>	<u>\$ 476,376</u>	<u>\$ 91,703,125</u>	<u>\$ 29,326</u>	<u>\$ 92,587,445</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2020	\$ 4,064	\$ 34,213	\$ 228,718	\$ 10,286,475	\$ 8,456	\$ 10,561,926
Additions	8,674	34,980	325,811	10,294,477	7,874	10,671,816
Disposals	<u>(6,096)</u>	<u>(3,343)</u>	<u>(202,895)</u>	<u>(1,993,460)</u>	<u>(12,917)</u>	<u>(2,218,711)</u>
Balance at December 31, 2020	<u>\$ 6,642</u>	<u>\$ 65,850</u>	<u>\$ 351,634</u>	<u>\$ 18,587,492</u>	<u>\$ 3,413</u>	<u>\$ 19,015,031</u>
Carrying amounts at December 31, 2020	<u>\$ 50,412</u>	<u>\$ 255,714</u>	<u>\$ 124,742</u>	<u>\$ 73,115,633</u>	<u>\$ 25,913</u>	<u>\$ 73,572,414</u>
				For the Year Ended December 31 2021		2020
Income from the sublease of right-of-use assets (presented in operating revenue)				\$ 71,098		\$ 70,505



b. Lease liabilities

	December 31	
	2021	2020
Land	\$ 42,098	\$ 50,592
Buildings	446,523	503,581
Container and chassis	2,592,355	117,714
Ships	57,092,768	53,018,247
Miscellaneous equipment	<u>23,366</u>	<u>25,631</u>
	<u>\$ 60,197,110</u>	<u>\$ 53,715,765</u>
<u>Carrying amounts</u>		
Current	<u>\$ 1,833,506</u>	<u>\$ 538,501</u>
Non-current	<u>\$ 16,942,727</u>	<u>\$ 5,422,960</u>
<u>Lease liabilities designated as hedging (included in financial liabilities for hedging)</u>		
Current	<u>\$ 7,585,691</u>	<u>\$ 7,370,742</u>
Non-current	<u>\$ 33,835,186</u>	<u>\$ 40,383,562</u>

Financial liabilities designated as hedging

The Company designated certain USD-denominated lease liabilities as hedging instruments to hedge future volatility of USD-denominated operating revenue, and the accounting treatment is applicable to cash flow hedges. The information on the contracts were summarized as follows:

	Maturity Period	Account	Carrying Amount
December 31, 2021	2025/01/31-2031/01/31	Financial liabilities for hedging	\$ 41,420,877
December 31, 2020	2025/01/31-2030/09/30	Financial liabilities for hedging	47,754,304

Impact on comprehensive income (loss):

	Recognized in Other Comprehensive Income	Amount Reclassified to Profit or Loss
For the year ended December 31, 2021	<u>\$ 1,312,294</u>	<u>\$ (670,552)</u>
For the year ended December 31, 2020	<u>\$ 2,489,548</u>	<u>\$ (252,245)</u>

There was no other source of hedge ineffectiveness during hedging period.

As of December 31, 2021, the lease term and the range of discount rate for lease liabilities (including USD-denominated lease contracts designated as hedge instruments) were as follows:

	Lease Term	For the Year Ended December 31 2021
Land	2020/01/01-2027/12/31	1.12%-1.49%
Buildings	2016/01/01-2036/09/30	0.85%-1.79%
Container and chassis	2019/03/01-2032/10/31	0.08%-3.00%
Ships	2013/11/25-2040/03/31	1.27%-3.83%
Miscellaneous equipment	2020/11/01-2026/06/30	0.84%-1.23%

As of December 31, 2020, the lease term and the range of discount rate for lease liabilities (including USD-denominated lease contracts designated as hedge instruments) were as follows:

	Lease Term	For the Year Ended December 31 2020
Land	2020/01/01-2027/12/31	1.12%-1.49%
Buildings	2000/08/22-2036/09/30	0.85%-1.79%
Container and chassis	2019/03/01-2025/02/28	3.00%-3.87%
Ships	2012/02/21-2040/03/31	1.27%-3.83%
Miscellaneous equipment	2016/05/01-2025/10/31	1.23%-3.80%

c. Material lease-in activities and terms

Many of the ship leases across the Company contain extension options, some of them also contain purchase options. These terms are used to maximize operational flexibility in terms of managing contracts. When the rents are lower than the market price of lease market, the Company will extend the lease term; when the purchase option prices are better than the market price, the Company will consider if the purchase options are exercised or not. These terms are not reflected in measuring lease liabilities in many cases because the options are not reasonably certain to be exercised. The table below summarizes potential future rental payments relating to periods following the exercise dates of extension and purchase options.

	Lease Liabilities Recognized (Discounted)	Potential Future Lease Payments and Purchase Option Not Included in Lease Liabilities (Discounted)	Historical Rate of Exercise of Extension and Purchase Options
Containership Department			
<u>December 31, 2021</u>			
Ships	\$ 47,809,568	\$ 20,756,101	0%
<u>December 31, 2020</u>			
Ships	\$ 42,712,834	\$ 18,133,248	0%

For the purpose of managing the storage, reforming, processing, transfer and distribution of goods, YMTC collaborated with the Port of Kaohsiung, Taiwan International Ports Corporation, Ltd. on the construction and operation of the First and Second Logistics Centers of the Kaohsiung Third Container Center. YMTC is entitled to the use of the First and Second Logistics Centers for 30 years and 28 years and 9 months, respectively, based on the initial investment made by YMTC. The Centers are amortized over the period in use. Furthermore, in accordance with the requirements, YMTC should pay land-use fees and administration fees for every month of the lease term (based on the actual volume of cargo stevedored). Administration fees depend on the lowest guaranteed volumes for each respective logistics center, which are 1 million and 0.85 million tons. If YMTC is unable to reach the lowest guaranteed volumes, it should calculate the payment for the administration fees based on the volumes of 1 million and 0.85 million, respectively, and the administration fees will be adjusted under the annual Wholesale Price Index in Taiwan.

The Company's subsidiary signed a leaseback contract of YM Uberty and subleased to the Company in August 2008. After evaluation in 2019, the ship's repurchase option price in the contract was higher than market price. The subsidiary had returned the ship to ship owner in August 2020. However, according to the lease contract, the subsidiary was responsible for the ship owner's outstanding principal and interest and paid the compensation of approximately \$1,009,194 thousand when returning the ship. The Company had recognized the loss in 2019 due to the assumption of responsibility.

The Company signed a leaseback contract of YM Utopia in December 2009. The Company decided that the ship's repurchase option price in the contract was higher than market price according to the evaluation conducted in 2019 and returned the ship to its owner in February 2020. However, the ship owner did not have enough capital to settle the creditor bank's loan and was not able to return the Company's refundable deposits of \$310,866 thousand. The Company recognized an expected credit loss from refundable deposits in full in 2019.

d. Subleases

In addition to the sublease transactions described in Note 11, the other sublease transactions are set out below.

Sublease of right-of-use assets

The Company subleases its right-of-use assets for property, plant and equipment under operating leases with lease terms of 1 year. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating subleases was as follows:

	December 31	
	2021	2020
Year 1	\$ 47,560	\$ -
Year 2 onwards	-	-
	<u>\$ 47,560</u>	<u>\$ -</u>

e. Other lease information

	For the Year Ended December 31	
	2021	2020
Expenses relating to short-term leases	\$ <u>1,323,506</u>	\$ <u>3,054,485</u>
Expenses relating to low-value asset leases	\$ <u>3,245,401</u>	\$ <u>3,638,648</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ <u>(69,137)</u>	\$ <u>(97,147)</u>
Expenses relating to service cost payments not included in the measurement of lease liabilities	\$ <u>5,359,908</u>	\$ <u>5,179,795</u>
Total cash outflow for leases	\$ <u>(20,041,147)</u>	\$ <u>(20,975,377)</u>

The Company has elected to apply the recognition exemption of short-term leases and low-value asset leases and thus, did not recognize right-of-use assets and lease liabilities for these leases.

The amounts of lease commitments for short-term leases and low-value asset lease for which the recognition exemption is applied were \$8,668,667 thousand and \$14,801,795 thousand as of December 31, 2021 and 2020, respectively.

The amounts of lease commitments for future service cost which was recognized as non-lease components of contracts were \$47,617,086 thousand and \$41,531,971 thousand as of December 31, 2021 and 2020, respectively.

16. INVESTMENT PROPERTIES

	Completed Investment Property
Balance at January 1, 2020	\$ 6,761,116
Additions	-
Gain on change in fair value of investment properties	<u>5,478</u>
Balance at December 31, 2020	6,766,594
Additions	437,442
Gain on change in fair value of investment properties	<u>395,312</u>
Balance at December 31, 2021	<u>\$ 7,599,348</u>

The Company's properties located in Zhongzheng District, Taipei City were offered to Chunghwa Post Co., Ltd. for construction of Zhongnan Post Office. The Company needs to obtain approval from Chunghwa Post Co., Ltd. and Ministry of Transportation and Communication for reclaiming the property in the future. The Company had negotiated with Chunghwa Post Co., Ltd. on the value of the property that would be ceded, which was \$449,368 thousand. The two parties had agreed to proceed in accordance with approved procedures. In February 2022, the two parties completed negotiations and signed an agreement to implement related matters such as the allocation and the return of the property.

The investment properties are leased out for 1 to 10 years. All lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase option to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties at December 31, 2021 and 2020, was as follows:

	December 31	
	2021	2020
Year 1	\$ 81,508	\$ 67,106
Year 2	61,407	41,502
Year 3	31,687	22,056
Year 4	18,751	11,683
Year 5	9,309	6,920
Year 6 onwards	<u>3,200</u>	<u>4,114</u>
	<u>\$ 205,862</u>	<u>\$ 153,381</u>

To reduce the residual asset risk related to investment properties at the end of the relevant lease, the lease contract includes lessee's use limitation, guarantee deposit, punishment of breaching contracts, and responsibilities of maintenance, and the Company follows its general risk management strategy.

The fair values of investment properties measured on a recurring basis were as follows:

	December 31	
	2021	2020
Independent valuation	<u>\$ 7,599,348</u>	<u>\$ 6,766,594</u>

As of December 31, 2021, the fair value was based on the valuations carried out on January 14, 2022, by independent qualified professional valuers, Mr. Wu, Zhi-Hao, Mr. Li, Wei-Ru and Mr. Zhang, Zhi-Jia, certified real estate appraisers in the ROC and real estate appraisal firm from China Credit Information Service Limited.

As of December 31, 2020, the fair value was based on the valuations carried out on January 12, 2021, by independent qualified professional valuers, Ms. Chang, Yi-Chih, Mr. Chang, Hung-Kai and Ms. Yeh, Yu-Fen, all Certified Real Estate Appraisers in the ROC, from Savills Residential Service (Taiwan) Limited, Real Estate Appraisal Firm.

The fair value of investment properties was measured using unobservable inputs (Level 3). The movements in the fair value were as follows:

	Keelung	Taipei	Kaohsiung	Total
Balance at January 1, 2020	\$ 330,240	\$ 5,839,491	\$ 591,385	\$ 6,761,116
Recognized in profit or loss (gain (loss) arising from the change in fair value of investment property)	(7,184)	3,738	8,924	5,478
Addition	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2020	323,056	5,843,229	600,309	6,766,594
Recognized in profit or loss (gain arising from the change in fair value of investment property)	56,400	267,393	71,519	395,312
Addition	<u>3,074</u>	<u>434,368</u>	<u>-</u>	<u>437,442</u>
Balance at December 31, 2021	<u>\$ 382,530</u>	<u>\$ 6,544,990</u>	<u>\$ 671,828</u>	<u>\$ 7,599,348</u>

The fair value of investment properties, except for undeveloped land, is measured by the income approach. The significant assumptions used were stated below. An increase in estimated future net cash inflows or a decrease in discount rates would result in an increase in the fair value.

	December 31	
	2021	2020
Expected future cash inflows	\$ 5,918,838	\$ 5,643,340
Expected future cash outflows	<u>(399,418)</u>	<u>(451,573)</u>
Expected future cash inflows, net	<u>\$ 5,519,420</u>	<u>\$ 5,191,767</u>
Discount rate	1.995%-3.900%	3.595%

The market rentals in the area where the investment property is located were between \$0.4-\$2.1 thousand and \$0.5-\$3.0 thousand per ping (35.59 square feet) in 2021 and 2020, respectively. The market rentals for comparable properties were between \$0.5-\$2.7 thousand and \$0.4-\$2.5 thousand per ping (35.59 square feet) in 2021 and 2020, respectively.

The expected future cash inflows generated by investment property included rental income, interest income on rental deposits and disposal value. The rental income was extrapolated using the Company's current rental rate, taking into account the annual rental growth rate; the income analysis covers a 4-year to 10-year period, the interest income on rental deposits was extrapolated using the average deposit interest rate of the top five banks announced by the Central Bank of the Republic of China for a year; the disposal value was determined using the direct capitalization method under the income approach. The expected future cash outflows incurred by investment property included expenditure such as land value taxes, house taxes, insurance premium, and maintenance costs. The expenditure was extrapolated on the basis of the current level of expenditure, taking into account the future adjustment to the government-announced land value, the tax rate promulgated under the House Tax Act.

The discount rate was determined by reference to the interest rate for two-year time deposits as posted by Chunghwa Post Co., Ltd., plus 0.75%, and any asset-specific risk premiums of 0.4%-2.3%.

The fair value of undeveloped land located in area Keelung, Taipei, and Kaohsiung was measured by land development analysis. The increase in estimated total sale price, the increase in rate of return, or the decrease in overall capital interest rate would result in increase in the fair value. The significant assumptions used were as follows:

	December 31	
	2021	2020
Estimated total sale price	<u>\$ 7,879,587</u>	<u>\$ 7,535,602</u>
Rate of return	12%-20%	15%-20%
Overall capital interest rate	1.05%-3.56%	1.32%-4.47%

The rate of returns was determined by reference to the annual profit rate and construction period of the similar product constructed by competitors. Overall capitalization rate referred to current average benchmark interest rate and deposit interest rate of the top five banks, and to the proportion of equity funds and borrowed funds. The cost of the equity funds and borrowed funds is determined by the deposit and benchmark interest rate, respectively.

The total sale price is estimated on the basis of the most effective use of land or property available for sale after development is completed, taking into account the related regulations, domestic macroeconomic prospects, local land use, and market rates.



All of the Company's investment property was held under freehold interests.

The carrying amounts of investment properties pledged by the Company to secure borrowings granted to the Company were reflected in Note 33.

17. BORROWINGS

a. Short-term bills payable

	December 31	
	2021	2020
Commercial paper	\$ -	\$ 9,640,000
Less: Unamortized discount on bills payable	-	16,882
	-	9,623,118
Loans from related parties (Note 32)	-	2,100,000
Less: Unamortized discount on bills payable	-	8,662
	-	2,091,338
	<u>\$ -</u>	<u>\$ 11,714,456</u>

Interest rates of the outstanding short-term bills payable were 0.69%-1.40% per annum as of December 31, 2020. Interest rates of the outstanding short-term bills payable from related parties were 1.02% per annum as of December 31, 2020.

b. Long-term borrowings

	December 31	
	2021	2020
Secured borrowings (Note 33)		
Secured bank loans	\$ -	\$ 1,553,600
Loans from related parties (Note 32)	2,385,000	10,449,425
Other borrowings	317,324	469,644
	<u>2,702,324</u>	<u>12,472,669</u>
Unsecured borrowings		
Line of credit borrowings	-	-
Loans from related parties (Note 32)	-	13,603,924
	-	<u>13,603,924</u>
Commercial paper		
Line of credit borrowings	1,300,000	20,150,000
Less: Unamortized discount on bills payable	356	23,735
	<u>1,299,644</u>	<u>20,126,265</u>
Loans from related parties (Note 32)	-	1,500,000
Less: Unamortized discount on bills payable	-	1,255
	-	<u>1,498,745</u>
	<u>1,299,644</u>	<u>21,625,010</u>
	4,001,968	47,701,603
Less: Current portion	<u>617,298</u>	<u>11,255,259</u>
Long-term borrowings	<u>\$ 3,384,670</u>	<u>\$ 36,446,344</u>

Secured borrowings

1) Secured bank loans

The secured bank loans of the Company will be repaid in New Taiwan dollars. The loans are repayable in installment at varying amounts. The loans were fully repaid in advance on December 29, 2021. Interest rates were 1.25%-1.79% on December 31, 2020. The Company's ships, investment properties, and containers are pledged as collaterals for the secured loans.

2) Loans from related parties

The Company's loans from related parties are borrowings repaid in New Taiwan dollars from government - related entities and are repayable in installment at varying amounts as the borrowing terms before October 26, 2031. Interest rates were 1.12%-1.18% and 1.13%-1.80% on December 31, 2021 and 2020, respectively. The Company and the subsidiary All Oceans Transportation Inc.'s ships, the Company's lands, buildings, investment properties and containers are pledged as collaterals for the secured loans.

3) Other borrowings

Other borrowings were secured loans from a finance company. Interest rates was 4.00% on December 31, 2021 and 2020. The loans are repayable in installment at varying amounts before March 25, 2022. The Company's containers are pledged as collateral for the secured loans.

Unsecured borrowings

1) Line of credit borrowings

The Company's unsecured bank loans will be repaid in New Taiwan dollars in installment at varying amounts or one-lump sum payment at maturity as the borrowing terms. The loans were fully repaid in advance on August 27, 2020.

2) Loans from related parties

The Company's loans from related parties are borrowings repaid in New Taiwan dollars from government - related entities, and will be repaid in installment at varying amounts or one-lump sum payment as the borrowing terms. The loans were fully repaid in advance on October 12, 2021. Interest rates were 1.02%-1.47% on December 31, 2020.

In accordance with the "Regulations on Relief and Revitalization Measures for Industries and Enterprises Affected by Severe Pneumonia with Novel Pathogens" endorsed by the Ministry of Transportation and Communications, "Operational Guides on Relief Loan Guarantees for Ailing Marine Industry Affected by Severe Pneumonia with Novel Pathogens", and the "Operational Guides on Subsidized Interest of Relief Loan for Marine Industry Affected by Severe Pneumonia with Novel Pathogens" the Company applied for project finance loans from financial institutions to maintain its operations. Special funds, credit guarantees along with subsidized interest rates at 1-Year Time Variable Savings Deposits Rate posted by Chunghwa Post Co., Ltd. till June 30, 2021 were provided by the government. The total amount of the loans is \$8,000,000 thousand, which shall be repaid within 2 years from the date of initial drawdown. As of December 31, 2020, the Company had made a drawdown in the amount of \$7,500,000 thousand. The loan had been fully repaid in advance on January 25, 2021.



Commercial paper

YMTC signed 3 years underwriting contracts for the issuance of commercial paper with a bill finance institution. YMTC can issue the commercial papers in a revolving scheme during the period of the financing contracts. The commercial papers expected to be fully repaid before May 2023. During the issuance period, YMTC's short-term and long-term credit ratings (rated by Taiwan ratings or other rating organization recognized by authority) should be maintained at a certain level specified in the contracts. As of December 31, 2021 and 2020, YMTC had met the above requirements.

1) Line of credit borrowings

The Company's commercial papers will be fully repaid in New Taiwan dollars before May 24, 2023. Interest rates were 1.43%-1.59% and 1.41%-1.59% on December 31, 2021 and 2020, respectively.

2) Loans from related parties

The Company's loans from related parties are borrowings repaid in New Taiwan dollars from government - related entities. The loans were fully repaid in advance on August 23, 2021. Interest rates were 1.40%-1.45% on December 31, 2020.

18. BONDS PAYABLE

	December 31	
	2021	2020
Secured domestic bonds	\$ 10,822,014	\$ 4,945,877
Unsecured domestic bonds	-	-
Domestic secured convertible bonds	-	1,673,809
	10,822,014	6,619,686
Less: Current portion	-	1,673,809
	<u>\$ 10,822,014</u>	<u>\$ 4,945,877</u>

a. Secured domestic bonds

YMTC issued five-year domestic secured bonds with an aggregate par value of \$4,000,000 thousand on October 12, 2015 (the October 2015 Bonds).

The bond features and terms are as follows:

Bonds issued in October 2015:	Type A - aggregate par value: \$2,000,000 thousand; repayments: 50% - October 12, 2019 and 50% - October 12, 2020, an annual simple interest rate of 1.10%.
	Type B - aggregate par value: \$1,000,000 thousand; repayments: 50% - October 12, 2019 and 50% - October 12, 2020, an annual simple interest rate of 1.10%.
	Type C - aggregate par value: \$500,000 thousand; repayments: 50% - October 12, 2019 and 50% - October 12, 2020, an annual simple interest rate of 1.10%.
	Type D - aggregate par value: \$500,000 thousand; repayments: 50% - October 12, 2019 and 50% - October 12, 2020, an annual simple interest rate of 1.10%.

The October 2015 Bonds had been fully repaid.

YMTC issued the five-year domestic secured bonds with an aggregate par value of \$5,000,000 thousand on November 28, 2019 (the November 2019 Bonds).

The bond features and terms are as follows:

Bonds issued in November 2019:	Type A - aggregate par value: \$1,000,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.
	Type B - aggregate par value: \$1,500,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.
	Type C - aggregate par value: \$1,000,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.
	Type D - aggregate par value: \$1,000,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.
	Type E - aggregate par value: \$500,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.

YMTC issued five-year to seven-year domestic secured bonds with an aggregate par value of \$5,900,000 thousand on April 28, 2021 (the April 2021 Bonds).

The bond features and terms are as follows:

Bonds issued in April 2021:	Type A - aggregate par value: \$1,000,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type B - aggregate par value: \$1,000,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type C - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type D - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type E - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type F - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type G - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.

(Continued)

Type H - aggregate par value: \$400,000 thousand; repayments: 50% - April 28, 2027 and 50% - April 28, 2028, an annual simple interest rate of 0.49%.

Type I - aggregate par value: \$1,000,000 thousand; repayments: 50% - April 28, 2027 and 50% - April 28, 2028, an annual simple interest rate of 0.49%.
(Concluded)

The bonds are guaranteed by banks, of which \$3,000,000 thousand, \$5,000,000 thousand, and \$4,400,000 thousand, respectively are guaranteed by government - related banks.

b. Domestic unsecured bonds

On various dates, YMTC issued domestic unsecured bonds; the dates and the aggregate par values were as follows: \$5,000,000 thousand on November 1, 2013 (the November 2013 Bonds).

The bond features and terms were as follows:

Bonds issued in November 2013: Type A - aggregate par value: \$1,100,000 thousand and maturity on November 1, 2018. The principal will be repaid in a lump sum on November 1, 2018; 2.20% annual interest is repayable annually.

Type B - aggregate par value: \$3,900,000 thousand and maturity on November 1, 2020. The principal will be repaid in a lump sum on November 1, 2020; 2.45% annual interest is repayable annually.

The Type A Bonds had been repaid \$1,100,000 thousand as of October 30, 2018 and the Type B Bonds had been repaid \$3,900,000 thousand as of November 2, 2020.

The November 2013 Bonds had been fully repaid.

c. Domestic secured convertible bonds

On May 29, 2018, YMTC issued five-year domestic secured bonds (the 2018 convertible bonds) with an aggregate par value of \$7,600,000 thousand, and the issuance price was 101% of the par value. Bond settlement is as follows:

- 1) Lump-sum payment to the holders upon maturity at the par value;
- 2) Conversion by the holders, from August 30, 2018 to May 29, 2023 before the due date, into YMTC's common shares at the prevailing conversion price;
- 3) Reselling to YMTC by the holders before maturity.
- 4) Redemption by YMTC, under certain conditions, at par value before bond maturity.
- 5) Repurchase and write-off by YMTC from securities dealer office.

The initial conversion price was \$10.40 as of the date of issuance. The bonds contained liability component and equity component to recognize capital surplus - share warrants of \$308,765 thousand. The bondholders could request YMTC to repurchase bonds at par value before 30 days of the issuance for 3 years. There were \$7,600,000 thousand of bonds converted into 730,768 thousand common shares as of March 2021.

The bond is guaranteed by banks, of which \$7,100,000 thousand is guaranteed by government - related banks.

19. TRADE PAYABLES

	December 31	
	2021	2020
<u>Trade payables - operating</u>		
Trade payables - non-related parties	\$ 11,706,455	\$ 10,518,319
Trade payables - related parties	<u>2,735,483</u>	<u>2,219,515</u>
	<u>\$ 14,441,938</u>	<u>\$ 12,737,834</u>
Payable for cost of voyage in sailing	\$ 9,044,664	\$ 8,770,728
Payable for fuel	1,294,775	1,126,934
Payable for space hire	<u>4,102,499</u>	<u>2,840,172</u>
	<u>\$ 14,441,938</u>	<u>\$ 12,737,834</u>

20. OTHER PAYABLES

	December 31	
	2021	2020
Other payables - non-related parties	\$ 5,211,389	\$ 2,809,094
Other payables - related parties	<u>754,678</u>	<u>330,624</u>
	<u>\$ 5,966,067</u>	<u>\$ 3,139,718</u>
Payable for container lease	\$ 558,222	\$ 889,476
Payable for salary and bonus	3,576,846	852,420
Payable for interest expenses	34,130	20,399
Payable for equipment M&R expenses	73,917	180,262
Payable for annual leave	102,103	141,486
Payable for vessel charter hire	10,278	102,379
Payable for purchases of equipment	64,650	209,990
Others	<u>1,545,921</u>	<u>743,306</u>
	<u>\$ 5,966,067</u>	<u>\$ 3,139,718</u>

21. PROVISIONS

	December 31	
	2021	2020
Other provisions	<u>\$ 56,307</u>	<u>\$ -</u>

Other provisions are mainly due to the possible fine of \$56,307 thousand which the Company may be punished by the Korea Fair Trade Commission for violating the Korea Fair Trading Act. After receiving the award, the Company will take further measures to ensure maximum benefit.

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

YMTC pension plans under the Labor Pension Act (the “Act”) for onshore employees and shipping crews are defined contribution schemes. Starting on July 1, 2005, the Company makes monthly contributions to the employees’ individual pension accounts in the Bureau of Labor Insurance at 6% of employees’ salaries every month.

For domestic crews providing service in foreign ships, pension plan is based on hiring contracts, the Company makes monthly contributions to the employees’ account together with salaries.

b. Defined benefit plans

YMTC has adopted three pension plans since it was privatized on February 15, 1996. Before YMTC’s privatization, qualified employees received pension payments for service years before the start of the privatization. The service years of the employees who received pre-privatization pension payments and continued to work in YMTC after privatization will be excluded from the calculation of pension payments after privatization. These plans are as follows:

The pension plan under the Labor Standards Law for onshore employees is a defined benefit plan. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributed amounts equal to 3% of salaries every month. The pension fund is administered by the pension fund monitoring committee and deposited in the committee’s name in the Bank of Taiwan. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is insufficient to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the Bureau); the Company has no right to influence the investment policy and strategy.

Pension plan under the Maritime Labor Law for shipping crews is a defined benefit plan. Before the adoption of the ROC Maritime Labor Law, benefits were based on the amounts stated in the crew’s hiring contracts. Under the Law, benefits are based on service years and average basic salary of the six months before retirement.

Pension plan for retired employees of China Merchants Steamship Navigation Company (CMSNC) provides benefits based on service years and level of monthly basic salary at the time of retirement.

Because of spin-off, the service years of the employees transferred to Kuang Ming Shipping Corp. are continued from the service years in YMTC. Benefits are based on the proportion of service years between YMTC and Kuang Ming Shipping Corp. and are paid by individual pension accounts.

The Company, All Oceans Transportation Inc. and Yang Ming (UK) Ltd.’s pension plan under the Maritime Labor Law for shipping crews are defined benefit plans. Before the adoption of the ROC Maritime Labor Law, benefits were based on the amounts stated in the crews hiring contracts. Under the Law, benefits are based on service years and average monthly salary of the six months before retirement.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2021	2020
Present value of defined benefit obligation	\$ 3,439,490	\$ 3,534,104
Fair value of plan assets	<u>(772,979)</u>	<u>(690,650)</u>
Net defined benefit liability	<u>\$ 2,666,511</u>	<u>\$ 2,843,454</u>

Movements in net defined benefit liability were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability
Balance at January 1, 2020	<u>\$ 3,015,344</u>	<u>\$ (680,481)</u>	<u>\$ 2,334,863</u>
Current service cost	69,000	-	69,000
Net interest expense (income)	<u>23,406</u>	<u>(5,101)</u>	<u>18,305</u>
Recognized in profit or loss	<u>92,406</u>	<u>(5,101)</u>	<u>87,305</u>
Remeasurement			
Return on plan assets	-	(23,707)	(23,707)
Actuarial loss - changes in financial assumptions	137,206	-	137,206
Actuarial loss - experience adjustments	<u>488,729</u>	<u>-</u>	<u>488,729</u>
Recognized in other comprehensive loss (income)	<u>625,935</u>	<u>(23,707)</u>	<u>602,228</u>
Contributions from the employer	-	(15,522)	(15,522)
Benefits paid	<u>(199,581)</u>	<u>34,161</u>	<u>(165,420)</u>
Balance at December 31, 2020	<u>3,534,104</u>	<u>(690,650)</u>	<u>2,843,454</u>
Current service cost	75,239	-	75,239
Net interest expense (income)	<u>13,635</u>	<u>(2,468)</u>	<u>11,167</u>
Recognized in profit or loss	<u>88,874</u>	<u>(2,468)</u>	<u>86,406</u>
Remeasurement			
Return on plan assets	-	(10,136)	(10,136)
Actuarial gain - changes in financial assumptions	(140,148)	-	(140,148)
Actuarial loss - changes in demographic assumptions	83,843	-	83,843
Actuarial loss - experience adjustments	<u>121,528</u>	<u>-</u>	<u>121,528</u>
Recognized in other comprehensive loss (income)	<u>65,223</u>	<u>(10,136)</u>	<u>55,087</u>
Contributions from the employer	-	(129,074)	(129,074)
Benefits paid	<u>(248,711)</u>	<u>59,349</u>	<u>(189,362)</u>
Balance at December 31, 2021	<u>\$ 3,439,490</u>	<u>\$ (772,979)</u>	<u>\$ 2,666,511</u>



An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2021	2020
Current service cost	\$ 75,239	\$ 69,000
Net interest expense	11,167	18,305
Less: Other receivables - related	<u>(21,825)</u>	<u>(22,417)</u>
	<u>\$ 64,581</u>	<u>\$ 64,888</u>
An analysis by function		
Operating costs	\$ 31,135	\$ 31,311
Selling and marketing expenses	25,500	26,812
General and administrative expenses	<u>7,946</u>	<u>6,765</u>
	<u>\$ 64,581</u>	<u>\$ 64,888</u>

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2021	2020
Discount rates	0.80%	0.40%
Expected rates of salary increase	2.50%	2.50%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2021	2020
Discount rates		
0.50% increase	<u>\$ (162,914)</u>	<u>\$ (170,130)</u>
0.50% decrease	<u>\$ 176,641</u>	<u>\$ 185,046</u>
Expected rates of salary increase		
0.50% increase	<u>\$ 172,765</u>	<u>\$ 180,235</u>
0.50% decrease	<u>\$ (161,110)</u>	<u>\$ (167,611)</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2021	2020
The expected contributions to the plan for the next year	<u>\$ 132,301</u>	<u>\$ 15,910</u>
The average duration of the defined benefit obligation	8.8-11.4 years	9-11.2 years

- c. In an effort to encourage employee retirement, improve human resource structure and enhance vitality within organization, the Company calculates favorable retirement benefits according to the retirement policies. The Company recognized pension cost of \$1,786 thousand and \$15,936 thousand for the years ended December 31, 2021 and 2020, respectively.

23. EQUITY

a. Share capital

1) Ordinary shares

	December 31	
	2021	2020
Numbers of shares authorized (in thousands)	<u>4,500,000</u>	<u>4,500,000</u>
Shares authorized	<u>\$ 45,000,000</u>	<u>\$ 45,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>3,492,104</u>	<u>3,167,662</u>
Shares issued	<u>\$ 34,921,043</u>	<u>\$ 31,676,622</u>

Fully paid ordinary shares, which have a par value at \$10, carry one vote per share and carry a right to dividends.

The board of directors resolved on May 19, 2021 to apply a capital increase by cash through the issuance of 160,000 thousand ordinary shares with a par value at \$10 by book building. The ordinary shares were issued at premium price of \$182 per share, which have been resolved by the board of directors on July 12, 2021 and the share capital was increased to \$34,921,043 thousand. The above transaction was approved by FSC on June 23, 2021. The board of directors had determined the subscription base date to be July 16, 2021 and completed change registration in August 2021. The compensation cost incurred by this cash capital increase in the shares reserved for employees to subscribe, see Note 28 for detailed information.

The domestic secured convertible bonds had been converted into the Company's ordinary shares in the amount of \$1,644,421 thousand (164,442 thousand shares) in 2021. The board of directors had determined the subscription base date to be May 12, 2021 and completed change registration in June 2021.

The change in the Company's share capital in 2020 was mainly due to domestic secured convertible bonds had been converted into ordinary shares. Bonds holders had converted into the Company's ordinary share in the amount of \$5,663,265 thousand (566,326 thousand shares). The board of directors determined the subscription base date to be November 12, 2020 and January 27, 2021 and completed the change registration in December 2020 and February 2021, respectively.



On December 31, 2020, there were still 697,394 thousand privately placed ordinary shares were not converted into publicly placed shares. The board of directors resolved to covert the privately placed ordinary shares into publicly placed shares on November 11, 2021. The above transaction was approved by FSC on December 28, 2021, and had listed on January 3, 2022.

The rights and obligations of privately issuing ordinary shares are the same as those of the issuance of ordinary shares, except for a restriction on negotiation in accordance with the Securities and Exchange Act and the application for public listing after 3 years from the trade date.

2) Preference shares

The board of directors resolved on May 6, 2020 to privately place Type A preference shares with a limit of 300,000,000 shares and approved by 2020 Annual Shareholders Meeting. However, this plan was not executed and became unnecessary as the Company's financial status has been significantly improving.

3) Global depositary receipts

On November 14, 1996, YMTC issued 10 million units of global depositary receipts (GDRs), representing 100 million shares, at an issue price of US\$11.64 dollar per unit. The board of directors resolved to cancel the GDRs on August 13, 2019 and delisted them on December 5, 2019. There were no outstanding GDRs after June 2020.

b. Capital surplus

	May Be Used to Offset A Deficit, Distributed as Cash Dividends, or Transferred to Share Capital (1)	May Be Used to Offset A Deficit Only Changes in Percentage of Ownership Interests in Subsidiaries (2)	May Not Be Used for Any Purpose Share Warrants	Total
Balance at January 1, 2020	\$ 1,630,593	\$ 23	\$ 308,765	\$ 1,939,381
Convertible bonds converted to ordinary shares	314,626	-	(239,285)	75,341
Capital surplus used to offset accumulated deficit	<u>(1,630,593)</u>	<u>(23)</u>	<u>-</u>	<u>(1,630,616)</u>
Balance at December 31, 2020	<u>\$ 314,626</u>	<u>\$ -</u>	<u>\$ 69,480</u>	<u>\$ 384,106</u>
Balance at January 1, 2021	\$ 314,626	\$ -	\$ 69,480	\$ 384,106
Convertible bonds converted to ordinary shares	89,031	-	(69,480)	19,551
Share-based payment	-	-	51,373	51,373
Issuance of ordinary shares for cash	<u>27,571,373</u>	<u>-</u>	<u>(51,373)</u>	<u>27,520,000</u>
Balance at December 31, 2021	<u>\$ 27,975,030</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,975,030</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).
- 2) Such capital surplus arises from the effect of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Articles, when Company makes profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the expansion of transportation equipment and improvement of financial structure, and then any remaining profit together with any undistributed retained earnings, distributed at least 25%, shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and of bonus of shareholders. For the policies on distribution of compensation of employees and remuneration of directors and supervisors before and after amendment, refer to Note 25 h. compensation of employees and remuneration of directors.

YMTC should consider certain factors, including YMTC's profits, the change in the environment of the industry, potential growth of YMTC, costs, expenditures and the working capital for operation in proposing stock dividend appropriation plan. YMTC shall declare at least 20% of the amount declared as dividends in the form of cash as opposed to stock.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset a deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The statements of deficit compensation for 2019 approved in the shareholders' meeting on June 17, 2020, were as follows:

	Offsetting of Deficit
Capital surplus - issuance of ordinary shares	\$ 1,630,593
Capital surplus - changes in percentage of ownership interest in subsidiaries	<u>23</u>
	<u>\$ 1,630,616</u>

The appropriations of earnings for 2020 approved in the shareholders' meeting on May 14, 2021, were as follows:

	Appropriation of Earnings
Legal reserve	<u>\$ 166,092</u>
Special reserve	<u>\$ 1,494,827</u>



The appropriations of earnings for 2021 proposed by the Company's board of directors on March 14, 2022, were as follows:

	For the Year Ended December 31, 2021
Legal reserve	<u>\$ 16,740,972</u>
Special reserve	<u>\$ 2,218,403</u>
Cash dividends	<u>\$ 69,842,085</u>
Cash dividends per share (NT\$)	<u>\$ 20</u>

The appropriation of earnings for 2021 will be resolved by the shareholders in their meeting to be held on May 27, 2022.

d. Special reserves

Special reserve should be appropriated for the amount equal to the net debit balance reserves. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

On the initial application of fair value model to investment properties, the Company appropriated for a special reserve at the amount that were the same as the net increase arising from fair value measurement and transferred to retained earnings. Additional special reserve should be appropriated for subsequent net increase in fair value. The amount appropriated may be reversed to the extent that the cumulative net increases in fair value decrease or on the disposal of investment properties. If the Company offsets the deficit with special reserves before the reason for appropriating special reserves eliminated, the Company should compensate the special reserves before appropriating earnings.

e. Others equity items

1) Exchange differences on translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2021	2020
Balance at January 1	<u>\$ (713,510)</u>	<u>\$ (205,946)</u>
Recognized for the year		
Exchange differences on translation of the financial statements of foreign operations	(903,467)	(507,561)
Related income tax	<u>362,979</u>	<u>(3)</u>
Other comprehensive income (loss) recognized for the year	<u>(540,488)</u>	<u>(507,564)</u>
Balance at December 31	<u>\$ (1,253,998)</u>	<u>\$ (713,510)</u>

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ (785,730)	\$ (1,039,266)
Recognized for the year		
Unrealized gain (loss)		
Equity instruments	2,844,748	230,573
Share from associates accounted for using the equity method	(170,084)	22,963
Other comprehensive income (loss) recognized for the year	<u>2,674,664</u>	<u>253,536</u>
Cumulative unrealized loss of equity instruments transferred to retained earnings	(2,175,784)	-
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal by associates	<u>(12,643)</u>	<u>-</u>
Balance at December 31	\$ <u>(299,493)</u>	\$ <u>(785,730)</u>

3) Gain (loss) on hedging instruments

	Cash Flow Hedge	
	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 3,455,825	\$ 1,218,522
Recognized for the year		
Foreign currency risk - lease liabilities	1,312,294	2,489,548
Related income tax	(819,513)	-
Reclassification adjustments		
Foreign currency risk - operating revenue	<u>(670,552)</u>	<u>(252,245)</u>
Other comprehensive income recognized for the year	<u>(177,771)</u>	<u>2,237,303</u>
Balance at December 31	\$ <u>3,278,054</u>	\$ <u>3,455,825</u>

24. REVENUE

	For the Year Ended December 31	
	2021	2020
Revenue from contracts with customers		
Cargo revenue	\$ 224,966,024	\$ 115,745,770
Rental revenue on vessel	1,313,071	978,196
Rental income		
Slottage revenue	6,628,176	2,802,361
Agency revenue	658,860	290,267
Other operating revenue	<u>11,157,471</u>	<u>7,992,015</u>
	\$ <u>244,723,602</u>	\$ <u>127,808,609</u>



a. Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Trade receivables (Note 10)	<u>\$ 9,668,520</u>	<u>\$ 3,942,852</u>	<u>\$ 6,048,089</u>
Contract assets			
Cargo revenue	\$ 9,522,267	\$ 5,090,455	\$ 3,525,326
Less: Allowance for impairment loss	<u>(50,102)</u>	<u>(12,529)</u>	<u>(8,461)</u>
Contract assets	<u>\$ 9,472,165</u>	<u>\$ 5,077,926</u>	<u>\$ 3,516,865</u>
Contract liabilities - current			
Advance on contract	<u>\$ 694,873</u>	<u>\$ 56,318</u>	<u>\$ 84,699</u>

The Company measures the loss allowance for contract assets at an amount equal to lifetime ECLs. The contract assets will be transferred to accounts receivable when the container shipping services have been completed, and the contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Company concluded that the expected loss rates for trade receivables can be applied to the contract assets (Note 10).

The movements of the loss allowance of contract assets were as follows:

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 12,529	\$ 8,461
Add: Net remeasurement of loss allowance	<u>37,573</u>	<u>4,068</u>
Balance at December 31	<u>\$ 50,102</u>	<u>\$ 12,529</u>

The changes in the balance of contract assets and contract liabilities primarily result from the timing difference between the Company's performance and the respective customer's payment.

b. Disaggregation of revenue

Revenue from contracts with customers mainly comes from the containership department.

25. NET PROFIT

a. Other operating income and expenses

	For the Year Ended December 31	
	2021	2020
Gain on disposal and retirement of property, plant and equipment	\$ 139,102	\$ 224,547
Reimbursement income	<u>138,820</u>	<u>44,594</u>
	<u>\$ 277,922</u>	<u>\$ 269,141</u>

b. Interest income

	For the Year Ended December 31	
	2021	2020
Bank deposits	\$ 216,864	\$ 49,133
Net investments in leases	26,158	42,281
Long-term receivables - related party	25,263	41,306
Short-term bills	15,668	9,280
Other	<u>11,714</u>	<u>1,473</u>
	<u>\$ 295,667</u>	<u>\$ 143,473</u>

c. Other income

	For the Year Ended December 31	
	2021	2020
Rental income - operating leases	\$ 95,145	\$ 94,767
Dividends	<u>4,969</u>	<u>58,469</u>
	<u>\$ 100,114</u>	<u>\$ 153,236</u>

d. Other gains and losses

	For the Year Ended December 31	
	2021	2020
Net foreign exchange gains (losses)	\$ (383,962)	\$ 428,515
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	12,704	7,853
Financial liabilities held for trading	-	57,562
(Loss) gain arising from lease modifications	(82,887)	22,205
Gain arising from the change in fair value of investment properties	395,312	5,478
Impairment loss recognized on associates (Note 13)	(602,008)	(1,027,207)
Others	<u>24,067</u>	<u>(24,665)</u>
	<u>\$ (636,774)</u>	<u>\$ (530,259)</u>

e. Finance costs

	For the Year Ended December 31	
	2021	2020
Interest on bank loans	\$ 202,895	\$ 364,095
Interest on lease liabilities (including U.S. dollars lease contracts designated as hedging instrument)	1,682,072	1,884,819
Other interest expenses	<u>326,929</u>	<u>756,564</u>
	2,211,896	3,005,478
Less: Amounts included in the cost of qualifying assets	<u>(7,962)</u>	<u>(39,646)</u>
	<u>\$ 2,203,934</u>	<u>\$ 2,965,832</u>



Information about capitalized interest is as follows:

	December 31	
	2021	2020
Capitalized interest amount	\$ 7,962	\$ 39,646
Capitalized rate	0.99%-1.47%	1.14%-1.76%

f. Depreciation and amortization

	For the Year Ended December 31	
	2021	2020
Right-of-use assets	\$ 10,909,768	\$ 10,671,816
Property, plant and equipment	3,832,122	3,226,226
Intangible assets	<u>41,542</u>	<u>35,648</u>
	<u>\$ 14,783,432</u>	<u>\$ 13,933,690</u>
An analysis of depreciation by function		
Operating costs	\$ 14,686,716	\$ 13,840,346
Operating expenses	<u>55,174</u>	<u>57,696</u>
	<u>\$ 14,741,890</u>	<u>\$ 13,898,042</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 41,542</u>	<u>\$ 35,648</u>

g. Employee benefits expense

	For the Year Ended December 31	
	2021	2020
Post-employment benefits		
Defined contribution plans	\$ 69,684	\$ 64,993
Defined benefit plans (Note 22)	<u>64,581</u>	<u>64,888</u>
	134,265	129,881
Termination benefits	1,786	15,936
Other employee benefits	<u>5,823,525</u>	<u>2,944,976</u>
Total employee benefits expense	<u>\$ 5,959,576</u>	<u>\$ 3,090,793</u>
An analysis of employee benefits by function		
Operating costs	\$ 1,690,005	\$ 1,075,338
Operating expenses	<u>4,269,571</u>	<u>2,015,455</u>
	<u>\$ 5,959,576</u>	<u>\$ 3,090,793</u>

h. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of 1%-5% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. However, if there were accumulated deficit, the Company should reserve offset amount in advance.

The compensation of employees and the remuneration of directors for the year ended December 31, 2021 and 2020, which were approved by the Company's board of directors on March 14, 2022 and March 25, 2021 are as follows:

Accrual rate

	For the Year Ended December 31	
	2021	2020
Compensation of employees	1%	1%
Remuneration of directors	0.0396%	1%

Amount

	For the Year Ended December 31	
	2021	2020
	Cash	Cash
Compensation of employees	\$ 2,020,049	\$ 57,851
Remuneration of directors	\$ 80,000	\$ 57,851

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the annual financial statements for the years ended December 31, 2020.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

26. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2021	2020
Current tax		
In respect of the current year	\$ 29,709,352	\$ 150,765
Adjustments for prior years	15,908	(2,168)
	<u>29,725,260</u>	<u>148,597</u>
Deferred tax		
In respect of the current year	4,923,209	3,371,131
Adjustments for prior years	(12,251)	2,370
	<u>4,910,958</u>	<u>3,373,501</u>
Income tax expense recognized in profit or loss	<u>\$ 34,636,218</u>	<u>\$ 3,522,098</u>



A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2021	2020
Profit before tax	<u>\$ 199,904,846</u>	<u>\$ 15,499,111</u>
Tax expense calculated at the statutory rate	\$ 39,980,969	\$ 3,099,822
Nondeductible expenses in determining taxable income	2,811	9,442
Tax-exempt income	(173,660)	384,558
Adjustments for prior years	15,908	(2,168)
Unrecognized loss carryforwards	(5,359,301)	(449,256)
Offshore income tax	1,034,642	150,765
Subsidiaries capital reduction used to offset accumulated deficits	(633,979)	-
Others	<u>(231,172)</u>	<u>328,935</u>
Income tax expense recognized in profit or loss	<u>\$ 34,636,218</u>	<u>\$ 3,522,098</u>

b. Income tax recognized in other comprehensive income (loss)

	For the Year Ended December 31	
	2021	2020
<u>Deferred tax</u>		
In respect of the current year		
Translation of foreign operations	\$ (362,979)	\$ 3
Remeasurement on defined benefit plans	(11,017)	(120,446)
Cash flow hedges	<u>819,513</u>	<u>-</u>
	<u>\$ 445,517</u>	<u>\$ (120,443)</u>

c. Current tax assets and liabilities

	December 31	
	2021	2020
Current tax assets		
Tax refund receivable (included in other current assets)	<u>\$ 7,442</u>	<u>\$ 12,731</u>
Current tax liabilities		
Income tax payable	<u>\$ 29,208,420</u>	<u>\$ -</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2021

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Tax losses	\$ 2,389,853	\$ (2,389,853)	\$ -	\$ -
Temporary differences				
Unrealized shipping fuel valuation losses	15,087	(15,087)	-	-
Defined benefit plan	564,648	6,840	11,017	582,505
Payable for annual leave	28,297	(7,876)	-	20,421
Unrealized loss on voyage in sailing	8,374	(8,374)	-	-
Exchange differences on translating the financial statements of foreign operations	-	-	362,979	362,979
Unrealized loss on foreign currency exchange	-	191,202	-	191,202
Others	13,504	42,336	-	55,840
	<u>\$ 3,019,763</u>	<u>\$ (2,180,812)</u>	<u>\$ 373,996</u>	<u>\$ 1,212,947</u>

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Temporary differences				
Investment gain on investments accounted for using the equity method	\$ 1,640,393	\$ 2,619,944	\$ -	\$ 4,260,337
Reserve for land value increment tax	669,046	25,001	-	694,047
Investment properties	19,238	134,541	-	153,779
Property, plant and equipment	29,739	1,571	-	31,310
Gain on hedge instrument	-	-	819,513	819,513
Unrealized gain on foreign currency exchange	51,457	(51,457)	-	-
Others	4,050	546	-	4,596
	<u>\$ 2,413,923</u>	<u>\$ 2,730,146</u>	<u>\$ 819,513</u>	<u>\$ 5,963,582</u>

For the year ended December 31, 2020

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Tax losses	\$ 4,626,780	\$ (2,236,927)	\$ -	\$ 2,389,853
Temporary differences				
Unrealized shipping fuel valuation losses	2,498	12,589	-	15,087
Defined benefit plan	454,775	(10,573)	120,446	564,648
Payable for annual leave	25,793	2,504	-	28,297
Unrealized loss on voyage in sailing	661	7,713	-	8,374
Others	349,889	(336,382)	(3)	13,504
	<u>\$ 5,460,396</u>	<u>\$ (2,561,076)</u>	<u>\$ 120,443</u>	<u>\$ 3,019,763</u>



Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Temporary differences				
Investment gain on investments accounted for using the equity method	\$ 759,763	\$ 880,630	\$ -	\$ 1,640,393
Reserve for land value increment tax	662,394	6,652	-	669,046
Investment properties	18,733	505	-	19,238
Property, plant and equipment	28,493	1,246	-	29,739
Gain on foreign currency exchange	132,115	(80,658)	-	51,457
Others	-	4,050	-	4,050
	<u>\$ 1,601,498</u>	<u>\$ 812,425</u>	<u>\$ -</u>	<u>\$ 2,413,923</u>

- e. Unused loss carryforwards for which no deferred tax assets have been recognized in the balance sheets

	December 31	
	2021	2020
Loss carryforwards		
Expire in 2023	\$ -	\$ 5,343,446
Expire in 2025	-	4,393,098
Expire in 2026	-	12,831,315
Expire in 2027	-	1,484,846
	<u>\$ -</u>	<u>\$ 24,052,705</u>

Note: In 2021, loss carryforwards had been fully used up.

- f. Income tax assessments

The Company's income tax returns through 2019 have been assessed by the tax authorities.

27. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2021	2020
Basic earnings per share	<u>\$ 48.73</u>	<u>\$ 4.51</u>
Diluted earnings per share	<u>\$ 48.28</u>	<u>\$ 3.64</u>

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2021	2020
Earnings used in the computation of basic earnings per share	\$ 165,268,628	\$ 11,977,013
Effect of potentially dilutive ordinary shares:		
Interest on convertible bonds (after tax)	<u>1,198</u>	<u>173,511</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 165,269,826</u>	<u>\$ 12,150,524</u>

Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	For the Year Ended December 31	
	2021	2020
Weighted average number of ordinary shares used in the computation of basic earnings per share	3,391,275	2,656,125
Effect of potentially dilutive ordinary shares:		
Convertible bonds	14,911	675,980
Compensation of employees	<u>17,084</u>	<u>1,978</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>3,423,270</u>	<u>3,334,083</u>

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

28. SHARE-BASED PAYMENT ARRANGEMENT

The Company's board of directors resolved on May 19, 2021 to apply for the capital increase by cash. According to the Company Act, a certain proportion of the shares issued was reserved and subscribed by employees. The subscribed numbers of shares and prices were determined in June and July 2021, respectively. According to IFRS 2 "Share-based Payment", the employee share options shall adopt general fair value measurement principle. Therefore, compensation cost (included in salaries expenses) and capital surplus - employee share options would be recognized in the amount of \$51,373 thousand on the grant date.

Information on employee share options was as follows:

	For the Year Ended December 31, 2021	
Employee Share Options	Numbers of Options (In Thousand)	Weighted- average Exercise Price (NT\$)
Balance at January 1	-	\$ -
Options granted	3,803	182
Options forfeited	(3,693)	182
Options exercised	<u>(110)</u>	<u>182</u>
Balance at December 31	<u>-</u>	
Options exercisable, end of the year	<u>-</u>	
Weighted-average fair value of options granted (\$)	<u>\$ 13.51</u>	



Options granted in July 2021 was priced using the Black-Scholes pricing model and the inputs to the model were as follows:

	Employee Option Rights
Grant-date share price (NT\$)	\$195.5
Exercise price (NT\$)	\$182
Expected volatility	31.15%
Expected life (in years)	0.008 years
Risk-free interest rate	0.0346%

29. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the year ended December 31, 2021

	Opening Balance	Cash Flows	Non-cash Changes		Closing Balance
			New Leases	Others (Note)	
Short-term bills payable	\$ 11,714,456	\$ (11,740,000)	\$ -	\$ 25,544	\$ -
Long-term borrowings	47,701,603	(43,743,345)	-	43,710	4,001,968
Bonds payable	6,619,686	5,900,000	-	(1,697,672)	10,822,014
Lease liabilities	53,715,765	(8,045,163)	16,265,298	(1,738,790)	60,197,110
Other non-current liabilities	136,392	(15,207)	-	(15,000)	106,185
	<u>\$ 119,887,902</u>	<u>\$ (57,643,715)</u>	<u>\$ 16,265,298</u>	<u>\$ (3,382,208)</u>	<u>\$ 75,127,277</u>

For the year ended December 31, 2020

	Opening Balance	Cash Flows	Non-cash Changes		Closing Balance
			New Leases	Others (Note)	
Short-term borrowings	\$ 2,050,000	\$ (2,050,000)	\$ -	\$ -	\$ -
Short-term bills payable	13,087,347	(1,390,000)	-	17,109	11,714,456
Long-term borrowings	45,353,623	2,337,630	-	10,350	47,701,603
Bonds payable	18,097,816	(5,900,000)	-	(5,578,130)	6,619,686
Lease liabilities	55,953,665	(7,457,757)	8,789,313	(3,569,456)	53,715,765
Other non-current liabilities	67,465	68,927	-	-	136,392
	<u>\$ 134,609,916</u>	<u>\$ (14,391,200)</u>	<u>\$ 8,789,313</u>	<u>\$ (9,120,127)</u>	<u>\$ 119,887,902</u>

In 2021 and 2020, according to the agreement with All Oceans Transportation Inc., the Company offset the long-term receivables with the lease liabilities in the amount of \$351,453 thousand and \$541,843 thousand, respectively.

Note: Other changes include lease modification, interest amortization of short-term bills payable, long-term borrowings, and bonds payable, the reduction of bonds payable due to the convertible bondholders exercising the conversion option, effect of foreign currency exchange rate, and offset of long-term receivables and lease liabilities.

30. CAPITAL MANAGEMENT

- a. The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns to maintain the capital structure through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Company (comprising issued capital, capital surplus, retained earnings and other equity).

The gearing ratio at end of the reporting period was as follows:

	December 31	
	2021	2020
Debt (a)	\$ 134,775,944	\$ 142,993,391
Cash and cash equivalents	<u>(42,056,525)</u>	<u>(14,070,006)</u>
Net debt	<u>\$ 92,719,419</u>	<u>\$ 128,923,385</u>
Equity (b)	<u>\$ 233,691,274</u>	<u>\$ 35,678,232</u>
Net debt to equity ratio	<u>39.68%</u>	<u>361.35%</u>

- a. Debt is defined as long-term and short-term borrowing (excluding derivative instruments and financial guarantee contracts).
- b. Equity includes all capital, capital surplus, unappropriated earnings and other equity, of the Company that are managed as capital.

31. FINANCIAL INSTRUMENTS

- a. Fair value of financial instruments not measured at fair value

December 31, 2021

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Financial lease receivables	<u>\$ 718,482</u>	<u>\$ -</u>	<u>\$ 719,369</u>	<u>\$ -</u>	<u>\$ 719,369</u>
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Secured domestic bonds	<u>\$ 10,822,014</u>	<u>\$ -</u>	<u>\$ 10,827,105</u>	<u>\$ -</u>	<u>\$ 10,827,105</u>

December 31, 2020

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Financial lease receivables	\$ 878,176	\$ -	\$ 879,363	\$ -	\$ 879,363
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Secured domestic bonds	\$ 4,945,877	\$ -	\$ 4,953,083	\$ -	\$ 4,953,083
Domestic secured convertible bonds	<u>1,673,809</u>	<u>-</u>	<u>4,468,568</u>	<u>-</u>	<u>4,468,568</u>
	<u>\$ 6,619,686</u>	<u>\$ -</u>	<u>\$ 9,421,651</u>	<u>\$ -</u>	<u>\$ 9,421,651</u>



The fair values of the financial assets and financial liabilities included in the Level 2 category above have been determined in accordance with income approaches based on a discounted cash flow analysis.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Investments in equity instruments				
Listed shares	\$ 70,016	\$ -	\$ -	\$ 70,016
Non-derivative financial assets				
Domestic limited partnership	-	-	13,871	13,871
Mutual funds	<u>6,032</u>	<u>-</u>	<u>-</u>	<u>6,032</u>
	<u>\$ 76,048</u>	<u>\$ -</u>	<u>\$ 13,871</u>	<u>\$ 89,919</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 495,650</u>	<u>\$ 495,650</u>

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Investments in equity instruments				
Listed shares	\$ 23,923	\$ -	\$ -	\$ 23,923
Derivative financial assets				
Call option of bonds	-	-	8,636	8,636
Mutual funds	<u>1,710,854</u>	<u>-</u>	<u>-</u>	<u>1,710,854</u>
	<u>\$ 1,734,777</u>	<u>\$ -</u>	<u>\$ 8,636</u>	<u>\$ 1,743,413</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares	\$ 1,492,999	\$ -	\$ -	\$ 1,492,999
Unlisted shares	<u>-</u>	<u>-</u>	<u>503,968</u>	<u>503,968</u>
	<u>\$ 1,492,999</u>	<u>\$ -</u>	<u>\$ 503,968</u>	<u>\$ 1,996,967</u>

There were no transfers between Levels 1 and 2 in the current and prior year.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2021

	Other Instruments	Derivatives		
	Domestic Limited Partnership	Oil Option Contract	Call Option of Bonds	Total
<u>Financial assets at FVTPL</u>				
Balance at January 1, 2021	\$ -	\$ -	\$ 8,636	\$ 8,636
Recognized in profit or loss (included in other gains and losses)	(11,129)	(786)	2,560	(9,355)
Purchases	25,000	919	-	25,919
Sales/settlements	-	(133)	(11,196)	(11,329)
Transfers out of Level 3	-	-	-	-
Balance at December 31, 2021	<u>\$ 13,871</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,871</u>
Unrealized loss for the current year included in profit or loss relating to assets held at the end of the year	<u>\$ (11,129)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,129)</u>

**Equity
Instruments**

Financial assets at FVTOCI

Balance at January 1, 2021	\$ 503,968
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	(28,036)
Purchases	20,000
Sales/settlements	(282)
Balance at December 31, 2021	<u>\$ 495,650</u>

For the year ended December 31, 2020

**Derivative
Call option
of Bonds**

Financial assets at FVTPL

Balance at January 1, 2020	\$ -
Recognized in profit or loss (included in other gains and losses)	24,010
Sales/settlements	(15,374)
Transfers out of Level 3	-
Balance at December 31, 2020	<u>\$ 8,636</u>
Unrealized gain for the current year included in profit or loss relating to assets held at the end of the year	<u>\$ 24,010</u>



	Equity Instruments
<u>Financial assets at FVTOCI</u>	
Balance at January 1, 2020	\$ 515,798
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	(6,468)
Received from capital reductions	<u>(5,362)</u>
Balance at December 31, 2020	<u>\$ 503,968</u>

	Derivatives		
	Cross-Currency Swap Contract	Put Option of Bonds	Total
<u>Financial liabilities at FVTPL</u>			
Balance at January 1, 2020	\$ -	\$ 67,549	\$ 67,549
Recognized in profit or loss (included in other gains and losses)	9,987	(67,549)	(57,562)
Repayments/settlements	(9,987)	-	(9,987)
Transfers out of Level 3	<u>-</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Unrealized gain for the current year included in profit or loss relating to liabilities held at the end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- 3) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement
- The fair values of oil options contracts are determined using Black-Scholes models where the significant unobservable inputs are implied volatility. The variable in the implied volatility used in isolation would result in a increase or decrease in the fair value.
 - The fair values of call option of bonds are determined using convertible bonds of Binary tree pricing models where the significant unobservable inputs are volatility. An increase in the volatility used in isolation would result in an increase in the fair value of call option of bonds.
 - The fair values of domestic unlisted ordinary shares and domestic limited partnership are determined using the comparable company analysis approach and asset-based approach. The comparable company analysis approach is a way to determine the value of a target company by reference to companies engaged in the similar industry, stock price in the active market and value multiplier implied by such prices, based on liquidity reduction. The asset-based approach is a way to determine the value of a target company by assessing the total value of individual assets and liabilities, based on liquidity reduction.

c. Categories of financial instruments

	December 31	
	2021	2020
<u>Financial assets</u>		
FVTPL		
Mandatorily classified as at FVTPL	\$ 89,919	\$ 1,743,413
Financial assets at amortized cost (1)	189,723,649	23,780,974
Financial assets at FVTOCI		
Equity instruments	495,650	1,996,967
<u>Financial liabilities</u>		
Financial liabilities for hedging	41,420,877	47,754,304
Amortized cost (2)	31,553,038	80,919,391

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, debt investments without active market, time deposits with original maturity of more than 3 months, repurchase agreements, restricted bank deposits, trade receivables (including related parties) and other receivables (including related parties).
- 2) The balances included financial liabilities measured at amortized cost, which comprise short-term and long-term loans, short-term bills payable, trade payables (including related parties), other payables, bonds payable and other financial liabilities.

d. Financial risk management objectives and policies

The Company's major financial instruments include equity and debt investments, trade receivable, financial assets at amortized cost, trade payables, other payables, bonds payable, borrowings, lease liabilities and other financial liabilities. The Company's Corporate Treasury function provides all kinds of financial service to each division by using different financial instruments. Also, the treasury function controls and analyzes the financial risks related to operations; these risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company sought to minimize the effects of these risks by managing stocks and flow and using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Company's policies "Regulations Governing the Acquisition and Disposal of Assets" approved by the board of directors. Compliance with policies was reviewed by the internal auditors on a continuous basis.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Company uses assets, liabilities and a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

There had been no change to the Company's exposure to market risks or the manner in which these risks were managed and measured.



a) Foreign currency risk

The Company's operations involve foreign currency transactions so the Company is exposed to foreign currency risk. The Company's transaction involve contain various currencies due to its industrial feature, operating revenue and operating costs are mainly denominated in U.S. dollars. Exchange rate exposures were managed within approved policy parameters utilizing net cash flows offset of the influence on net assets and liabilities, instruments of swap and options.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities are set out in Note 36.

Sensitivity analysis

Monetary assets and liabilities were mainly exposed to the U.S. dollars, GBP, CNY, EUR, and HKD.

The following table details the Company's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the U.S. dollars, GBP, CNY, EUR, and HKD. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in profit and other equity associated with New Taiwan dollars strengthening 1% against U.S. dollars, GBP, CNY, EUR and HKD. For a 1% weakening of New Taiwan dollars against the U.S. dollars, GBP, CNY, EUR and HKD, there would be an equal and opposite impact on profit or loss.

Profit (Loss)/Equity of 1% Variation	For the Year Ended December 31	
	2021	2020
Profit or loss (i)		
U.S. dollars	\$ 712,790	\$ (8,008)
GBP	3,395	581
CNY	8,759	4,188
EUR	90,108	(335)
HKD	3,194	6,826
Equity (ii)		
U.S. dollars	(414,209)	(477,543)

- i. This was mainly attributable to the exposure of outstanding foreign currency deposits, receivables, payables, and bank loans at the end of the reporting period.
- ii. This was mainly attributable to the exposure of changing in foreign exchange rates of lease contracts designated as cash flow hedge.

The Company's sensitivity to foreign currency exchange rate during the current period was mainly due to the increase in U.S. dollars', GBP, CNY and EUR monetary assets; decrease in HKD monetary assets.

Hedge accounting

The Company's hedging strategy is to enter into USD-denominated lease liabilities to avoid exchange rate exposure of 100% of highly probable forecast of USD-denominated operating revenue. Those transactions are designated as cash flow hedges.

The Company expects that the value of the U.S. dollars lease liabilities and the value of the corresponding hedged items will systematically change in opposite directions.

The source of hedge ineffectiveness in these hedging relationships is the USD-denominated operating revenue of the Company is lower than the distribution amount of settlement of lease liabilities.

Refer to Note 15 b. for information relating to foreign exchange rates hedging instruments.

b) Interest rate risk

The Company was exposed to interest rate risk because entities in the Company borrowed funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amount of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2021	2020
Fair value interest rate risk		
Financial assets	\$ 137,846,727	\$ 8,659,508
Financial liabilities	71,636,422	83,305,165
Cash flow interest rate risk		
Financial assets	36,401,501	11,212,821
Financial liabilities	3,384,670	36,446,345

Sensitivity analysis

The sensitivity analyses below were determined based on the Company's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 10 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Company's pre-tax profit (loss) for the year ended December 31, 2021 would have increased/decreased by \$33,017 thousand, which was mainly attributable to the Company's exposure to interest rates on its variable-rate bank borrowings, other financial liabilities and variable-rate financial assets.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Company's pre-tax profit (loss) for the year ended December 31, 2020 would have decreased/increased by \$25,234 thousand, which was mainly attributable to the Company's exposure to interest rates on its variable-rate bank borrowings, other financial liabilities and variable-rate financial assets.

The Company's sensitivity to interest rate increased during the current year mainly due to the increase in variable-rate financial assets and decrease in variable-rate financial liabilities.



c) Other price risk

The Company was exposed to equity price risk through its investments in listed equity securities and mutual funds. The Company periodically evaluates price risk and investment performance according to procedures of acquisition and disposal of assets and expects no significant price risk occurred.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, pre-tax profit (loss) for the year ended December 31, 2021 would have increased/decreased by \$3,501 thousand, as a result of the changes in fair value of financial assets at FVTPL; the other comprehensive income (loss) for the years ended December 31, 2021 would have increased/decreased by \$24,783 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices had been 5% higher/lower, pre-tax profit (loss) for the year ended December 31, 2020 would have increased/decreased by \$1,196 thousand, as a result of the changes in fair value of financial assets at FVTPL; the other comprehensive income (loss) for the years ended December 31, 2020 would have increased/decreased by \$99,848 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If limited partnership and mutual funds had been 5% higher/lower, pre-tax profit (loss) for the years ended December 31, 2021 would have increased/decreased by \$995 thousand, as a result of the changes in fair value of financial assets at FVTPL.

If mutual funds had been 5% higher/lower, pre-tax profit (loss) for the years ended December 31, 2020 would have increased/decreased by \$85,543 thousand, as a result of the changes in fair value of financial assets at FVTPL.

The Company's sensitivity to equity instruments price increase/decreased during the current year mainly due to the increase in equity instruments measured at FVTPL, and to the decrease in equity instruments measured at FVTOCI.

The Company's sensitivity to limited partnership and mutual funds price decreased during the current year mainly due to the decrease in mutual funds measured at FVTPL.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure of counterparties to discharge an obligation and financial guarantees provided by the Company could arise from:

- a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and
- b) The amount of contingent liabilities in relation to financial guarantee issued by the Company.

There is no significant concentration of credit risk for the Company. Credit risk is from cash and cash equivalents deposit in banks, derivative financial instruments transactions with banks and financial institutions and trade receivables from customers.

The Company adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient letter of bank guarantee and security deposit, where appropriate, as a means of mitigating the risk of financial loss from defaults. To reduce credit risk, the Company has established an internal monitoring procedures to monitor credit risk exposure and credit condition of counterparties.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings assigned by credit-rating agencies.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2021 and 2020, the Company had available unutilized bank loans facilities of \$12,551,657 thousand and \$14,768,813 thousand, respectively.

a) Liquidity and interest risk rate tables

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

December 31, 2021

	Less than 1 Year	1-5 Years	5+ Years
Non-interest bearing	\$ 20,408,005	\$ 106,185	\$ -
Lease liabilities	9,717,784	34,057,675	18,266,239
Variable interest rate liabilities	47,652	2,142,870	1,696,540
Fixed interest rate liabilities	385,283	9,653,815	1,410,290
Short-term and low-value lease commitment	3,515,476	5,153,191	-
Lease commitments for future service cost	5,895,845	20,045,196	21,676,045
Financial guarantee liabilities	<u>5,043,671</u>	<u>-</u>	<u>-</u>
	<u>\$ 45,013,716</u>	<u>\$ 71,158,932</u>	<u>\$ 43,049,114</u>

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 9,717,784</u>	<u>\$ 34,057,675</u>	<u>\$ 15,904,231</u>	<u>\$ 1,184,551</u>	<u>\$ 1,177,457</u>	<u>\$ -</u>

December 31, 2020

	Less than 1 Year	1-5 Years	5+ Years
Non-interest bearing	\$ 15,877,552	\$ 128,216	\$ -
Lease liabilities	9,535,211	34,654,787	15,790,865
Variable interest rate liabilities	5,657,365	43,679,739	4,197,557
Fixed interest rate liabilities	13,688,605	5,413,673	-
Short-term and low-value lease commitment	4,466,667	10,335,128	-
Lease commitments for future service cost	5,093,783	18,796,712	17,641,476
Financial guarantee liabilities	<u>10,071,754</u>	<u>-</u>	<u>-</u>
	<u>\$ 64,390,437</u>	<u>\$ 113,008,255</u>	<u>\$ 37,629,898</u>

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 9,535,211</u>	<u>\$ 34,654,787</u>	<u>\$ 13,246,117</u>	<u>\$ 1,141,185</u>	<u>\$ 1,403,563</u>	<u>\$ -</u>

The amounts included above for financial guarantee contracts were within the limitation the Company can offer to related parties; i.e. the maximum amounts the Company could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the management considers that it is more likely than not that no amount will be payable under the arrangement.

b) Derivative instruments

The Company did not have outstanding derivative instruments contracts for the years ended December 31, 2021 and 2020.

32. TRANSACTIONS WITH RELATED PARTIES

The Ministry of Transportation and Communications R.O.C. (MOTC), National Development Fund, and Taiwan International Ports Corporation, Ltd. held 32.06% and 39.11% of the ordinary shares of YMCT as of December 31, 2021 and 2020, respectively. Over 50% of the members of YMTC's board of directors were appointed by the MOTC, National Development Fund, and Taiwan International Ports Corporation, Ltd. Therefore, the Company is a government-related entity, which is controlled by the central government. Transactions with other government-related entities were mainly bank deposits, borrowings and guarantees with government-related banks (see Notes 17 and 18), concession rights of the Port of Kaohsiung, Taiwan International Ports Corporation Kaohsiung harbor intercontinental container and logistics center (see Note 15), properties allocation agreement signed with Chunghwa Post Co., Ltd. (see Note 16) and shipbuilding contracts signed with China Ship Building Corporation (CSBC) (see Note 34).

Besides information disclosed elsewhere in the other notes and Tables A and B, details of transaction between the Company and other related parties are disclosed as follows.

a. Related party name and relationship

<u>Related Party Name</u>	<u>Relationship with the Company</u>
All Oceans Transportation, Inc.	Subsidiary
Honming Terminal & Stevedoring Co., Ltd.	Subsidiary
Jing Ming Transportation Co.	Subsidiary
Yang Ming Line (Singapore) Pte. Ltd.	Subsidiary
Yang Ming Shipping (B.V.I.) Inc.	Subsidiary
Yang Ming Line (Hong Kong) Ltd.	Subsidiary
Yang Ming Line (India) Pvt. Ltd.	Subsidiary
Yang Ming (Korea) Co., Ltd.	Subsidiary
Young-Carrier Company Ltd.	Subsidiary
Yang Ming (Japan) Co., Ltd.	Subsidiary
Manwa & Co., Ltd.	Subsidiary
Yang Ming (Singapore) Pte. Ltd.	Subsidiary
Yang Ming Line (M) Sdn. Bhd.	Subsidiary
Sun-Baked Pte. Ltd.	Subsidiary
Yang Ming Anatolia Shipping Agency S.A.	Subsidiary
Yang Ming Line Holding Co.	Subsidiary
Yang Ming (America) Corp.	Subsidiary
Triumph Logistics, Inc.	Subsidiary (completed the liquidation in May 2021)
Topline Transportation, Inc.	Subsidiary (completed the liquidation in May 2021)
Yang Ming Shipping (Canada) Ltd.	Subsidiary
Yang Ming Line (B.V.I) Holding Co., Ltd.	Subsidiary
Yang Ming Line (Belgium) N.V.	Subsidiary
Yang Ming (Netherlands) B.V	Subsidiary
Yang Ming Shipping Europe GmbH	Subsidiary
Yang Ming (Italy) S.p.A	Subsidiary
Yang Ming (Spain), S.L.	Subsidiary
Yang Ming (UK) Ltd.	Subsidiary
Kuang Ming Shipping Corp.	Subsidiary
Kuang Ming Shipping (Liberia) Corp.	Subsidiary
YES Logistics Corp.	Subsidiary
YES Logistics Corp. (USA)	Subsidiary
Golden Logistics USA Corporation	Subsidiary
Yes Logistics (Shanghai) Corp.	Subsidiary
Yang Ming Line (Thailand) Co., Ltd.	Subsidiary
Yang Ming (Mediterranean) Marine Services Single-Member	Subsidiary
Yang Ming Shipping (Vietnam) Co., Ltd.	Subsidiary
Yang Ming (Russia) LLC	Subsidiary
Yang Ming Shipping Philippines, Inc.	Subsidiary
Yang Ming (Latin America) Corp.	Subsidiary
Yang Ming Insurance Co., Ltd.	Subsidiary
PT Yang Ming Shipping Indonesia	Subsidiary
Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Subsidiary

(Continued)



Related Party Name	Relationship with the Company
Yang Ming (U.A.E.) LLC	Associate
Yang Ming (Australia) Pty. Ltd.	Associate
West Basin Container Terminal LLC	Associate
Yang Ming Shipping (Egypt) S.A.E.	Associate
Kao Ming Container Terminal Corp.	Associate
Yunn Wang Investment Co., Ltd.	Associate
Taiwan Foundation International Pte. Ltd.	Associate
Taiwan Navigation Co., Ltd.	Associate (Since YMTC has significant influence on Taiwan Navigation Co., Ltd. from July 2021, the relationship with the Company is changed from government - related party to associate)
LogiTrans Technology Private Limited	Joint venture
Chunghwa Telecom Co., Ltd.	Government - related party
Taiwan International Ports Corporation, Ltd.	Government - related party
Chunghwa Post Co., Ltd.	Government - related party
Agricultural Bank of Taiwan	Government - related party
Taipei Exchange	Government - related party
First Commercial Bank	Government - related party
Mega International Commercial Bank Co., Ltd.	Government - related party
Mega Securities	Government - related party
Chung Kuo Insurance Company, Limited	Government - related party
Mega Bills Finance Co., Ltd.	Government - related party
Bank of Taiwan	Government - related party
Band Taiwan Securities Co., Ltd.	Government - related party
Land Bank of Taiwan	Government - related party
The Export-Import Bank of the Republic of China	Government - related party
Taiwan Cooperative Bank Co., Ltd.	Government - related party
Taiwan Cooperative Bill Finance Co.,	Government - related party
Taiwan Business Bank Co., Ltd.	Government - related party
Chang Hwa Bank Ltd.	Government - related party
Taiwan Power Company	Government - related party
Taiwan Water Corporation	Government - related party
China Steel Corporation	Government - related party
CSBC Corporation, Taiwan	Government - related party
Hua Nan Commercial Bank, Ltd.	Government - related party
South China Insurance Co., Ltd.	Government - related party
Taiwan Stock Exchange Corporation	Government - related party
First Financial Holding Co., Ltd.	Government - related party
National Property Administration, MOF	Government - related party
Yang Ming Cultural Foundation	Other related party

(Concluded)

b. Operating transaction

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2021	2020
Operating revenue	Subsidiaries	\$ 18,281,695	\$ 6,377,639
	Associates	48,167	22,410
	Joint ventures	777	-
	Government - related parties	<u>925</u>	<u>121,717</u>
		<u>\$ 18,331,564</u>	<u>\$ 6,521,766</u>
Operating cost	Subsidiaries	\$ 7,769,676	\$ 7,974,154
	Associates	1,883,174	2,664,704
	Government - related parties	<u>55,730</u>	<u>139,135</u>
		<u>\$ 9,708,580</u>	<u>\$ 10,777,993</u>
Operating expenses	Subsidiaries	\$ 193	\$ 118
	Joint ventures	43,035	66,565
	Government - related parties	33,894	26,039
	Other related parties	<u>18,175</u>	<u>15,724</u>
		<u>\$ 95,297</u>	<u>\$ 108,446</u>

The Company's transactions with related parties were conducted under contract terms.

c. Bank deposits

Bank deposits on reporting period (including financial assets at amortized cost) were as follows:

Related Party Category/Name	December 31	
	2021	2020
Government - related parties		
Land Bank of Taiwan	\$ 5,536,404	\$ 112,648
Chang Hwa Bank Ltd.	4,736,649	424,188
Other	<u>10,193,127</u>	<u>2,517,560</u>
	<u>\$ 20,466,180</u>	<u>\$ 3,054,396</u>

d. Contract assets

Related Party Category/Name	For the Year Ended December 31	
	2021	2020
Subsidiaries		
Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	\$ 2,238,264	\$ 1,188,901
Others	<u>2,654,192</u>	<u>1,262,491</u>
	4,892,456	2,451,392
Associates	<u>58,337</u>	<u>23,880</u>
	<u>\$ 4,950,793</u>	<u>\$ 2,475,272</u>



e. Receivables and payables from related parties

Line Item	Related Party Category/Name	December 31	
		2021	2020
Trade receivables	Subsidiaries		
	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	\$ 1,100,090	\$ 620,697
	YES Logistics (Shanghai) Corp.	-	469,406
	Yang Ming (Italy) S. p. A.	646,151	18,911
	Others	<u>1,463,292</u>	<u>526,000</u>
		3,209,533	1,635,014
	Associates	<u>37,828</u>	<u>50,968</u>
		<u>\$ 3,247,361</u>	<u>\$ 1,685,982</u>
Other receivables	Subsidiaries		
	Yang Ming (Singapore) Pte. Ltd.	\$ -	\$ 627,263
	Yang Ming Line (Singapore) Pte. Ltd.	5,536,000	-
	Others	<u>11,700</u>	<u>30,968</u>
		5,547,700	658,231
	Associates	15,702	17,935
	Government - related parties	19,088	792
	Other related parties	<u>3,243</u>	<u>2,753</u>
		<u>\$ 5,585,733</u>	<u>\$ 679,711</u>
Long-term receivables	Subsidiaries		
	All Oceans Transportation, Inc.	<u>\$ 3,051,264</u>	<u>\$ 2,864,353</u>
Trade payables	Subsidiaries	\$ 2,605,570	\$ 1,914,794
	Associates	129,913	301,328
	Government - related parties	<u>-</u>	<u>3,393</u>
		<u>\$ 2,735,483</u>	<u>\$ 2,219,515</u>
Other payables	Subsidiaries	\$ 286,612	\$ 266,298
	Associates	11,437	44,480
	Joint ventures	-	772
	Government - related parties	<u>456,629</u>	<u>19,074</u>
		<u>\$ 754,678</u>	<u>\$ 330,624</u>

For the years ended December 31, 2021 and 2020, no impairment losses were recognized for trade receivables, contract assets, and other receivables from related parties.

f. Financial assets at amortized cost

Bonds and repurchase agreements on reporting period (including repurchase agreements under cash and cash equivalents) were as follows:

Related Party Category/Name	December 31	
	2021	2020
Subsidiaries		
Kuang Ming Shipping Corp.	\$ 600,000	\$ 600,000
Government - related parties	<u>138,400</u>	<u>333,216</u>
	<u>\$ 738,400</u>	<u>\$ 933,216</u>

g. Prepayments

Line Item	Related Party Category/Name	December 31	
		2021	2020
Prepayments to shipping agents	Subsidiaries		
	Yang Ming Line (India) Pvt. Ltd.	\$ 30,080	\$ 35,015
	Others	<u>14,788</u>	<u>-</u>
		<u>44,868</u>	<u>35,015</u>
	Associates		
	Yang Ming (Australia) Pty. Ltd.	16,690	-
	Yang Ming Shipping (Egypt) S.A.E	<u>96,619</u>	<u>87,389</u>
		<u>113,309</u>	<u>87,389</u>
		<u>\$ 158,177</u>	<u>\$ 122,404</u>
Prepayments	Subsidiaries		
	Yang Ming (UK) Ltd.	\$ 14,085	\$ 22,320
	Others	<u>2,732</u>	<u>2,121</u>
		<u>\$ 16,817</u>	<u>\$ 24,441</u>

h. Lease arrangements - the Company is lessee

Related Party Category/Name	For the Year Ended December 31	
	2021	2020
<u>Acquisition of right-of-use assets</u>		
Associates	\$ -	\$ 4,624
Government - related parties	<u>-</u>	<u>56,040</u>
	<u>\$ -</u>	<u>\$ 60,664</u>



Line Item	Related Party Category/Name	December 31	
		2021	2020
Lease liabilities	Subsidiaries		
	All Oceans Transportation, Inc.	\$ 4,912,490	\$ 5,263,943
	Others	<u>7,616</u>	<u>9,424</u>
		4,920,106	5,273,367
	Associates	2,815	3,726
	Government - related parties	<u>477,549</u>	<u>507,524</u>
		<u>\$ 5,400,470</u>	<u>\$ 5,784,617</u>
Line Item	Related Party Category/Name	For the Year Ended December 31	
		2021	2020
Interest expense	Subsidiaries	\$ 83,652	\$ 94,805
	Associates	41	55
	Government - related parties	<u>7,659</u>	<u>8,052</u>
		<u>\$ 91,352</u>	<u>\$ 102,912</u>

The Company's lease agreements with related parties were conducted under contract terms.

- i. Lease arrangements - the Company is lessor/sublease arrangements

Lease arrangements - the Company is lessor under finance leases

The Company leased out certain dock port equipment included in property, plant, and equipment to its subsidiary, Hong Ming Terminal & Stevedoring Corp., under finance leases with a lease term of 6.5 years, and the net investment in leases was \$165,289 thousand at the inception of the lease. In June 2021, due to the damage to the bridge crane, the net lease investment on the revised date was \$42,622 thousand, and the remaining lease period was four years. As of December 31, 2021 and 2020, the balance of finance lease receivables was \$32,558 thousand and \$135,031 thousand, respectively.

Lease arrangements - sublease arrangements under finance leases

The Company subleased container yard at Keelung included in right-of-use assets to its subsidiary YES Logistics Corp. under finance leases with a lease term of 10 years, and the net investment in leases was \$44,555 thousand at the inception of the lease. As of December 31, 2021 and 2020, the balance of finance lease receivables was \$35,780 thousand and \$39,025 thousand, respectively.

The Company subleased the First and Second Logistics Centers of the Kaohsiung Third Container Center to its subsidiary YES Logistics Corp. under finance leases with lease terms of 13.5 years and 18 years, and the net investment in leases was \$207,491 thousand and \$396,001 thousand at the inception of the lease. As of December 31, 2021, the balance of finance lease receivables was \$162,339 thousand and \$340,585 thousand. As of December 31, 2020, the balance of finance lease receivables was \$177,449 thousand and \$359,513 thousand.

For the years ended December 31, 2021 and 2020, no impairment loss was recognized for finance lease receivables from related parties.

j. Bonds payable

Related Party Category/Name	December 31	
	2021	2020
Government - related parties		
Taiwan Cooperation Bank Co., Ltd.	\$ 1,800,000	\$ 1,700,000
Hua Nan commercial Bank Ltd.	1,200,000	500,000
Others	<u>900,000</u>	<u>1,980,000</u>
	<u>\$ 3,900,000</u>	<u>\$ 4,180,000</u>

Note: Original investment amount of domestic bonds.

k. Loans from related parties

Line Item	Related Party Category/Name	December 31	
		2021	2020
Short-term bills payable	Government - related parties		
	Mega Bills Finance Co., Ltd.	<u>\$ -</u>	<u>\$ 2,091,338</u>
Long-term borrowings			
Secured borrowings	Government - related parties		
	Taiwan Cooperation Bank Co., Ltd.	\$ 1,590,000	\$ 2,690,800
	Hua Nan commercial Bank Ltd.	795,000	614,000
	Others	<u>-</u>	<u>7,144,625</u>
		<u>\$ 2,385,000</u>	<u>\$ 10,449,425</u>
Unsecured borrowings	Government - related parties		
	Taiwan Cooperative Bank Co., Ltd.	\$ -	\$ 3,918,347
	Others	<u>-</u>	<u>9,685,577</u>
		<u>\$ -</u>	<u>\$ 13,603,924</u>
Commercial papers	Government - related parties	<u>\$ -</u>	<u>\$ 1,498,745</u>

l. Others

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2021	2020
Rental income	Subsidiaries	\$ 13,028	\$ 12,777
	Associates	137	114
	Other related parties	<u>2,619</u>	<u>2,738</u>
		<u>\$ 15,784</u>	<u>\$ 15,629</u>

(Continued)



Line Item	Related Party Category/Name	For the Year Ended December 31	
		2021	2020
Interest income	Subsidiaries		
	All Oceans Transportation, Inc.	\$ 25,262	\$ 41,306
	Hong Ming Terminal & Stevedoring Corp.	10,968	25,978
	YES Logistics Corp.	13,117	13,968
	Others	<u>10,801</u>	<u>847</u>
		60,148	82,099
	Government - related parties	<u>80,761</u>	<u>7,921</u>
		<u>\$ 140,909</u>	<u>\$ 90,020</u>
Dividend	Government - related parties		
	Taiwan Navigation Co., Ltd.	<u>\$ -</u>	<u>\$ 56,607</u>
Finance cost	Government - related parties	\$ 322,277	\$ 495,035
	Subsidiaries	<u>2</u>	<u>3</u>
		<u>\$ 322,279</u>	<u>\$ 495,038</u>
			(Concluded)

The Company's transactions with related parties were conducted under contract terms.

m. Remuneration of key management personnel

	For the Year Ended December 31	
	2021	2020
Short-term employee benefits	\$ 215,544	\$ 107,791
Post-employment benefits	<u>2,240</u>	<u>2,208</u>
	<u>\$ 217,784</u>	<u>\$ 109,999</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collaterals for syndicated bank loans, long-term bank loans, bonds and credit lines:

	December 31	
	2021	2020
Restricted bank deposits (included in financial assets at amortized cost)	\$ 52,025	\$ -
Property, plant and equipment, net	3,990,296	19,539,573
Investment properties, net	<u>-</u>	<u>4,698,219</u>
	<u>\$ 4,042,321</u>	<u>\$ 24,237,792</u>

34. COMMITMENTS AND CONTINGENT LIABILITY

In addition to those mentioned in Table B, Notes 15 and 18, commitments and contingent liability on reporting periods were as follows:

- a. The Company signed ship lease contracts with other companies in 2018, contracts that are effective beginning in 2020 with lease periods ranging from 10 to 12 years. As of December 31, 2021 and 2020, rentals for contracts that were yet in effect were respectively estimated from US\$543,000 thousand to US\$654,000 thousand and from US\$1,206,000 thousand to US\$1,454,000 thousand.
- b. The Company's shipping and port business were secured by the letter of guarantee issued by a government - related bank for \$383,775 thousand and \$440,630 thousand as of December 31, 2021 and 2020, respectively.
- c. The Company signed a ship-building contracts with government-related entity, which had been fully delivered and settled as of December 31, 2021. As of December 31, 2020, unpaid amounts for these contracts were \$1,477,251 thousand and US\$47,944 thousand. The Company's related property transactions in 2021 and 2020 amounted to \$4,724,229 thousand and \$12,100,526 thousand, respectively, were included in property, plant and equipment.

35. OTHER ITEMS

- a. The Company did not consider COVID-19 pandemic to have a significant impact on the business scale and financial situation of the Company, since both containers and bulk shipping markets have obviously recovered since the second half of 2020 and the global economic has an accelerated recovery in 2021.
- b. To simplify YMTC's investment structure and integrate resources, YMTC planned to restructure the Company. In July 2021, the board of directors resolved to merge with Ching Ming Investment Corp. The base date of the merger was November 1, 2021. Due to Ching Ming Investment Corp is a 100%-owned subsidiary of YMTC, in accordance with the regulations of the Questions and Answers "Doubts about Handling Business Combinations under Common Control of IFRS 3" issued by the Accounting Research and Development Foundation, since IFRS 3 "Business Combinations" does not have express provisions for business combinations under common control, the relevant interpretation letters issued by the ROC should still apply.

The essence of YMTC's merger of Ching Ming Investment Corp is the organizational restructuring. According to the relevant interpretation letter issued by the Accounting Research and Development Foundation, when YMTC acquired the equity of Ching Ming Investment Corp for merger, it shall account for the book value of all assets and liabilities in Ching Ming Investment Corp and prepare the consolidated balance sheet accordingly. When preparing the comparative financial statements, it should be deemed to have been consolidated from the beginning and restate the comparative period financial statements. The financial performance of Ching Ming Investment Corp from January 1 to December 31, 2020 has been included in the individual comprehensive income statement of YMTC from January 1 to December 31, 2020, and it has been retrospectively restated into YMTC individual financial statements from January 1 to December 31, 2020.



Previous impact of assets, liabilities and equity items

	Amount Before Restatement	Retrospective Adjustment	Amount After Restatement
<u>December 31, 2020</u>			
Cash and cash equivalents	\$ 13,961,189	\$ 108,817	\$ 14,070,006
Financial assets measured at FVTPL	1,424,612	318,801	1,743,413
Financial assets measured at FVTOCI	1,995,725	1,242	1,996,967
Financial assets measured at amortized cost	2,135,125	64,420	2,199,545
Other current assets	216,914	4,529	221,443
Investment accounted for using equity method	19,441,742	(496,296)	18,945,446
Property, plant and equipment	40,503,281	68	40,503,349
Other intangible assets	62,005	29	62,034
Deferred tax asset	3,019,704	<u>59</u>	3,019,763
Total effect on assets		<u>\$ 1,669</u>	
Other payables	2,807,808	\$ 1,286	2,809,094
Net defined benefit liabilities - non-current	2,842,886	568	2,843,454
Other non-current liabilities	136,577	<u>(185)</u>	136,392
Total effect on liabilities		<u>\$ 1,669</u>	

Previous impact of comprehensive income (loss) items

	Amount Before Restatement	Retrospective Adjustment	Amount After Restatement
<u>For the year ended December 31, 2020</u>			
Operating expenses	\$ (2,549,519)	\$ (11,518)	\$ (2,561,037)
Non-operating income and expenses	(314,104)	9,350	(304,754)
Income tax	(3,524,266)	<u>2,168</u>	(3,522,098)
Total effect on net profit		<u>\$ -</u>	

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the Company and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2021

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 3,578,606	27.6800 (USD:NTD)	\$ 99,055,819
GBP	37,266	37.2781 (GBP:NTD)	1,389,188
EUR	324,185	31.2964 (EUR:NTD)	10,145,816
CNY	340,062	4.3419 (CNY:NTD)	1,476,499
JPY	7,048,630	0.2404 (JPY:NTD)	1,694,144
HKD	90,000	3.5494 (HKD:NTD)	319,443
CAD	32,166	21.6191 (CAD:NTD)	695,409
Non-monetary items			
Investments accounted for using the equity method			
USD	667,529	27.6800 (USD:NTD)	18,477,207
EUR	48,251	31.2964 (EUR:NTD)	1,510,079
CNY	5,256	4.3419 (CNY:NTD)	22,820
<u>Financial liabilities</u>			
Monetary items			
USD	2,499,917	27.6800 (USD:NTD)	69,197,691
GBP	28,159	37.2781 (GBP:NTD)	1,049,724
EUR	36,267	31.2964 (EUR:NTD)	1,135,038
CNY	138,324	4.3419 (CNY:NTD)	600,582
JPY	1,022,404	0.2404 (JPY:NTD)	240,929
CAD	8,795	21.6191 (CAD:NTD)	190,142

December 31, 2020

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 376,202	28.4800 (USD:NTD)	\$ 10,714,220
GBP	5,206	38.8781 (GBP:NTD)	202,415
EUR	27,676	35.0033 (EUR:NTD)	968,735
CNY	258,563	4.3548 (CNY:NTD)	1,125,990
JPY	1,530,470	0.2761 (JPY:NTD)	422,506
HKD	185,792	3.6740 (HKD:NTD)	682,599
CAD	2,715	22.3451 (CAD:NTD)	60,660
(Continued)			



	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Non-monetary items			
Investments accounted for using the equity method			
USD	\$ 412,382	28.4800 (USD:NTD)	\$ 11,744,635
CNY	8,282	4.3548 (CNY:NTD)	36,068
Financial asset at FVTPL			
USD	1,594	28.4800 (USD:NTD)	45,408
CNY	2,565	4.3548 (CNY:NTD)	11,173
<u>Financial liabilities</u>			
Monetary items			
USD	2,081,366	28.4800 (USD:NTD)	59,277,310
GBP	3,712	38.8781 (GBP:NTD)	144,328
EUR	28,633	35.0033 (EUR:NTD)	1,002,255
CNY	162,400	4.3548 (CNY:NTD)	707,220
JPY	1,783,909	0.2761 (JPY:NTD)	492,471
CAD	7,548	22.3451 (CAD:NTD)	168,670
Non-monetary items			
Investments accounted for using the equity method			
EUR	33,187	35.0033 (EUR:NTD)	1,161,655 (Concluded)

For the years ended December 31, 2021 and 2020, realized and unrealized net foreign exchange gains (losses) were \$(383,962) thousand and \$428,515 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Company.

37. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. investees

- 1) Financing provided to others: See Table A attached;
- 2) Endorsement/guarantee provided: See Table B attached;
- 3) Marketable securities held: See Table C attached;
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: See Table D attached;
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None;
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None;
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None;

8) Receivable from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table E attached;

9) Trading in derivative instruments: See Note 7;

10) Information on investees: See Table F attached;

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: See Table G attached;

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None;

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: See Table H attached.



TABLE A

YANG MING MARINE TRANSPORT CORPORATION

FINANCING PROVIDED TO OTHERS

FOR THE YEAR ENDED DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Relate Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amounts	Interest Rate	Nature of Financing (Note A)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note B and C)	Aggregate Financing Limits (Note B and C)	Note
													Item	Value			
0	Yang Ming Marine Transport Corporation	All Oceans Transportation, Inc.	Other receivables	Y	\$ 2,880,435	\$ 2,880,435	\$ 2,880,435	0.7681%-2.9949%	1	\$ -	-	\$ -	-	\$ -	\$ 93,476,509	\$ 116,845,636	

Notes:

A. Nature of financing:

1. The Company has transactions with the borrower.
2. The borrower needs short-term financing.

B. The maximum financing amount is 60% of the net assets of the Company. For borrowers with transactions with the Company, maximum financing is 50% of the net assets of the Company. For borrowers with short-term financing need, the maximum is 10% of the net assets of the Company.

C. For borrower with transactions with the Company, maximum financing is the lower of 15% of the net assets of the Company or the total amount of transactions between the Company and the borrower in the last two years. For the Company's subsidiary borrower, maximum financing is lower of 40% of the net assets of the Company or the total amount of transactions between the Company and the borrower in the last five years. For the borrower needing short-term financing, maximum financing is 5% of the net assets of the Company.

D. United States dollars, translated into New Taiwan dollars at the exchange rate of US\$1=NT\$27.68 as of December 31, 2021.

TABLE B

YANG MING MARINE TRANSPORT CORPORATION

**ENDORSEMENT/GUARANTEE PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021**

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorser/Guaranteee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note A)	Maximum Amount Endorsed/ Guaranteed During the Period (Notes B)	Outstanding Endorsement/ Guarantee at the End of the Period (Notes B)	Actual Borrowing Amount (Notes B)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note A)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Yang Ming Marine Transport Corporation	All Oceans Transportation, Inc.	Subsidiary	\$ 373,906,037	\$ 2,258,716 (US\$ 81,601 thousand)	\$ 521,675 (US\$ 18,847 thousand)	\$ 521,675 (US\$ 18,847 thousand)	\$ -	0.22	\$ 701,073,820	Y	N	N
		Kuang Ming Shipping Corp.	Subsidiary	373,906,037	6,341,237 (US\$ 78,260 thousand and NT\$ 4,175,000 thousand)	4,137,896 (US\$ 58,450 thousand and NT\$ 2,520,000 thousand)	2,685,724 (US\$ 22,576 thousand and NT\$ 1,633,000 thousand)	-	1.77	701,073,820	Y	N	N
		Kuang Ming (Liberia) Corp.	Subsidiary	373,906,037	1,730,342 (US\$ 62,512 thousand)	301,060 (US\$ 10,876 thousand)	301,060 (US\$ 10,876 thousand)	-	0.13	701,073,820	Y	N	N
		Yang Ming (America) Corp.	Subsidiary	373,906,037	221,440 (US\$ 8,000 thousand)	83,040 (US\$ 3,000 thousand)	-	-	0.04	701,073,820	Y	N	N

A. Represents 300% of the latest net assets audited or reviewed by CPA of the Company.

B. Represents 160% of the amount mentioned in Note A.

C. Represents 400% of the latest net assets audited or reviewed by CPA of the Company.

D. Represents 180% of the amount mentioned in Note C.

E. United States dollars translated into New Taiwan dollars at the exchange rate of US\$1=NT\$27.68 as of December 31, 2021.



TABLE C

YANG MING MARINE TRANSPORT CORPORATION

MARKETABLE SECURITIES HELD

DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021			Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value
Yang Ming Marine Transport Corporation	Domestic unlisted shares	-	Financial assets at FVTOCI - non-current	51,000,000	\$ 477,936	9.81	\$ 477,936
	Taipei Port Container Terminal Co., Ltd.	-	Financial assets at FVTOCI - non-current	500,000	5,315	10.00	5,315
	United Stevedoring Corp.	-	Financial assets at FVTOCI - non-current	2,000,000	12,399	1.67	12,399
	Pro-Ascetek Investment Corporation	-	Financial assets at FVTOCI - non-current				
	Domestic listed shares	-	Financial assets at FVTPL - current	1,165,000	70,016	-	70,016
	Fubon Financial Holding Co., Ltd. Preferred Shares C	-					
	Mutual funds	-	Financial assets at FVTPL - current	355,849	6,032	-	6,032
	Hua Nan Multi-Assets Balanced Income Fund TWD (Original: Hua Nan Sele Inc Multi-Asset Fd MD TWD)	-					
	Domestic Limited Partnership	-	Financial assets at FVTPL - non-current	-	13,871	3.30	13,871
	Taiwania Capital Buffalo Fund V, LP.	-					
	Corporate bonds	Subsidiary	Financial assets at amortized cost - non-current	-	600,000	-	600,000
	Domestic privately placed unsecured bonds - Kuang Ming Shipping Corp						

TABLE D

YANG MING MARINE TRANSPORT CORPORATION

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal			Change of Investment Accounted for Using the Equity Method		Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain (Loss) on Disposal		Shares	Amount
Yang Ming Marine Transport	Mutual funds Jih Sun Money Market Fund	Financial assets at FVTPL - current	-	-	70,245,928	\$ 1,050,000	-	\$ -	70,245,928	\$ 1,050,454	\$ 1,050,000	\$ 454	\$ -	-	\$ -



TABLE E

YANG MING MARINE TRANSPORT CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Yang Ming Marine Transport Corporation	All Oceans Transportation, Inc.	Subsidiary	\$ 3,051,264 (Note A)	-	\$ -	-	\$ -	-
	Yang Ming Line (Singapore) Pte. Ltd.	Subsidiary	5,536,000 (Note C)	-	-	-	5,536,000	-
	Yangming (Japan) Co., Ltd.	Subsidiary	101,005	-	-	-	101,005	-
	Yang Ming Anatolia Shipping Agency S.A.	Subsidiary	165,515	-	-	-	165,515	-
	Yang Ming (Belgium) N.V.	Subsidiary	120,132	-	-	-	120,132	-
	Yang Ming (Netherlands) B.V.	Subsidiary	158,008	-	-	-	158,008	-
	Yang Ming Shipping Europe GmbH	Subsidiary	133,585	-	-	-	133,585	-
	Yang Ming (Italy) S.p.A.	Subsidiary	646,151	-	-	-	646,151	-
	Yang Ming (UK) Ltd.	Subsidiary	174,809	-	-	-	174,809	-
	Yang Ming (Singapore) Pte. Ltd.	Subsidiary	110,883	-	-	-	110,883	-
	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Subsidiary	1,100,090	-	-	-	1,100,090	-
	Yang Ming (France) SAS	Subsidiary	192,631	-	-	-	192,631	-
	YES Logistics Corp.	Subsidiary	539,426 (Note B)	-	-	-	12,600	-

Notes:

- A. Interest receivable and financing provided.
- B. Financial lease receivables and other receivables.
- C. Dividend receivables.
- D. Collections between related parties made according to "Agency Accounting Procedure" by the Company and local business conventions.

TABLE F

YANG MING MARINE TRANSPORT CORPORATION

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note A) December 31, 2021	December 31, 2020	Shares	As of December 31, 2021 Percentage of Ownership	Carrying Amount	Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
Yang Ming Marine Transport Corporation	Kao Ming Container Terminal Corp.	Taiwan	Terminal operation and stevedoring	\$ 3,181,313	\$ 3,181,313	323,000,000	47.50	\$ 4,928,086	\$ 454,994 (Note B)	\$ 216,122 (Note B)	Investments in associates
	Yang Ming Line (B.V.I.) Holding Co., Ltd.	British Virgin Islands	Investment, shipping agency, forwarding agency and shipping managers	555,266	3,272,005	1,757	100.00	7,658,079	6,899,221	6,829,817	Subsidiary
	Yang Ming Line B.V. (Note D)	Netherlands	Investment, shipping agency, forwarding agency and shipping managers	-	-	2,500	100.00	1,510,079	710,562	710,562	Subsidiary
	Kuang Ming Shipping Corp.	Taiwan	Shipping service, shipping agency and forwarding agency	8,927,857 (Note C)	8,927,857 (Note C)	98,882,111 (Note C)	98.88	1,847,847	1,097,797	1,062,888	Subsidiary
	Yang Ming Line (Singapore) Pte. Ltd.	Singapore	Investment, shipping service; chartering, sale and purchase of ships; and forwarding agency	1,113,356	1,113,356	60,130,000	100.00	7,674,208	43,461,198	43,462,497	Subsidiary
	Yang Ming Line Holding Co.	U.S.A.	Investment, shipping agency, forwarding agency and shipping managers	143,860	143,860	13,900	100.00	3,048,457	845,723	845,723	Subsidiary
	All Oceans Transportation, Inc.	Republic of Liberia	Shipping agency, forwarding agency and shipping managers	1,500,181 (Note E)	3,235	1,000 (Note E)	100.00	1,099,647	67,445	(104,042)	Subsidiary
	Yes Logistics Corp.	Taiwan	Warehouse operation and forwarding agency	1,141,691	1,141,691	115,630,977	96.36	1,441,453	408,148	363,160	Subsidiary
	Blomring Terminal & Stevedoring Co., Ltd.	Taiwan	Terminal operation and stevedoring	144,835	144,835	18,000,000	100.00	1,437,722	1,437,722	1,437,722	Subsidiary
	Jing Ming Transportation Co., Ltd.	Taiwan	Container transportation	35,844	35,844	8,615,923	50.98	131,197	1,437,722	5,437	Subsidiary
	Ying Ming Investment Co., Ltd.	Taiwan	Investment	179,810	179,810	5,211,474	49.75	236,695	9,788	4,845	Investments in associates
	Taiwan Fertilizer Co., Ltd.	Singapore	Investment and subsidiaries management	103,802	103,802	3,400,000	34.00	96,463	4,536	1,542	Investments in associates
	Taiwan Fertilizer Co., Ltd.	Taiwan	Shipping agency, forwarding agency and shipping managers	4,366,674 (Note F)	-	70,783,243	16.96	3,483,454	351,928	59,687	Investments in associates

Notes:

- This is translated into New Taiwan dollars at the exchange rate prevailing at the time of investment acquisition.
- This is an adjustment to the remainder investment of investment income or loss recognized at fair value on the date of losing control.
- The original investment amount did not deduct the amount of offsetting the deficit of \$3,000,000 thousand and \$4,701,339 thousand in May 2021 and May 2017, respectively.
- The Company reorganized the organization in December 2020 and adjusted the holding structure of the Company in Europe. The Company acquired equity of Yang Ming Line B.V. from Yang Ming Line N.V.
- All Oceans Transportation, Inc. applied for the capital increase by cash of \$112,276 thousand, \$83,790 thousand and \$1,300,880 thousand in July 2021, May 2021 and March 2021, respectively.
- The Group obtained two directors after the directors re-election in the shareholders' meeting of Taiwan Navigation Co., Ltd. on July 12, 2021. The Group has had a significant influence on the Company.
- The information on investments in mainland China is provided in Table G.



TABLE G

YANG MING MARINE TRANSPORT CORPORATION

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021 (Note J)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021 (Note J)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note E)	Carrying Amount as of December 31, 2021 (Note E)	Accumulated Repatriation of Investment Income as of December 31, 2021
						Outflow	Inflow						
Yang Ming Marine Transport Corporation	Huan Ming (Shanghai) International Shipping Agency Co., Ltd. (Note H)	Shipping agency, forwarding agency and shipping managers	US\$ 1,000 thousand (Note I)	Indirect investment through Singapore-based subsidiary's direct investment in mainland China	\$ -	\$ -	\$ -	\$ -	\$ 9,426	51.00	\$ 4,807	\$ 20,682	\$ -
	Sino Trans PFS Cold Chain Logistic Co., Ltd. (Note D)	Stevedoring equipment, management and related service	US\$ 46,242 thousand	Direct investment in mainland China	(CNY 22,617 thousand)	-	-	(CNY 5,209 thousand)	(46,376)	6.67	(2,678)	22,820	-
Yes Logistics Corp.	Yes Logistics (Shanghai) Corp. (Note A)	International shipping agency	US\$ 4,300 thousand	Indirect investment through US-based subsidiary's direct investment in mainland China	(US\$ 221,440 thousand)	-	-	(US\$ 8,000 thousand)	221,529	96.36	203,829	381,764	-
	Chung Ming Logistics Company Limited (Note B)	Terminal operation and stevedoring, storage, and shipping agency	CNY 144,800 thousand	Investee's direct investment in mainland China	(US\$ 25,952 thousand)	-	-	(US\$ 9,301 thousand)	4,425	47.22	2,089	275,202	-
	Sino Trans PFS Cold Chain Logistic Co., Ltd.	Stevedoring equipment, management and related service	US\$ 46,242 thousand	Investee's direct investment in mainland China	(US\$ 170,620 thousand)	-	-	(US\$ 6,164 thousand)	(46,376)	12.85	(5,959)	45,704	-
	Shanghai United Cold Chain Logistics Co., Ltd. (Note G)	Stevedoring equipment, management and related service	CNY 50,000 thousand	Investee's direct investment in mainland China	(CNY 43,419 thousand)	-	-	(CNY 10,000 thousand)	24,149	19.27	4,654	56,556	-

Company Name	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2021 (Note J)	Investment Amounts Authorized by Investment Commission, MOEA (Note J)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Yang Ming Marine Transportation Corporation (Note D)	\$ 22,617 (CNY 5,209 thousand)	\$ 221,387 (US\$ 7,181 thousand) (CNY 5,209 thousand)	\$140,593,600
Yes Logistics Corp. (Note C)	695,987 (US\$ 17,301 thousand) (CNY 50,000 thousand)	695,987 (US\$ 17,301 thousand) (CNY 50,000 thousand)	(Note F)

Notes:

- A. Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in Mainland China by the Investment Commission, Ministry of Economic Affairs on June 3, 2004, July 4, 2006, December 26, 2006 and August 31, 2016.
- B. Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in Mainland China by the Investment Commission, Ministry of Economic Affairs on April 11, 2005, August 22, 2006, November 29, 2006 and December 2, 2008.
- C. Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in Mainland China by the Investment Commission, Ministry of Economic Affairs on December 16, 2013.
- D. The Company was authorized to invest in Mainland China by the Investment Commission, Ministry of Economic Affairs on August 25, 2021.
- E. Calculated by the % ownership of direct or indirect investment.
- F. Yes Logistics Corp. applied for and obtained the Business Operations Headquarters letter on September 16, 2019, and the term for the letter is to September 15, 2022. Therefore, the restrictions on the amount of investment in China are not applicable to Yes Logistics Corp.
- G. Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in Mainland China by the Investment Commission, Ministry of Economic Affairs on May 12, 2017.
- H. The Company was authorized to invest in mainland China by Investment Commission, Ministry of Economic Affairs on December 25, 2019
- I. Investing by the unappropriated earnings of Yang Ming Line (Singapore) Pte. Ltd.
- J. United States dollars and Renminbi Yuan translated into New Taiwan dollars at the exchange rates of US\$1=NT\$27.68 and CNY1=NT\$4.3419 as of December 31, 2021.

TABLE H

YANG MING MARINE TRANSPORT CORPORATION

INFORMATION OF MAJOR SHAREHOLDERS

DECEMBER 31, 2021

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
The Ministry of Transportation and Communications R.O.C.	467,682,372	13.39
National Development Fund	460,000,000	13.17
Taiwan International Ports Corporation, Ltd.	191,938,579	5.50

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

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

Yang Ming Marine Transport Corp.



Chairman: Cheng-Mount Cheng

Cheng, Cheng-Mount



YANG MING delivers GOOD for life

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